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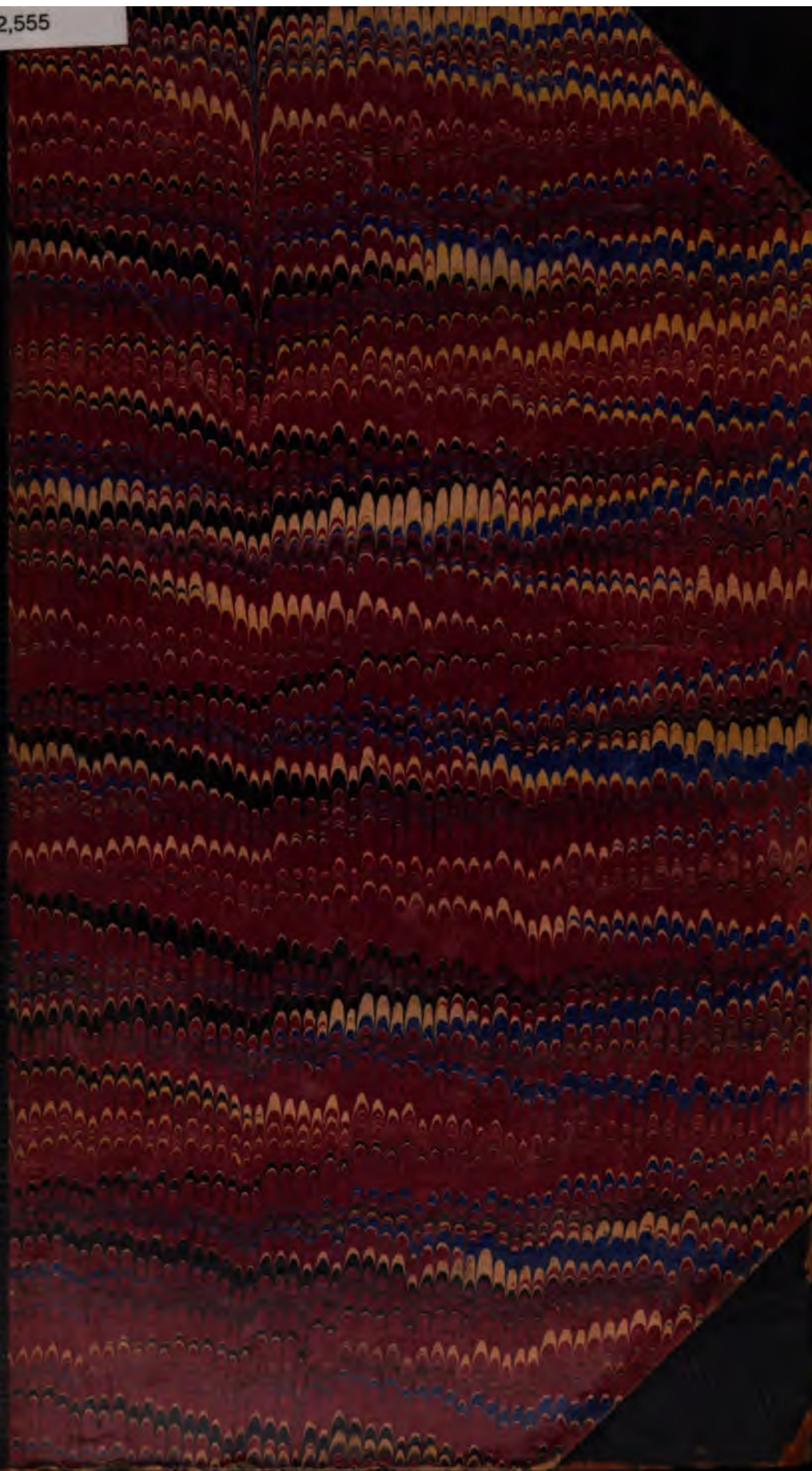
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COMMONWEALTH OF AUSTRALIA.

PARLIAMENTARY DEBATES.

SESSION 1906.

(THIRD SESSION OF THE SECOND PARLIAMENT.)

VOL. XXXII.

(Comprising the period from 12th July to 9th August, 1906.)

SENATE AND HOUSE OF REPRESENTATIVES.

*Printed and Published for the GOVERNMENT of the COMMONWEALTH of AUSTRALIA by
J. KEMP, Acting Government Printer for the State of Victoria.*

1906.

F.11706.

Mr. DUGALD THOMSON.—Goods are not to be sold at less than that price, or they will be considered dumped, and become liable to prohibition.

Mr. ISAACS.—No, the clause does not say that. The honorable member is forgetting all about the intent clause.

Mr. DUGALD THOMSON.—I say that if any person sells goods at a price which he knows is below their cost, that is evidence that he is knowingly selling them below their cost price, and interfering with others who may be selling the same goods at higher prices. I wonder that Ministers do not listen to reason in this matter. I ask honorable members to consider the absurdity of this provision. Goods are not to be sold below their cost of production, and this is to be considered unfair competition until the contrary is proved. Goods must very often be sold below the cost of production, and frequently the longer they are withheld from sale below the cost of production the less can be obtained for them. If people are obliged to keep goods in hand because they will not be allowed to sell them at a price lower than the cost of production without a penalty, they may lose the goods altogether. Is this not a deliberate attempt to put up prices on the public? That portion of the Bill which deals with detrimental trusts, provides against excessive prices; and yet it is now actually proposed to keep up prices, and to insist on firms doing what is absolutely impossible.

Mr. ISAACS.—The honorable member will see that, with the amendment made, the clause applies only to the sale by the original manufacturer.

Mr. DUGALD THOMSON.—The clause has been altered to that extent; but if an agent for a manufacturer offered out-of-season goods, or goods that the market had gone against, how on earth could he get a fair profit on the cost of production?

Sir WILLIAM LYNE.—Will the honorable member compromise if I omit that part of the clause?

Mr. ISAACS.—The market value would then depend on the season, and other circumstances.

Mr. DUGALD THOMSON.—We have no right to interfere with the question of profit, and I cannot accept the suggestion of the Minister. To say by Act of Parliament that people must get a fair profit, is the most extraordinary proposal that has been submitted for centuries. I should say. This is a deliberate forcing up of prices to

the consumers. We ought to leave business firms to look after themselves in that respect; and to any one who is familiar with business, the provision under discussion is ridiculous.

Mr. PAGE (Maranoa) [11.3].—I should like a little enlightenment, in view of the remarks of the honorable member for North Sydney. Bearing in view the wording of the provision, I should like to know what would happen in the case of a sale of goods off a wrecked vessel like the *Australia*?

Sir WILLIAM LYNE.—That would not come under the Bill, because there would be no intention to destroy Australian industries.

Mr. PAGE.—But the clause is most explicit, and says nothing about intent.

Mr. ISAACS.—Clause 15 governs this clause, and can only operate if there is intent.

Mr. PAGE.—That is the position according to the Attorney-General?

Mr. ISAACS.—This provision does not touch the question of intent to destroy Australian industries, which there must be in every case.

Mr. PAGE.—In the case which I have instanced, would there not be an intent to destroy Australian industries?

Mr. ISAACS.—In the case which the honorable member quoted, the clause would not apply.

Mr. LONSDALE (New England) [11.5].—This clause is a definition of unfair trading.

Mr. ISAACS.—Of unfair competition.

Mr. LONSDALE.—There is no mention of intent; if there had been, there might have been some ground for the Attorney-General's contention. In my opinion, this is distinctly a definition of unfair competition; and if a man sells his goods at less than the cost price, he is to be held as unfairly competing. We all know that merchants and others often sell their goods out of season at any price; and the effect of this clause would be to compel them to keep their stocks. The honorable member for Werriwa last night gave us examples of legislation of this kind about the time, I suppose, of Adam—in the centuries when the world was deemed to be uncivilized.

Mr. JOSEPH COOK.—It was civilized enough!

Mr. LONSDALE.—Compared with the legislation of the day, I think the legislation of times gone by was, indeed, civilized. The legislation of the 14th cen-

tury was to prevent manufacturers and others imposing on the public, whereas, silly Bills of this kind would not allow people to get goods at a fair price, or at the price at which the manufacturer is prepared to sell. In Australia we have the Customs duties, and there is also the cost of transport; and this kind of legislation is utterly absurd. Although a compact has been made that this Bill shall be passed through the Committee stage during this week, I nevertheless think it is an outrage to allow the measure to slip through. I hope the Minister of Trade and Customs will pay a little respect to what is right and proper, and omit this clause.

Mr. CROUCH (Corio) [11.9].—As to the word "foreign," I understand that the provision is drawn from the Sherman Act.

Mr. ISAACS.—Not this part.

Mr. CROUCH. — "Foreign" would, under the Sherman Act, mean anything outside the United States. Under this Bill, I understand, the word will not include other parts of the British Empire and the United Kingdom.

Mr. ISAACS.—It means anything outside Australia.

Mr. CROUCH. — In the Law Courts there is a "foreign" jurisdiction, but it is a straining of the meaning of the word; and I think the meaning ought to be confined to markets outside the Empire.

Mr. ISAACS.—It means outside Australia.

Mr. CROUCH.—There is no definition in the Bill, and I accept the explanation of the Attorney-General.

Mr. GLYNN (Angas) [11.10]. — No doubt the "fair foreign market value" ought to be the value at the place of exportation. As the honorable member for Corio has pointed out, it might be the value at any place, and there is no provision in this part of the Bill, which is not incorporated with the Customs Act, for proving what the market value is. I do not know that this part of the clause matters very much, seeing that the onus of proof is on the prosecuting party. All the facts have to be proved by the informant; and when sufficient *prima facie* evidence is produced, then comes in the defence to show that the competition is not unfair. I think the draftsman has forgotten to be specific as to what is "foreign," and has also forgotten to incorporate the Customs Act of 1891,

under which bills of lading or invoices may be *prima facie* evidence of value. I do not think that the provision will help the Government very much, because, as the honorable member for North Sydney has pointed out, it is absurd.

Mr. WILSON (Corangamite) [11.11].—I think that if the Minister would take out the word "foreign" and let the clause read "a fair profit upon their market value" it would be improved.

Mr. ISAACS.—"Market value" where?

Mr. WILSON.—At the port of export. If the words "fair foreign market value" are left in, the clause would mean that, although off-season goods were depreciated in the old country, they could not be sold here at a fair profit upon their actual cost.

Mr. DUGALD THOMSON (North Sydney) [11.11].—I can see the greatest objection to any Government fixing the price of goods. The effect will simply be to force up prices against the public. Who can say what is a fair profit in any industry? One per cent. would be a fair profit in some lines of trade, and 50 per cent. would not be too much in other businesses. Why should we insert a provision imposing upon the Comptroller-General the obligation to decide what are fair profits?

Mr. ISAACS.—The Comptroller-General does not decide anything.

Mr. DUGALD THOMSON.—In clause 15 the words "with the intention aforesaid" are used. What is "the intention aforesaid?" In the clause under consideration "unfair competition" is described.

Mr. ISAACS.—The intention is set out in the early part of clause 15.

Mr. DUGALD THOMSON.—If the goods are being imported with the intention of being sold at what the Government considers is not a fair profit, an offence is committed.

Mr. ISAACS.—With the intention to destroy an Australian industry by unfair competition.

Mr. DUGALD THOMSON.—The Attorney-General is wrong.

Mr. ISAACS.—I have explained before that the Government intends to put the clause in this way: "With intent to destroy or injure any Australian industry by their sale or disposal within the Commonwealth in unfair competition with any Australian industry."

Mr. DUGALD THOMSON. — Why should we enter into that question at all? It is a most complicated thing to declare what profits shall be made in a particular line of business. It is even difficult to fix profits on various lines sold by the same firm.

Question—That the words proposed to be left out stand part of the clause—put. The Committee divided.

Ayes	...	...	29
Noes	...	...	9
			—
Majority	...	...	20

AYES.

Batchelor, E. L.	Poynton, A.
Brown, T.	Salmon, C. C.
Carpenter, W. H.	Spence, W. G.
Chanter, J. M.	Storrer, D.
Chapman, A.	Thomson, D. A.
Crouch, R. A.	Tudor, F. G.
Culpin, M.	Watkins, D.
Ewing, T. T.	Watson, J. C.
Fisher, A.	Webster, W.
Forrest, Sir J.	Wilkinson, J.
Groom, L. E.	Wilson, J. G.
Hutchison, J.	
Isaacs, I. A.	
Lyne, Sir W. J.	
O'Malley, K.	
Page, J.	

Tellers:

Cook, J. H.
Mauger, S.

NOES.

Conroy, A. H. B.	Willis, H.
Cook, J.	
Glynn, P. M.	
Johnson, W. E.	
Lonsdale, E.	
Thomson, D.	

Tellers:

Kelly, W. H.
McWilliams, W. J.

PAIRS

Higgins, H. B.	Liddell, F.
Kennedy, T.	Cameron, D. N.
Thomas, J.	Gibb, J.
Frazer, C. E.	Lee, H. W.
Bonython, Sir J. L.	Smith, S.
Fuller, G. W.	Phillips, P.
Hughes, W. M.	Skene, T.
Ronald, J. B.	Reid, G. H.
Mahon, H.	Robinson, A.
Deakin, A.	Edwards, R.
Maloney, W. R. N.	Wilks, W. H.

Question so resolved in the affirmative.

Amendment negatived.

Mr. KELLY.—Do I understand that that Government will recommit the clause with a view to deleting the words "or their cost of production"?

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [11.23].—I shall ask the Attorney-General to look into the effect of the words. He may advise

me that it is necessary to take them out, and if he does I shall do so on my own account. If, however, honorable members should want to reconsider the question I shall recommit the clause for that purpose.

Mr. DUGALD THOMSON (North Sydney) [11.24].—I move—

That paragraph *f* be left out.

I do not know whether honorable members desire to retain this paragraph, which is a rank absurdity. It says—

If the person importing or selling the imported goods directly or indirectly gives to agents or intermediaries disproportionately large reward or remuneration for selling or recommending the goods.

In the first place, who is to say what is an undue reward? And, secondly, are we going against the principle of profit-sharing, which often enters into that method of remuneration?

Sir WILLIAM LYNE.—I will accept the amendment.

Mr. LONSDALE (New England) [11.25].—It is time that the Ministry awoke to the necessity of trying to remove provisions which are absolutely silly.

Sir WILLIAM LYNE.—Do not abuse me after agreeing to the amendment.

Amendment agreed to.

Amendment (by Mr. DUGALD THOMSON) agreed to—

That the following new sub-clause be added:—
"3. In determining whether the competition is unfair, regard shall be had to the efficiency of the management, the processes, the plant, and the machinery employed or adopted in the Australian industry affected by the competition."

Mr. CONROY (Werriwa) [11.26].—Even with these alterations, the clause is imperfect, because we have neglected to provide that, before the competition is declared unfair, the manufacturers shall be bound to provide sufficient goods of the quality required. Suppose, for example, that this year a clause of this kind had been put into operation with regard to blankets. For one reason or other—I suppose because they desired to keep up the prices—the Australian woollen mills did not take the trouble to employ sufficient men to make all the articles required for the Australian people. If they had multiplied their staff twofold or threefold, they could only have kept pace with the demand, but not one of them took the trouble to do that, because there is a duty of 25 per cent. on the finished article. The condition of affairs would have been still worse if, under the

operation of a clause of this kind, competing blankets had been absolutely shut out. We ought to provide that before the competition is declared unfair, manufacturers shall be bound to provide a sufficient quantity of the goods required. Therefore I move—

That the following words be added—"Before competition is declared unfair, manufacturers of goods declared to be under the provisions of this Act shall make sufficient of such goods; and any manufacturer neglecting to employ sufficient men at reasonable rates of wages shall be liable, for every day or portion of a day, he so neglects to employ men, to a penalty of Five hundred pounds."

Mr. LONSDALE (New England) [11.31].—I agree with the honorable and learned member for Werriwa that, if we are going to prohibit the importation of foreign goods in order that local manufacturers shall have less competition to meet, we should provide that they shall make and keep in stock a supply of their manufactures sufficient for the requirements of the public. I know that what he has stated in regard to the supply of Australian blankets is quite correct, and that the quantity required by those ordering them could not be obtained from the Victorian mills. The amendment is a corollary to the other provisions of the Bill. If manufacturers abroad are prevented from supplying the needs of the Australian public, the local manufacturers who will benefit by the absence of foreign competition should be required to do so. Legislation of this kind was passed in the fourteenth century, but it was wiser legislation than the provisions of the Bill, because its object was the protection of the public, and not the benefiting of manufacturers to the injury of the public. The Bill is being passed solely in the interests of our manufacturers.

Mr. HUTCHISON (Hindmarsh) [11.33].—There is no doubt something in what the honorable and learned member for Werriwa has stated. I agree with honorable members that, if we shut out foreign competition, Australian manufacturers should keep the market supplied with goods. If they do not do so, a splendid opportunity will be afforded to the Commonwealth to manufacture goods for the public, and we shall then be able to ask the honorable and learned member and others to vote for an arrangement which will insure that the public convenience shall be met.

Mr. WILSON (Corangamite) [11.34].—I do not know whether the honorable and learned member for Werriwa was serious

when he moved the amendment, but, to my mind, it is a ridiculous one, and the fine provided for is absurd. The statement which has been made about Australian-manufactured blankets is not quite in accordance with fact. I know that the Victorian mills have been working at full time for a long while past, because the demand this season has been exceptional, and they all contemplate putting in additional machinery to cope with the larger demand. This state of affairs is accounted for by the fact that Victorian and, to some extent, South Australian blankets are so excellent in quality that they are actually displacing foreign blankets in this market. I shall vote against the amendment.

Mr. CONROY (Werriwa) [11.35].—The honorable member for Corangamite has not grasped my point. I desire to provide that, before competition shall be declared unfair, the local manufacturers shall be required to manufacture sufficient goods to supply this market without unduly raising prices. This will prevent a combination of manufacturers from working half-time, in order, by lessening production, to increase prices. Those who have the interest of the public at heart should vote for the amendment. I am glad that the manufacturers are prospering, but I object to a measure protecting them in a manner which is opposed to the public interest. A provision similar to this was enacted in England 500 years ago, and should certainly be in a Bill of this character. However, as there seems to be no hope of carrying the amendment, I shall not call for a division upon it.

Amendment negatived.

Question—That the clause, as amended, stand part of the Bill—put. The Committee divided.

Ayes	...	...	...	21
Noes	...	...	...	8
Majority	...	...	...	13

AYES.

Batchelor, E. L.
Brown, T.
Chanter, J. M.
Chapman, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Groom, L. E.
Hutchison, J.
Isaacs, I. A.
Lyne, Sir W. J.
Page, J.

Poynton, A.
Salmon, C. C.
Spence, W. G.
Storrer, D.
Thomson, D. A.
Tudor, F. G.
Wilson, J. G.

Tellers:

Cook, Hume
Culpin, M.

NOES.

Cook, J.
Johnson, W. E.
Kelly, W. H.
Lonsdale, E.
Thomson, D.

Willis, H.

Tellers:

McWilliams, W. J.
Conroy, A. H. B.

PAIRS.

Mauger, S.
Higgins, H. B.
Kennedy, T.
Thomas, J.
Frazer, C. E.
Bonython, Sir J. L.
Phillips, P.
Maloney, W. R. N.
Hughes, W. M.
Ronald, J. B.
Mahon, H.
Deakin, A.
Crouch, R. A.

Knox, W.
Liddell, F.
Cameron, D. N.
Gibb, J.
Lee, H. W.
Smith, S.
Fuller, G. W.
Wilks, W. H.
Skene, T.
Reid, G. H.
Robinson, A.
Edwards, R.
Glynn, P. McM.

Question so resolved in the affirmative.
Clause, as amended, agreed to.
Progress reported.

House adjourned at 11.48 p.m.

House of Representatives.

Friday, 13 July, 1906.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

IMPERIAL DEFENCE COMMITTEE'S RECOMMENDATIONS.

Mr. KELLY.—In view of the fact that the Government itself asked the advice of the Imperial Defence Committee on the question of Australian defences—(1) Will the Government inform the House as soon as a decision is come to if it is its intention not to follow the advice it has itself sought on the larger questions involved? (2) If the Government decides not to follow the Imperial Defence Committee's advice, will the Government put the House in possession of the Imperial Defence Committee's arguments on the question as well as that of its local advisers?

Mr. DEAKIN.—I have within the last few weeks addressed the Home authorities by despatch with regard to the very inconvenient and uncertain practice at present obtaining of marking "confidential" certain communications passing between them and ourselves. The principle followed is not at all clear, though we have been at some pains to try to discover it. The request preferred was for a complete scheme

of Australian defence, which must necessarily be discussed by Parliament. When Ministers have had an opportunity to read the document, and it has been considered by the Minister of Defence and his advisers, I propose to inquire whether it is inadvisable to make public any part of it. From a cursory inspection, I think that there are few, if any, passages which should not be published. If our views differ in any respect from the advice given by the high authority, whose opinion we have asked, it is only fair that we should give the reasons for the difference. We are not compelled to accept that advice, but we are bound to give our grounds for not following it. Honorable members will agree that the fullest information should be put before Parliament, so long as we do not touch on points which may indicate weakness in our chain of defence, or possibilities which it is not advisable to suggest. The whole matter should, and must, be laid before Parliament if it is to be effectively dealt with.

CITY TELEGRAPH OFFICES.

Mr. DUGALD THOMSON asked the Postmaster-General, *upon notice*—

1. Will he name the branch city telegraph offices in Sydney and in Melbourne from which instruments have been recently, or are to be, removed?
2. Which of those offices have tube connexion with the head office?
3. Which will require a messenger service for conveyance of messages to a despatching office?
4. How frequently will messengers leave each of such offices with the accumulated messages?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished as early as possible.

DEATH OF MR. SEDDON.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [10.38].—It is fitting that honorable members should be informed of the acknowledgment by the Acting Premier of New Zealand and Mrs. Seddon of the resolutions of this Parliament recording our regret at the untimely death of the late Prime Minister of that Colony, and expressing our sympathy with his family and the people of New Zealand. The Acting Prime Minister of New Zealand writes:—

Prime Minister's Office,
Wellington, 7th July, 1906.

Sir,

I have the honour to acknowledge receipt of your letter of 28th June, forwarding a memorial copy of the report of proceedings of the Commonwealth Parliament in passing the resolutions

of regret at the death of the Right Honorable R. J. Seddon, and in reply thereto I beg to tender you, on behalf of Mrs. Seddon, her family, and the Government of New Zealand our heart-felt appreciation of the graceful tribute paid to the memory of our late Prime Minister.

I have the honour to be, Sir,

Your obedient servant,

WM. HALL-JONES.

Mrs. Seddon's letter, although in part personal, is also public. She writes:—

Wellington, N.Z., 7th July, 1906.

Dear Sir,

Your kind letter of the 27th June, with copies of the reprint of the Parliamentary proceedings in connexion with the resolution of regret at the decease of my dear husband, and of deep sympathy with myself and family in our affliction, has just reached me. Words cannot express my grateful appreciation of the kind and sympathetic references by yourself and the other members of your National Parliament, and for the unanimous resolution of sympathy passed by Parliament. May I ask you to be good enough to convey my heart-felt thanks of myself and family to the members of Parliament, and accept the same yourself, for your never-to-be-forgotten kindness in my time of grief.

Yours sincerely,

LOUISE J. SEDDON.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

In Committee (Consideration resumed from 12th July, *vide* page 1293):

Clause 15—

1. The Comptroller-General, whenever he has reason to believe that any person, either singly or in combination with any other person within or beyond the Commonwealth, is importing into Australia goods (hereinafter called "imported goods") with the intention that they may be sold or offered for sale or otherwise disposed of within the Commonwealth in unfair competition with any Australian goods, may certify to the Minister accordingly.

2. The certificate of the Comptroller-General shall specify the imported goods and the Australian goods referred to, and the person whom he believes to be importing goods with the intention aforesaid.

3. Thereupon the Minister may—

- (a) appoint a Board of three persons to investigate and report upon all matters of fact material to the question whether the goods are being imported with the intention aforesaid; and
- (b) notify in the *Gazette* that a Board has been so appointed for the purpose of the said investigation and report.

Mr. JOSEPH COOK (Parramatta) [10.40].—I move—

That after the word "has," line 1, the words "received a complaint in writing and has" be inserted.

I wish to make it clear that before any drastic step of the kind provided for is

taken, the complaint shall be lodged in the Department in writing, so that it may be recorded. The officer cannot act except on information supplied from the outside.

Sir WILLIAM LYNE.—I accept that.

Mr. GLYNN (Angas) [10.42].—I desire to add at the end of sub-clause 3 in the proposed amendment the words "including the name, address, and occupation of any person upon whose statements he may have acted."

Mr. JOSEPH COOK.—That amendment can be made afterwards.

Mr. GLYNN.—I think that we ought to go further still, and make liable to costs the man upon whose wrong information the Comptroller-General may act.

Mr. ISAACS.—We propose to do that by amending clause 20.

Amendment agreed to.

Amendment (by Sir WILLIAM LYNE) agreed to—

That after the word "person," line 2, the words "hereinafter called the 'importer'" be inserted.

Mr. ISAACS (Indi—Attorney-General) [10.44].—I move—

That the words "the intention that they may be sold or offered for sale or otherwise disposed of," lines 6 to 8, be left out, with a view to insert in lieu thereof the words, "intent to destroy or injure any Australian industry by their sale or disposal."

As the honorable and learned member for Angas has pointed out, in the clause as it is proposed to be amended there would be an alternative owing to the addition of the words "or with the intention of destroying or injuring any Australian industry by unfair competition." If the amendment I now propose be adopted those words will be unnecessary.

Amendment agreed to.

Amendment (by Sir WILLIAM LYNE) proposed—

That all the words after the word "specify," in sub-clause 2, be left out, with a view to insert in lieu thereof the following words:—

- "(a) the imported goods;
- (b) the Australian industry and goods;
- (c) the importer;
- (d) the grounds of unfairness in the competition.

3. The Comptroller-General may add to his certificate a statement of such other facts as in his opinion ought to be specified to give the importer fair notice of the matters complained of."

Mr. GLYNN (Angas) [10.50].—I wish to make it obligatory that the Comptroller-General's certificate shall specify the

name of his informant. Consequently I move—

That the amendment be amended by the insertion of the following new paragraph in sub-clause 2 :—

“(e) The name, address, and occupation of any person not being an officer of the Public Service upon whose information he may have acted.”

My object is to insure that outside interlopers shall declare their names and occupations.

Mr. ROBINSON (Wannon) [10.51].—I hold that complaints under this Bill should be limited to persons who allege that they are suffering from unfair competition. These individuals should be compelled to put their complaints in writing. Officers of the Department should not be permitted to transform themselves into advocates for any particular manufacturer or producer.

Mr. BAMFORD.—The same argument might be applied to any Customs House officer at the present time.

Mr. ROBINSON.—But the complaint which is usually made by Customs officers is that some person is attempting to defraud the revenue. Under the clause in its present form, a special privilege is to be granted to persons lodging complaints. Unless we insist that they shall put their complaints in writing, backstairs influence must inevitably creep in.

Sir WILLIAM LYNE (Hume—Minister for Trade and Customs) [10.55].—If the honorable and learned member for Wannon will look at the early part of the clause he will see that under it any outside person lodging a complaint is bound to put his complaint in writing. An amendment has been inserted to that effect. The proposal to publish in the *Commonwealth Gazette* any memorandum or statement which may be made by an officer of the Department to the Comptroller-General would, to a very large extent, paralyze action on the part of the Comptroller-General.

Mr. ROBINSON.—We do not want that.

Sir WILLIAM LYNE.—The clause will work in this fashion: Let us suppose that an outside person were aggrieved. He would make his complaint in writing. When it came before the Comptroller-General, probably that officer would refer it to the Collector of Customs in the particular State affected. It is not proper that communications which pass between the Comptroller and his officers should be published in the

Gazette. But when the Comptroller-General makes a statement it must be made public. To a large extent he must rely upon the information that he has obtained from his officers. We must allow the Department some latitude in acquiring the necessary information upon which the Comptroller-General is to act.

Mr. KELLY (Wentworth) [10.57].—It seems to me that the certificate which the Comptroller-General must issue in all these cases is a certificate to his own Minister, and, therefore, there is no reason why the original informant's name, whoever he be, should not go with it. The determination of the question of whether a prohibition shall be imposed on imported goods is afterwards to be referred to a Justice of the High Court, as provided in sub-clause 2. That provision, however, does not specify that the certificate shall be referred to a Justice. Obviously the Minister should know the source from which these charges have emanated.

Sir WILLIAM LYNE.—So he will.

Mr. KELLY.—The certificate is merely one from the Comptroller to the Minister, and the clause contains no direction that it shall be published.

Mr. ISAACS.—We have met the honorable member's part very fairly. I need scarcely point out to him that Parliament may call for the production of the certificate any time that it chooses.

Amendment of the amendment agreed to.

Mr. FOWLER (Perth) [11].—I move—

That the amendment be further amended by the addition of the following new sub-clause :—

“(4) If the unfairness in the competition is indicated in respect of prices the Comptroller-General shall specify what in his opinion are fair selling prices for the goods sought to be protected under this Act or which may be imported subject to any specified conditions or restrictions under this Act.”

My proposal fairly well explains itself, but I may mention that my object is to carry out what I think may be regarded as one of the intentions of the Bill, although the provisions for carrying out that intention are in one important respect very imperfect. I refer to the protection that will be afforded to the consumers.

Mr. JOSEPH COOK.—Where would the protection to the consumer come in, if, say, the price of raisins were fixed to-day at 3d. per lb., and to-morrow they went down to 2½d. per lb.?

Mr. FOWLER.—I merely wish to establish a maximum that will prevent the

consumer being exploited to an abnormal extent. Prices may be reduced as much as a competitor pleases, but the object of my amendment is to provide that they shall not go above a reasonable figure. One of my strongest objections to the policy of protection, as it has been understood, is that whilst the manufacturer secures the advantages of such a policy, the consumer is left at the mercy of the manufacturer, and of such competition as may be unlikely in the circumstances. If by a measure of this kind we establish what may be called abnormal conditions, by shutting out imports that would come into competition with local articles and thereby tend to keep down prices to a reasonable level, then, in fairness to the consumer, we ought to protect him from the possibility of having to pay such extortionate prices as would be possible if the prohibition intended in certain circumstances under this Bill were brought about. Within the last forty-eight hours I have had placed in my hands a small pamphlet bearing out my views on this subject, which was written by a gentleman who has had much to do with the sale and distribution of Canadian harvesters in Australia. I refer to Mr. T. J. McBride, who is at present in New Zealand. Whilst here Mr. McBride always took a keen and intelligent interest in the social and economic conditions of Australia, and I believe that he is now displaying a similar interest in regard to New Zealand. He was for many years general director of the business of the Massey-Harris Company in Australia, so that his views on this subject should be regarded as those of a man of sound business experience, and not those of an impracticable or unreasonably idealistic thinker. In the little pamphlet in question he is advocating in connexion with New Zealand's home industries a system by which protection could be extended both to the manufacturer, the worker, and consumer—a system of protection, to which, by the way, I should have very little objection, since it would in many respects very closely approximate to my ideal of the nationalization of such industries as are practically monopolies. The writer says amongst other things—

No reasonable person will at this time object to a fair compensation for capital, but, heretofore, capital has been permitted to take as a right, under the sanction of tradition, legislation, and established custom, all the surplus earnings made possible by the combined productive power of capital, labour, and society, that consumed their joint products.

We now see clearly and unmistakably that common fairness demands broader and wiser treatment for the consumers, who are the source of all profits. We also perceive that the continual labour agitation and the consumers' growing discontent are mainly about the customary retention by capital of all the surplus over and above a fair interest. This exploitation by the privileged few is unfair, unreasonable, and unjust, and cannot continue without bitterness, serious friction, stagnation, and great loss to the community.

Our manufacturers should be satisfied with a guaranteed liberal maximum percentage on their capital if given by protection all the trade of the country in their respective lines, and should return to the consumers annually, in cash or paid-up shares, the surplus that may have been temporarily but unnecessarily taken from the consumers.

Mr. SKENE.—What guarantee could be given that they had returned the surplus?

Mr. FOWLER.—Mr. McBride goes into the matter fully, but I do not wish to go into details at this stage. He goes on to say that—

Local combination and its attendant advantages would be infinitely better for all concerned than Tariff protection. I am, however, in favour of both combination and protection, provided the surplus savings thereby effected are returned to the consumers, but not otherwise, as any other basis will not endure.

He has also some observations in regard to the methods of controlling a combination that ought to be interesting to us at this juncture. He writes—

There are only two practical ways of controlling a combine or a trust, viz.:—1st. As a temporary or evolutionary expedient; to specify by law the maximum interest or profit, &c., to be allowed to capital, and to leave each line of business under the control of private owners. 2nd. If a guaranteed maximum profit is not accepted by capital whilst an uncertain minimum wage is accepted by labour, then the only alternative in the interests of the people and the State is complete public ownership of each and every consolidated industry, which will insure fair conditions for labour, and also that the goods in every line of production shall be supplied to the consumer at or near cost.

I commend the last observations to the Committee. Although not strictly relevant to my proposals, they are worthy of attention, coming as they do from a level-headed, practical, successful business man, who has been identified with the production and distribution of goods under a trust in Australia, and who ought, therefore, to know what he is talking about. The amendment which I now propose is the first of a series of amendments, the others being consequent upon it. My idea is that when this unfairness is indicated in connexion with prices, it should be part of the duty of the Comptroller-General to go into the

matter, and if he sees that there is, or is likely to be, some exploitation of the public in the way of prices, he should say what, in his opinion, would be a fair and reasonable price for the goods proposed to be protected under this Bill. Then his recommendation, along with the other recommendations and information indicated by the clause, would be sent on to the Justice, who would again consider what would be a fair selling price for the goods proposed to be protected, or introduced into the country under special restrictions. Having done that, the Justice would determine that the goods against the importation of which a protest had been lodged should be excluded from the local market altogether, or should be introduced only under the specified conditions, and what should be the maximum price at which such goods might be sold if their importation were permitted. I wish to make it clear that I do not desire to establish a definite price. The intention and object of my amendment is simply to fix a maximum, and below that anything can be done in the way of competition. The maximum would be a figure which might be recognised by the Justice as something beyond which the goods ought not to go in price, in common reason, and in the ordinary dealings of business people.

Mr. JOSEPH COOK.—How, for instance, would the honorable member fix the price of fruit?

Mr. FOWLER.—I do not think it is likely that we shall be applying legislation of this kind in connexion with the introduction of fruit.

Mr. JOSEPH COOK.—The price of fruit ranges from 6d. to £1 per box.

Mr. FOWLER.—If it goes up to £1 per box on that particular class of goods, the Justice would have no hesitation in declaring £1 per box as the maximum price. It is easy to express doubt as to whether such a provision as I propose is workable, but, in my opinion, it is quite as workable as are many of the clauses which the Committee has already passed. I believe that this Bill is largely an indication of future possibilities in legislation of a more effective character, and the fact that we emphasize the necessity for the protection of the consumers by fixing a maximum price will probably afford some basis for future legislation in regard to this very important and necessary phase of protection. I have given some consideration to the matter, and in view

of the testimony I have submitted from a shrewd business man, who has for some time been engaged in work closely connected with the kind of operations with which this Bill deals, I am sure the Committee will give that consideration to my amendment to which it is fairly entitled in accordance with the principles which have actuated honorable members in dealing with the measure.

Mr. CONROY (Werriwa) [11.16]. — I am very glad that the honorable member for Perth has seen fit to propose an amendment of this sort. It is one which I think should receive the cordial indorsement of every member of the Committee—

Mr. JOSEPH COOK.—Who is a Socialist.

Mr. CONROY.—It should certainly receive the support of every member of the Committee who is a Socialist, but it should also receive the support of every honorable member who, though he may not be a Socialist, still does not desire to see a local monopoly created under the provisions of this Bill, with power to raise prices against all the consumers in the States, and without any obligation to contribute any portion of their profits to the workers in their employ. This is all that the amendment aims at. It practically says only that when competition is declared to be unfair in the terms of the Bill, and to come within the prohibition sections of the Commonwealth Customs Act—because it must not be forgotten that under sub-clause 2 of clause 18 of this Bill—

The Governor-General may, under the powers of the Customs Act 1901, prohibit the importation of the imported goods either absolutely or under such conditions—

and so on. Honorable members will see that under this provision the Governor-General is given power to absolutely prohibit the importation of certain goods, and we may be placing the whole of the consumers throughout Australia at the mercy of every little local combination that is able to get the provisions of the Bill put into operation. In the circumstances, it is but right and fair that some regard should be had to the interests of the great mass of the people, and that before any manufacturer should be able to have the Bill put into operation for his benefit, he should at all events be obliged to disgorge a portion of the profit he would thus be enabled to make, and which, but for this amendment, he could retain. Failing that, under the amendment he would have to sell his goods at such a fair and reasonable

price that he would not be able to take advantage of an absolutely closed market to raise prices to such an extent that the great bulk of the people would be as effectually prevented from purchasing his goods as if their manufacture did not exist.

Mr. JOSEPH COOK.—Conroy advocating prohibition!

Mr. CONROY.—I point out that I am supporting this amendment because of the other provisions of the Bill. Considering the spirit of the measure, and dealing with it in its entirety, I say that it is absolutely necessary to have some guarantee that the Bill shall be what, on the face of it, it purports to be, but what it is not at the present time, a measure to safeguard the interests of the workers and consumers, and not merely those of the manufacturers. A provision such as that contained in the amendment, would no doubt tend to bring about some spirit of fairness on the part of manufacturers. They would not appeal as readily to the provisions of the measure when they found that a share of the profit they would otherwise make must go to the consumers of the articles they manufacture. Under the circumstances, I have no hesitation in supporting the amendment. I can quote excellent precedents for it. One is an English Act of 1368; and, in this connexion, I foreshadowed my present intention by giving notice of an amendment. This English Act provided that the Justice should, on the motion of any person, assess the prices at which articles must be sold, so that the manufacturer should have "reasonable gains and no more." It is the latter part of that provision that I quote literally, as it provides for fair prices. By that English Act, however, a manufacturer was liable to a penalty if he did not observe the prices fixed; and here, it will be observed, there is an omission in the clause under consideration. The English Act provided that any manufacturer who refused to accept the prices assessed should be liable to a penalty of £100 for each offence; and a similar provision in the Bill would put an end to much sham patriotism. When manufacturers found that the profits were not likely to go into their own pockets, but to go into the pockets of the workmen, their anxiety for Parliament to meddle would sensibly diminish; and it would be desirable to bring an end to the log-rolling in which some of the manufacturers endeavour to indulge. I regard

an amendment of this character as vitally necessary. Another precedent is afforded in an English Act of 1532, whereby the mayors of boroughs and the rulers of counties and shires were called upon to assess the prices at which meat and other victuals should be sold. In the following year, however, the butchers complained that the graziers, breeders, and drovers would not sell the cattle at such prices as enabled the retailers to get "reasonable gains, and no more."

Mr. JOSEPH COOK.—Is there not an English Act of about the same period relating to the sale of herrings?

Mr. CONROY.—The Act relating to herrings was passed in the fifteenth century, and dealt with forestalling. When the butchers complained of the action of the graziers, breeders, and drovers, an Act was passed in 1538 providing that any breeder, grazier, or drover who refused to sell stock at reasonable prices should appear before the Justices, and that the latter should thereupon appoint "indifferent men"—that is disinterested men—to assess the prices. If the breeder, grazier, or drover refused to sell at the prices assessed he was haled before the Star Chamber, there to await the pleasure of King's Counsel.

Mr. JOSEPH COOK.—Things seem to have been much the same in those days as at the present day.

Mr. HUGHES.—The honorable and learned member for Werriwa has forgotten to mention the fixed prices for food in San Francisco recently.

Mr. CONROY.—There was an earthquake in San Francisco. The Minister in charge of the Bill ought to make further provision to meet the case of manufacturers who choose to work only half time, or take any other action of the sort. Legislation of this class ought to be carried right through to its logical conclusions. If the premises are such as to lead to absurd conclusions, the fault is not ours, but is that of those who assert the premises. This Bill is said to be in the interests of the workers, and amendments to that end ought to be accepted. Nobody can contend that this amendment would not be in the interests of the workers and the consumers, or that it would in any way prevent the manufacturer from appealing to the Court if he thought he was suffering injury. Indeed a manufacturer, who was acting from purely patriotic motives, and

who intended to divide the profits with his workers, would appeal to the Court with additional strength.

Mr. McWILLIAMS.—Not many manufacturers would appeal to the Court under such circumstances.

Mr. CONROY.—That may be; but we must not introduce legislation solely on behalf of two or three particular individuals. We must take care that consumers are not mulcted in extra prices, as they would be under prohibition provisions; at all events, we should take care that any extra prices or profits do not all go to the capitalist, but are distributed amongst the workers engaged in the production of the particular articles. The amendment would necessitate a further amendment. In order to prevent a manufacturer declaring that he had already sold all his goods—

The CHAIRMAN.—The honorable member must not anticipate an amendment.

Mr. CONROY.—To put myself in order I shall add the consequential amendment. In this connexion I intend to use the exact words of the celebrated English Act of 1368 in relation to forestalling. There were, of course, earlier English Acts of the kind, such as that provided for assizes to fix the prices of bread, corn, and ale.

Mr. WILSON.—What was the price of ale?

Mr. CONROY.—In those days four gallons of ale could be bought for a penny.

Mr. GLYNN.—One could get chops and tomato sauce for about 1½d. in those days!

Mr. CONROY.—A pig could then be bought for 4d. I have already read the words of the English Act in regard to forestalling, but, as some honorable members were not present when I did so, I shall read them again.

The CHAIRMAN.—That would be tedious repetition, the honorable member having already read the words.

Mr. CONROY.—I have not quoted the words in connexion with this clause.

The CHAIRMAN.—The honorable member read the words a few moments ago.

Mr. CONROY.—No; what I propose to read now is another section of the English Act, which is directly consequential on the addition to the amendment suggested by me. It is not my fault if the logical conclusions of such legislation as that now before us is not palatable to members of the Ministry. We should prevent a manufacturer from saying "I have sold all my goods," and so escaping the operation of the very clause which we have inserted in the

Bill. The words, the insertion of which I intend to move, will be somewhat as follows:—

Any forestaller which is an open oppressor of poor people and an enemy of the whole Commonwealth, which for greediness of his private gain buyeth in advance such things intending to sell them more dear, shall be liable to a penalty of £500.

Mr. WEBSTER.—Why not say "imprisonment for life"?

Mr. CONROY.—The honorable member, with his views on coercion, might be ready to support such a proposal, but I will be more moderate and fix only a monetary penalty to be paid by the manufacturer. As the money will remain in the country, the fine will not injure him, from his point of view.

The CHAIRMAN.—I must remind the honorable member that he moved a similar amendment last night, and that it was negatived. He cannot re-open that question.

Mr. CONROY.—Then a loophole will be left for the escape of offenders. For the reasons which I have given I have no hesitation in supporting the amendment of the honorable member for Perth. It commends itself to me as much more logical than any of the clauses already in the Bill. If it were proposed apart from a measure of this kind, it is quite possible that some of us would not be able to support it, but as we are dealing with a Bill of this kind it is incumbent upon us to make it as effective as possible. Although I am in opposition, I recognise that when a Bill has passed its second reading and gets into Committee, it is our duty to make it as consistent and logical with its own principles as we can.

Mr. DUGAID THOMSON (North Sydney) [11.34].—I must admit at once that the amendment of the honorable member for Perth embodies a logical extension of the principles of this measure. But as I have already opposed clauses in the measure which I think ridiculous, I am not going to support an amendment which will make it more ridiculous. That it is impossible of application the honorable member will himself recognise when I give an instance. Suppose an importer has a cargo of tea. No importer expects to obtain an exactly even profit on the different lines of tea in a cargo. Its quality depends largely on the season in the country from which it is procured.

Mr. FOWLER.—But we do not produce tea in Australia.

Mr. DUGALD THOMSON.—There are many other commodities which we do produce. We produce coffee, for instance.

Mr. FOWLER.—The amendment would work very well in the case of harvesters.

Mr. DUGALD THOMSON.—It might in that instance. The importer might find that he had to sell a portion of his cargo at a loss, some at cost, and some at a good profit. His net profit would depend upon the whole operation. But apart from that argument, I would ask honorable members to recollect that the deputy leader of the Opposition has given an undertaking to try to get this measure through this afternoon. Therefore, we should not prolong the debate on amendments which can lead to nothing.

Mr. CONROY.—I am thoroughly in accord with the amendment if this Bill is to be passed.

Mr. DUGALD THOMSON.—At any rate, we ought to get to a division as soon as possible.

Mr. LONSDALE (New England) [11.36].—I must admit at once that this amendment, no matter how silly it may be, is the logical outcome of the Bill. As the measure proposes not only to protect the manufacturer, but as the hypocritical pretence behind it is that it is intended also to protect the worker and consumer, we should take care that the consumer is effectually protected. I do not believe in this kind of legislation, but if, on the one side, we are going to prevent competition, then we ought to fix what is a fair price, we should take care of the other side also. I do not quite agree with the terms of the amendment, which, apparently, fixes the prices of imported goods. I suggest that the price inside at which all manufactured goods are to be sold should be fixed. We should prevent manufacturers from getting, by the aid of this Bill, increased prices. Why should we put it in the power of manufacturers to obtain just what prices they like? The Minister, on a former occasion, has accepted evidence from competitors as to the price of goods, and, on *ex parte* statements, has increased the price for Customs purposes. We should clip his angelic wings a little, and should, at any rate, prevent that kind of thing occurring in future. When prices have to be fixed, the matter should come before Parliament. And if we can fix the price of goods by

means of a duty, or in any other way, why should we not fix it positively? Why should not a Court, where evidence could be taken from all sides, have the right to fix the price?

Mr. DUGALD THOMSON. — Would the honorable member have the Court fixing the price to-day and changing it to-morrow?

Mr. LONSDALE.—Yes. Let us keep the Justice sitting to fix the price every day. I am against this kind of legislation, because it is absolutely absurd. The pretence is that the Bill is intended to help the consumers and workers. We have inserted a provision to help the workers, and why should we not insert a provision to prevent manufacturers from charging extreme prices? The particular friends of the Minister of Trade and Customs, in whose interest the Bill has been introduced, could insist upon the price of harvesters being kept at the very highest point. Why should we not say to these manufacturers, "You must sell your goods at a certain price, or you shall not get any relief under the Act"? Is there anything wrong in doing that? If there is, then the Bill is wrong all through. Of course, the Minister has his idea, and that is to help the rich against the poor. Outside and inside the House he poses as a great lover of the poor. But in every act he keeps his eye upon the wealthy, and does not care a straw as to what may become of the consumers or the workmen, so long as his special friends, the manufacturers, can be helped. With that alteration, I feel very much inclined to support the amendment, not because I believe in it, but because I consider that, if we are going to help everybody, we should try to adopt the best method. I admit that we cannot by law help everybody; but, as some classes of the community believe that certain words, when printed upon a piece of paper, can make persons rich and help the community, we might as well try to do so in this direction as in any other.

Mr. HENRY WILLIS (Robertson) [11.43].—I regard this proposal as impracticable as applying to the general trade of this country. The honorable and learned member for Werriwa was, I think, ironical. He cannot possibly agree with this proposal to determine what shall be the fair selling price of goods, if he calls to mind the definition of "probably" given by the Attorney-General, namely, that before the goods get into circulation they shall be seized if they would probably

destroy trade. The Bill is complete in its effort to interfere with trade; but what would a Justice know of general commerce to enable him to determine the price of goods?

Mr. LEE.—What would he know about unfair competition?

Mr. HENRY WILLIS. — Nothing at all. A Justice knows nothing about commercial affairs. This duty should be entrusted to an expert commercial man, or to a board of experts permanently appointed, and removed from political influence.

Mr. McWILLIAMS. — Would the honorable member like to be tried by a jury of experts?

Mr. HENRY WILLIS.—I would much sooner be tried by an expert than by an ignorant person. The proposal to determine the price of goods is absolutely absurd. Under the Bill the goods would be impounded. The use of the word "probably" would really be an inducement to incompetent persons to operate, because they would say, "The goods will then be set free, and we can determine the price, possibly with the assistance of the Comptroller-General of Customs."

Mr. LONSDALE.—I would not allow the Comptroller-General to act.

Mr. HENRY WILLIS.—No; but he is already authorized by the Bill to act. With a majority at their backs, the Government can do what they like. But I shall be no party to a proposal to interfere with trade in such a way as is indicated in the amendment. It is not an improvement upon the proposals of the Government, because it would offer an inducement to the deciding authorities to act. They would say, "The hardship will be minimized if we determine the price"—a thing which they would be absolutely unfit to do. Admitting that a man may be most competent as a Justice of the High Court, he may still be quite incompetent to fill a position in which he would have to deal with trade. And a man who is experienced in only one line of trade would not be competent to discharge the duty. It could only be properly performed by one who had a general knowledge of trade and commerce, a very wide experience, and very long standing in more than one country. I can not possibly support the amendment.

Mr. FOWLER.—The Justice could call expert evidence, and have access to the books of all those concerned.

Mr. HENRY WILLIS.—No. I think that the honorable member pointed out an

instance in which it might work. It is admitted to be practicable as regards certain classes of machinery, where the selling price in the country of production, and the selling price in the importing country are known. But when we come to think of the million and one manufactures the prices of which might have to be determined by the Justice or the Comptroller-General, we must see that the proposal is impracticable.

Mr. JOHNSON (Lang) [11.47].—I do not agree altogether with the opinions expressed by the honorable member for Robertson in regard to the amendment. It seems to me that if it is fair to legislate for the purpose of protecting the profits of the local manufacturers by limiting competition—and I disagree with the contention that it is—then it is equally right, by similar legislation, to seek to limit the power of a local manufacturer to raise the price of his goods to the public. The purpose of the amendment is to prevent the local manufacturer, when once he has secured a monopoly, from unduly raising the prices beyond what the Court—which, I suppose, will be the deciding body—may deem to be fair and reasonable. I quite agree with the honorable member for New England and the honorable and learned member for Werriwa, that all legislation of this character is mischievous and dangerous. But if we are to have such legislation, let us see that we protect everybody all round. If the manufacturer is to be protected, the wage-earner should also be protected. We must see that he shall get his "cut" out of the benefits of the monopoly, and also that the public, who, after all, are the principal persons to be considered, shall not be made to pay unduly through the nose for the benefits which have been conferred upon the manufacturers. Although I do not believe in the principle of the amendment, as a principle generally still, as it is operating all through the Bill for the purpose of protecting other sections of the community, it is about time that the interests of the public were considered. It is, I admit, a late hour at which to consider them, but the amendment certainly makes an effort to recognise that there is a public to be considered, and to have its pocket protected against undue onslaughts by local monopolists. For that reason, I feel inclined to support the amendment. I desire to call the attention of the honorable member for New England to the fact that he seems to have read the clause

a little wrongly, because he assumed that the amendment is for the purpose of regulating the price of the imported article.

Mr. LONSDALE.—That is how it strikes me.

Mr. JOHNSON.—As a matter of fact, it is for the purpose of regulating the price of goods protected under this provision; that is to say, locally-produced goods. Therefore, it meets the objection which was in the mind of the honorable member for New England.

Mr. LEE (Cowper) [11.51].—I shall support the amendment of the honorable member for Perth. Objection has been taken to the proposal that the Court should say what is a reasonable selling price; but the Court must do this in order to determine what is unfair competition, and consumers are entitled to know what is the fair selling price fixed upon. Of course, this arrangement will play into the hands of the importers to some extent, who, if they have been selling their goods at prices lower than those at which articles can be manufactured locally, will immediately raise their rates. Indeed, the measure gives no protection to the consumer; it has been introduced entirely in the interests of the manufacturers, while those of the public have been altogether neglected.

Question.—That the words proposed to be added be so added—put. The Committee divided.

Aves	...	...	19
Noes	...	...	23
Majority	...	...	4

AYES.

Bachelor, E. L.	Lonsdale, E.
Brown, T.	McWilliams, W. J.
Carpenter, W. H.	Spence, W. G.
Conroy, A. H. B.	Thomson, D. A.
Fisher, A.	Watson, J. C.
Fowler, J. M.	Webster, W.
Frazer, C. E.	Wilks, W. H.
Frish, Sir P. O.	Tellers:
Hughes, W. M.	Johnson, W. E.
Liddell, F.	Lee, H. W.

NOES.

Bamford, F. W.	Page, J.
Chamber, J. M.	Poynton, A.
Chapman, A.	Ronald, J. B.
Cook, J.	Salmon, C. C.
Culpin, M.	Skene, T.
Evans, T. T.	Storror, D.
Ferrest, Sir J.	Thomson, D.
Gynn, P. McM.	Wilkinson, J.
Hickson, J.	Wilson, J. G.
Isaacs, I. A.	Tellers:
Kelly, W. H.	Cook, Hume.
Lyne, Sir W. J.	Mauger, S.

PAIRS.

Tudor, F. G.	Deakin, A.
O'Malley, K.	Robinson, A.
Thomas, J.	Gibb, J.
Maloney, W. R. N.	Knox, W.
Mahon, H.	Groom, L. E.

Question so resolved in the negative.

Amendment of the amendment negatived.

Amendment, as amended, agreed to.

Amendment (by Sir WILLIAM LYNE) proposed—

That the following new sub-clauses be added:—

"4. Except where delay would, in the opinion of the Comptroller-General, defeat the objects of this Part of this Act, the Comptroller-General shall, before making his certificate, give to the importer an opportunity to show cause why the certificate should not be made.

5. On receipt of the certificate the Minister may—

(a) by order in writing refer to a Justice the investigation and determination of the question whether the imported goods are being imported with the intention alleged; and if so, whether the importation of the goods should be prohibited either absolutely or subject to any specified conditions or restrictions; and

(b) notify in the *Gazette* that the question has been so referred."

Mr. DUGALD THOMSON (North Sydney) [12.0].—I should like to know why, under any circumstances, an importer should be denied an opportunity to show why the certificate should not be made. If the Comptroller-General has time to get information from other people, he can surely show the importer a little consideration. I move—

That the amendment be amended by leaving out the words "Except where delay would in the opinion of the Comptroller-General defeat the objects of this Part of this Act," lines 1 to 3.

Sir WILLIAM LYNE.—I accept that.

Amendment of the amendment agreed to.

Amendment (by Mr. JOSEPH COOK) agreed to—

That the amendment be further amended by the addition to sub-clause 4 of the words "and furnish him with a copy of the complaint."

Mr. GLYNN (Angas) [12.5].—We have already agreed to an amendment providing that the name, address, and occupation of the person who gives information shall be supplied to the importer. I would point out, however, that the informer may be a man of straw put forward by some person of means. To prevent the possibility of anything of that kind, I think that a bond should be taken from the informer that he

can anybody, except the manufacturer, know that competition is going to affect his industry in the way suggested? A workman may fear that his own employment will be prejudiced, but I take it that the Government will not act upon mere assumption. They will act only upon some *bonâ fide* assurance, and that assurance can only properly emanate from the manufacturer. Consequently I cannot see how the Government can refuse to accept the amendment.

Mr. McWILLIAMS.—If they do not consent to it we shall never have a responsible person making a charge.

Mr. KELLY.—Exactly. The object of this part of the Bill is to prevent dumping, but the clause in its present form is an absolute inducement to "dummying." I can understand the Minister's original reluctance to accept the amendment, but now that he recognises that under the Bill the only persons who can approach him are the local manufacturers, I think that he should insist upon them backing their statements with a substantial bond. I hope that the amendment will be pressed to a division.

Mr. GLYNN (Angas) [12.17].—The Minister has asked whether I think that any Minister of Trade and Customs would act upon the evidence of a man of straw? That depends entirely upon the character of the evidence, and not upon the solvency of the individual. The clause reads—

The Comptroller-General, whenever he has reason to believe that any person, &c.

The words "reason to believe" constitute a clear answer to the statement of the Minister.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes	...	...	15
Noes	...	...	26
Majority	...	...	11

AYES.

Brown, T.	Lonsdale, E.
Conroy, A. H. B.	McWilliams, W. J.
Cook, J.	Thomson, D.
Glynn, P. M.	Wilks, W. H.
Hughes, W. M.	Wilson, J. G.
Johnson, W. E.	<i>Tellers:</i>
Knox, W.	Kelly, W. H.
Lee, H. W.	Liddell, F.

NOES.

Batchelor, E. L.	Poynton, A.
Carpenter, W. H.	Ronald, J. B.
Chanter, J. M.	Salmon, C. C.
Chapman, A.	Spence, W. G.
Culpin, M.	Storror, D.
Ewing, T. T.	Thomson, D. A.
Fisher, A.	Tudor, F. G.
Forrest, Sir J.	Watson, J. C.
Hutchison, J.	Webster, W.
Isaacs, I. A.	Wilkinson, J.
Lyne, Sir W. J.	<i>Tellers:</i>
Maloney, W. R. N.	Cook, Hume
Mauger, S.	Frazer, C. E.
Page, J.	

PAIRS.

Smith, S.	Higgins, H. B.
Gibb, J.	Thomas, J.
Fuller, G. W.	Phillips, P.
Robinson, A.	O'Malley, K.
Skene, T.	Deakin, A.
Edwards, R.	Groom, L. E.

Question so resolved in the negative.

Amendment of the amendment negatived.

Amendment (by Mr. KELLY) agreed to—

That the amendment be further amended by the addition of the following new paragraph:—

"(c) Forward to the Justice a copy of the certificate."

Amendment, as amended, agreed to.

Mr. McWILLIAMS (Franklin) [12.27].

—I move—

That the following new paragraph be added:—

"(d) In the case of the following agricultural implements:—Ploughs of all kinds over 1½ cwt., tine harrows, disc harrows, grain drills, combined grain seed and manure drills, land rollers, cultivators, chaff cutters, seed cleaners, stripper harvesters, and any other implement usually used in agriculture, the Justice shall inquire into and determine the question whether the goods are being imported with the effect of benefiting the primary producers of the Commonwealth."

This is an exact copy of the provision in the New Zealand Act, under which agricultural implements which are tools of trade of farmers are exempt.

Mr. ISAACS (Indi—Attorney-General) [12.29].—If the honorable member for Franklin would allow me, I should like to point out that the clause with which we are now dealing relates only to disputes. What the honorable member desires to do is to put in a direction to the Justice as to what he shall determine, and that can be done more appropriately in clause 17.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 16—

From the date of the *Gazette* notice until the report of the Board has been dealt with by the Governor-General, goods the subject of the investigation shall not be imported except upon such security and subject to such conditions as the Minister approves; and those goods shall, if imported in contravention of this section, be deemed to be prohibited imports within the meaning of the Customs Act 1901, and the provisions of that Act shall apply to the goods accordingly.

Amendment (by Sir WILLIAM LYNE) proposed—

That the words "report of the Board has been dealt with by the Governor-General" be left out, with a view to insert in lieu thereof the words "publication in the *Gazette* of the determination of the question by the Justice."

Mr. DUGALD THOMSON (North Sydney) [12.31].—There is a very serious provision in this clause. Immediately it is considered by the Comptroller-General that there is unfair competition, for instance, the goods are to be held up.

Mr. ISAACS.—Not by the Comptroller-General, but by the Minister.

Mr. DUGALD THOMSON.—The Comptroller-General takes the initiative, and then if the Minister acts upon his report the goods are to be held up.

Mr. ISAACS.—Has the honorable member seen the amendments which are proposed in this clause?

Mr. DUGALD THOMSON.—I see that it is proposed that the importer shall give the Minister a bond with such sureties as the Minister approves.

Mr. ISAACS.—And later on it may be voided if the Justice determines the question in favour of the importer.

Mr. DUGALD THOMSON.—That is better than the original clause, and I shall not, therefore, press my objection.

Amendment agreed to.

Amendment (by Sir WILLIAM LYNE) agreed to—

That the words "except upon such security and subject to such conditions as the Minister approves" be left out, with a view to insert in lieu thereof the following words:—

"unless the importer—

(a) gives to the Minister a bond with such sureties as the Minister approves, for such amount (not exceeding the true value of the goods for Customs purposes) as the Minister considers just and reasonable by way of precaution in the circumstances, and conditioned to be void if the Justice determines the question in favour of the importer; or

(b) gives such other security and complies with such other conditions as the Minister approves."

Clause, as amended, agreed to.

Clause 17—

1. The Board shall expeditiously and carefully investigate and report upon the matter, and for the purpose of the investigation shall have power to inquire as to any goods, things, and matters whatsoever which they consider pertinent, necessary, or material.

2. For the purpose of the investigation the Board shall be deemed to be and to have all the powers of a Commission within the meaning of the Royal Commissions Act 1902, and the provisions of that Act shall apply to the investigation.

3. The investigation shall extend to ascertain whether the competition is or probably will be unfair, and if unfair then in what respects, and the Board shall report to the Minister accordingly.

4. In the event of a difference of opinion among the members of the Board as to any matter arising in the course of the investigation or report, the opinion of the majority shall be the opinion of the Board, but the dissenting member of the Board may separately state his opinion.

Clause consequentially amended.

Amendment (by Sir WILLIAM LYNE) proposed—

"That sub-clauses 2, 3, and 4 be left out with a view to insert in lieu thereof the following new sub-clauses:—

2. For the purpose of the proceeding the Justice shall sit in open Court, and shall have all the powers of a Justice in the exercise of the ordinary jurisdiction of the High Court, including the power, if he thinks fit, to state a case for the opinion of the Full Court upon any question of law arising in the proceeding.

3. The certificate of the Comptroller-General shall be *prima facie* evidence of facts by this Act if required to be specified thereby.

4. In addition to the Comptroller-General and the importer the Justice may, if he thinks fit, allow any person interested in importing imported goods to be represented at the investigation.

5. The Justice shall be guided by good conscience and the substantial merits of the case, without regard to legal forms or technicalities, or whether the evidence before him is in accordance with the law of evidence or not."

Mr. DUGALD THOMSON (North Sydney) [12.40].—I draw attention to the fact that under this clause no appeal is allowed except as to a question of law. I think there ought to be an appeal to the Full Court from a decision of a Judge in such an important matter. A man's livelihood may depend on the decision, and I point out that the Judge himself may refer to the Full Court on questions of law. The Judge has not only to decide questions of fact, but to practically form an opinion and come to certain conclusions; and he may form a wrong opinion. Why not allow appeal, as in many other less important

cases? It is not as if any injury would thereby be done to the plaintiff.

Mr. ISAACS. — There is not generally any appeal as to questions of fact.

Mr. DUGALD THOMSON.—But it is not a question of fact; it is a question of opinion and decision. The facts may be admitted, and on those facts the Judge comes to a certain determination which may seem to the party affected so unjust that he will desire to appeal to the Full Court. These decisions may affect whole classes of trade—may affect very seriously a large portion of the trade of the country—and surely there ought to be the right of appeal, in order to ascertain whether the Full Court will sustain the decision of a single Judge.

Mr. ISAACS.—The decisions will not be more extensive in their operation than the decisions of the Judge under the Arbitration Act.

Mr. DUGALD THOMSON.—The Arbitration Act differs from nearly all other Acts.

Mr. ISAACS.—But under the Arbitration Act there are many cases similar to those which will arise under this Bill.

Mr. DUGALD THOMSON. — Under the Arbitration Act it is provided that there shall be no delay, such as would result in keeping a business in a state of disturbance.

Mr. ISAACS.—There is the same provision under the Bill; the same words are adopted.

Mr. DUGALD THOMSON. — But under the Bill the person who suffers is the person who may desire to appeal, and he cannot conduct his business without entering into bonds until the appeal is settled.

Mr. ISAACS.—The business is not disturbed, but may go on.

Mr. DUGALD THOMSON. — A man has to provide bonds, and that in itself is a great disturbance. A man cannot find bonds to an unlimited extent.

Mr. ISAACS.—It is not unlimited.

Mr. DUGALD THOMSON. — A man might have to find a number of bonds one after another, in order to be permitted to carry on his business.

Mr. ISAACS.—Would there not be delay in any case?

Mr. DUGALD THOMSON. — There would only be delay as affecting the party who desired to appeal. No doubt the decision of the Full Court would take some little time to obtain. The importer would

be affected more than anybody else, and if he were willing to incur the delay, and give bonds, why should he not have the opportunity to appeal? The instances will not be occasional, but, even from the Minister's stand-point, continuous. If appeal were allowed, it would only mean that, for a little time, the party concerned would have to continue his business under bond, and then the Court would finally settle the conditions.

Mr. ISAACS.—I can quite see that the difficulty mentioned might arise under the proposed new sub-clause 7.

Mr. DUGALD THOMSON. — I must say that I do not place so much importance on the point in connexion with the proposed new sub-clause 2, but I thought I would mention the matter now. The amendments are so complicated that one is apt to get confused; but I would point out that the decision may mean the forfeiture of the goods under clause 16. Under the Customs Act there are certain prohibited goods, and the Bill includes the provisions of that Act. Section 229 of the Customs Act declares that certain goods shall be forfeited.

Mr. ISAACS.—An appeal to the Court would not affect clause 16.

Mr. DUGALD THOMSON.—But the seriousness of the matters involved make it desirable to have the power to appeal. Under the provisions of the Customs Act the goods might be absolutely forfeited. The more important question as to unfair competition, should, I think, also be subject to appeal, if the party affected takes the great risk of giving bonds to cover his business in the meantime.

Mr. GLYNN (Angas) [12.48].—I think that the proposed new sub-clause 3 ought not to stand. We have passed clauses under which the opinion of the Judge or the Comptroller-General establishes the fact of unfair competition. The Comptroller-General may be of opinion that unfair competition exists, and when the question is sent on, the Judge is to have the power to determine that it does exist; in other words, the slightest possible evidence will justify the Judge in expressing that opinion, which no one can possibly challenge. Notwithstanding that we give this tremendous power to the Judge, we say that every allegation in the certificate shall be deemed to be correct. That is not consistent with the ordinary methods of proof. By clause

15 we provide that the certificate must contain certain statements, including one that the goods are being imported with the intention to destroy Australian industry.

Mr. ISAACS.—No.

Mr. GLYNN.—I beg the Attorney-General's pardon.

Mr. ISAACS.—Will the honorable and learned member look at—

Mr. GLYNN.—I know perfectly well that the Attorney-General is going to refer me to sub-clause 2.

Mr. ISAACS.—Yes.

Mr. GLYNN.—I do not think that sub-clause is at all exhaustive. This is a particularly clever Bill, and we have to be cautious.

Mr. ISAACS.—I have no objection to add to the proposed new sub-clause 3, the words "required by sub-section 2 of section 15."

Mr. GLYNN.—Not only the matters in this sub-clause 2 which the Attorney-General now thinks ought to be the limit of this *primâ facie* evidence, but also the matters specified in sub-clause 1, which contain the whole gist of these provisions, are presumed to be correct, no matter how elaborate and exhaustive they may be, unless the importer can show that the evidence concerning any one of them is false. It will be exceedingly difficult for the importer to counteract the effect of that *primâ facie* presumption. He will not only have to give evidence, but will have to go into the matter of foreign prices in foreign markets, fair rates of wages, and I do not know what. Not only should we amend the clause in the direction suggested by the Attorney-General, so as to confine its operation to sub-clause 2—which is a considerable limitation—but even with that amendment the clause should not stand in the Bill. I move—

That the amendment be amended by the insertion, after the word "by," line 12, of the words "sub-section 2 of section 15 of."

Mr. KELLY (Wentworth) [12.52].—Under sub-clause 2 of clause 15 the grounds for interference with the competition will be amongst the matters dealt with. If those grounds are to be taken as *primâ facie* evidence, would it be competent for the accused to call for the person who has alleged those grounds to the Comptroller-General, in order to examine him as to his reasons?

Mr. ISAACS.—Certainly. There is power to call any witnesses. There is no limitation.

Amendment of the amendment agreed to.

Amendment, as amended, agreed to.

Mr. ISAACS (Indi—Attorney-General) [12.54].—I move—

That the following new sub-clause be added:—

"6. No person shall in any proceeding before a Justice be excused from answering any question or producing documents on the ground that the answer or production may criminate or tend to criminate him, but this answer shall not be admissible in evidence against him in any criminal proceedings other than a prosecution for perjury."

Mr. KELLY (Wentworth) [12.55].—Would this provision protect the witness from any penalties under clause 21 in the event of his making a false declaration?

Mr. ISAACS.—Yes, the falsity would have to be proved against him. It is a well-known principle that no one is obliged to incriminate himself.

Mr. KELLY.—I can see a loop-hole for any one who had made a false statement as to unfair competition, which would bring him within the provisions of clause 21. If he goes into Court and gives evidence of his own criminal intent, he is saved from prosecution therefor.

Mr. ISAACS (Indi—Attorney-General) [12.56].—If this new sub-clause is not inserted, a witness can refuse to answer, on the ground that to do so will incriminate him. The sub-clause is intended to compel him to answer. It opens his mouth; it does not close it. If we assume that he has wilfully given false evidence, he may refuse to answer any questions about it, because to do so may tend to incriminate him. This sub-clause is to leave it open for the Justice to say, "You must answer, although you cannot, on your own admission, be proceeded against, unless you commit perjury."

Mr. KELLY.—Would it be possible to institute proceedings for perjury under clause 21?

Mr. ISAACS.—We will consider that on the recomittal stage.

Amendment agreed to.

Amendment (by Sir WILLIAM LYNE) proposed—

That the following new sub-clause be added:—

"7. The Justice shall forward his determination to the Minister."

Mr. KNOX (Kooyong) [12.59].—I move—

That the amendment be amended by the insertion, after the word "Minister," of the following words:—

"who shall—

"(a) lay the determination before both Houses of the Parliament within seven days after its receipt, if the Parliament is then sitting, or, if the Parliament is not then sitting, within seven days of the next meeting of the Parliament; and

"(b) cause to be submitted to both Houses of the Parliament a resolution approving of the determination.

"If the resolution is passed by both Houses of the Parliament, the Governor-General may, under the powers of the *Customs Act* 1901, prohibit the importation of the imported goods, either absolutely or under such conditions and restrictions as he deems just, and in that case the provisions of that Act shall apply to goods so prohibited."

Sitting suspended from 1 to 2 p.m.

Mr. KNOX.—The objects of the amendment are, I think, sufficiently clear to honorable members, without calling for much explanation on my part. The sub-clause, as it stands, reads—

The Justice shall forward his determination to the Minister, who shall, &c.

Since I gave notice of my intention to move this amendment, there has been a very important alteration made, and that is the substitution of a Justice of the High Court for the Board. But I still believe that the object and purpose of the measure would have been much more effectively and fairly secured if the course I am now suggesting had been adopted, even without the intervention of the Justice. As soon as the receipt of the certificate of the Comptroller-General had been acknowledged by the Minister it should have placed an obligation upon the latter to at once consult Parliament if sitting. But if it be not sitting, I venture to suggest that the procedure proposed under a Justice will occupy a considerable time. No inspector can be at the beck and call of the Comptroller-General or Minister; he may be in another part of the Commonwealth; and consequently there may be a long interval before a decision can be obtained.

I hold that a similar objection will apply to the employment of a Justice. I do not think that there should be any opposition offered to the amendment on that ground. I would remind the Minister that the Bill is intended to deal with extraordinary conditions. The Attorney-General has stated that he regards the Tariff as dealing with ordinary importations, but this Bill as dealing with extraordinary importations. I may be told that the Minister would always be responsible to Parliament, and that it would always be open to it to dissent from his action. But that argument, I submit, does not properly apply here, inasmuch as there may reasonably be a diversity of opinion on a subject of this magnitude. I earnestly hope that this fair and just proposal may receive serious consideration from the Minister. He perhaps still adheres to his view that, after representations have been made and justified before a Justice of the High Court, importations which may be of great magnitude may be justly prohibited, and that there is no justification for the position I have taken up. But I earnestly submit that there is a serious responsibility placed upon the Minister as to the manner in which the Bill shall be applied, and that any suggestion is worthy of consideration. I understand that a distinct promise has been given by the Opposition to push the Bill through its Committee stage to-day. Therefore, I do not propose to deal exhaustively with the subject-matter of the amendment, or to show to what extent restraint of trade may be involved. It is a tremendous power which is being given to the Minister. I think that even with the reference to the Justice, it will be found to be rather complicated and expensive machinery, and to entail enormous hardship upon certain importers. I submit that inasmuch as the Ministry has substantially affirmed that the object of the Bill is to deal with extraordinary conditions, we are justified in asking that Parliament should be afforded an opportunity of considering extraordinary determinations of the Minister. Every item of the Tariff had to be approved by both Houses, and surely when drastic action is taken by the Minister in regard to certain imports his determination ought to be subject to review by the same tribunal. I sincerely believe that if the amendment is adopted, it is likely to improve the condition of things. It is not submitted out of any feeling of hostility to the principle underlying the measure. If

the Bill is seriously applied, even with the numerous alterations which have been made, and the concessions which have been secured, I fear that serious consequences may result. Parliament is the expression of the will of the people, and it should, I think, be called in as arbitrator in a matter of this importance.

Mr. JOSEPH COOK (Parramatta) [2.9].—I rise to support the amendment, which I hope will be agreed to. It has a great deal more importance than appears on the surface. For the first time in the history of a British Parliament, there is a deliberate proposal to put the power of prohibiting trade outside Parliament. I see nothing inconsistent with the machinery providing for full and fair inquiry by a Justice with all the powers of a Court, thus guaranteeing a disinterested, impartial, and thorough sifting of all the facts concerning allegations of dumping. That will be an advantage, I have no doubt, because when we receive such evidence from the Justice, it will be practically the last word as to the substantiality of the facts alleged or otherwise. Therefore, I think that instead of leaving the matter for the final determination of a Justice, we ought to reserve to ourselves the right to determine whether goods shall be prohibited from entering the Commonwealth even though they may be subject to the Tariff impositions which Parliament has already provided for. We have established trading relations with other parts of the British Empire, and with the rest of the world, meeting differences in skill, advancement, numbers, or efficiency between our workmen and their competitors by the imposition of duties. But it is now proposed to hand over to the Minister the right to arbitrarily prohibit importation, without the necessity of consulting Parliament in the matter. This is the first time that the giving of such power to the Minister has been suggested. Parliament should not let this power leave its hands. If it does, it fritters away the sovereign control with which it is invested. I hope that the honorable member for Kooyong will press his amendment to a division.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Aves	...	...	15
Noes	...	...	29
			—
Majority	...	...	14

AYES.

Cameron, D. N.	McLean, A.
Cook, J.	McWilliams, W. J.
Edwards, R.	Robinson, A.
Glynn, P. McM.	Thomson, D.
Kelly, W. H.	Wilks, W. H.
Knox, W.	<i>Tellers:</i>
Lee, H. W.	Conroy, A. H. B.
Lonsdale, E.	Johnson, W. E.

NOES.

Bamford, F. W.	Mahon, H.
Batchelor, E. L.	Mauger, S.
Carpenter, W. H.	O'Malley, K.
Chapman, A.	Page, J.
Crouch, R. A.	Poynton, A.
Culpin, M.	Ronald, J. B.
Deakin, A.	Salmon, C. C.
Ewing, T. T.	Storrer, D.
Fisher, A.	Thomson, D. A.
Forrest, Sir J.	Tudor, F. G.
Frazer, C. E.	Watkins, D.
Groom, L. E.	Webster, W.
Hutchison, J.	<i>Tellers:</i>
Isaacs, I. A.	Cook, Hume.
Lyne, Sir W. J.	Wilkinson, J.

PAIRS.

Skene, T.	Maloney, W. R. N.
Gibb, J.	Thomas, J.
Fuller, G. W.	Phillips, P.
Smith, S.	Higgins, H. B.

Question so resolved in the negative.

Amendment of the amendment negatived.

Mr. ROBINSON (Wannon) [2.20].—The former proposal was that the Justice's determination should have no effect until Parliament had approved of it, but I now suggest that the determination should have effect until thirty days after the meeting of Parliament. This would maintain the supremacy of Parliament in matters of taxation. The form of the amendment is as follows:—

Provided that any determination shall have effect only until thirty days after its publication in the *Gazette* if the Parliament be then in session, or until thirty days after the next session of Parliament if Parliament be not in session, unless in the meantime a resolution is passed by both Houses of Parliament approving the determination.

I do not know that the wording is the best that could be adopted, and, therefore, in order to test the feeling of the Committee, I move—

That the amendment be amended by the addition of the word "Provided."

Mr. KELLY (Wentworth) [2.22]. — I think that the Minister might very well accept the amendment. I could understand, although I could not approve of, his refusal to accept the previous amendment. He might hold that it would be impossible

for the Justice to meet a sudden emergency, if Parliament were not sitting. Under the amendment proposed by the honorable and learned member for Wannon, however, the Justice would be able to decide a question *pro tem.*, and we should afterwards have an opportunity to say whether or not his decision should stand.

Mr. McWILLIAMS.—A question of that kind could always be raised in the House.

Mr. KELLY.—No. It might not be possible, under the Bill as it stands, because a Government with strong fiscal views might approve of a verdict, and avail themselves of the forms of the House to preclude honorable members from reviewing it. The Government can have no reasonable excuse for resisting the amendment, unless they are prepared to delegate the powers of Parliament absolutely to an outside tribunal.

Question—That the word proposed to be added be so added—put. The Committee divided.

Ayes	...	...	16
Noes	...	...	31
Majority	...	...	15

AYES.

Cameron, D. N.	McLean, A.
Conroy, A. H. B.	McWilliams, W. J.
Cook, J.	Robinson, A.
Edwards, R.	Thomson, D.
Glynn, P. McM.	Wilson, J. G.
Kelly, W. H.	
Knox, W.	<i>Tellers:</i>
Lee, H. W.	Johnson, W. E.
Lonsdale, E.	Wilks, W. H.

NOES.

Bamford, F. W.	Mahon, H.
Batchelor, E. L.	O'Malley, K.
Carpenter, W. H.	Page, J.
Chapman, A.	Poynton, A.
Crouch, R. A.	Ronald, J. B.
Culpin, M.	Salmon, C. C.
Deakin, A.	Spence, W. G.
Ewing, T. T.	Storrer, D.
Fisher, A.	Thomson, D. A.
Forrest, Sir J.	Tudor, F. G.
Frazer, C. E.	Watkins, D.
Groom, L. E.	Webster, W.
Hughes, W. M.	Wilkinson, J.
Hutchison, J.	<i>Tellers:</i>
Isaacs, I. A.	Cook, Hume
Lyne, Sir W. J.	Mauger, S.

PAIRS.

Smith, S.	Higgins, H. B.
Fuller, G. W.	Phillips, P.
Gibb, J.	Thomas, J.
Skene, T.	Kennedy, T.
Knox, W.	Bonython, Sir J. L.
Cameron, D. N.	Batchelor, E. L.
McWilliams, W. J.	Storrer, D.
Fyab, Sir P. O.	Crouch, R. A.

Question so resolved in the negative.

Amendment of the amendment negatived.

Amendment agreed to.

Mr. McWILLIAMS (Franklin) [2.30].

—I move—

That the following new sub-clause be added:—

"(8) In the case of the following agricultural implements:—Ploughs of all kinds over 1½ cwt., tine harrows, disc harrows, grain drills, combined grain seed and manure drills, land rollers, cultivators, chaffcutters, seed cleaners, stripper harvesters, and any other implement usually used in agriculture, the Justice shall inquire into and determine the question whether the goods are being imported with the effect of benefiting the primary producers of the Commonwealth."

One of the reasons given for the introduction of this Bill was that a combine of agricultural implement makers might be formed with the object of ruthlessly destroying the Australian industry, and afterwards of inordinately increasing the price of their manufactures for the purpose of fleecing the agriculturists. Personally, I have never entertained the slightest fear of anything of the kind, and there has not been a tittle of evidence adduced in support of it. I regard the plough, the harrow, and the seed drill as the tools of trade of the farmer. If Australia is ever to progress, it must be by attracting a rural population.

Mr. WILKS.—Are these implements made in Great Britain?

Mr. McWILLIAMS.—Yes; they are manufactured there very largely. Australia can only progress by the settlement of the people upon the land. That fact is generally admitted, but I notice that any proposal to directly assist the agriculturists usually meets with very little sympathy in this House. We have only to look at the enormous improvements which have been made in farming implements during the past decade to recognise the necessity which exists for the insertion of the amendment which I have submitted. Ten years ago the position of the agriculturists was very different from what it is to-day. Since then all sorts of labour-saving appliances have been introduced. For example, a better crop can be obtained to-day by means of the seed drill, using only half the quantity of seed, than could be procured under the old method of sowing broadcast. Year by year further improvements are being effected. We know

that at the present time enormous rewards are being offered in America for labour-saving appliances in connexion with cotton-picking, and if Australia is ever to become a cotton-producing country, it must be either by the use of very cheap labour—which none of us wish to see employed—or by the use of the most up-to-date machinery. I believe that the employment of labour-saving appliances would probably solve the problem which is to-day presented by our Northern Territory by enabling us to successfully cultivate tropical products. Agricultural machinery is at present in a state of evolution. The machine which was perfect last year may next year be out of date. In the United States and Canada especially, the enormous fortunes acquired by great implement makers are being utilized for the one purpose of steadily improving their machinery. So far as many of our primary producers are concerned, we must recollect that they have to face the markets of the world with their surplus products. Our wheat, butter, and fruit have to compete with countries which employ the most up-to-date machinery. No Tariff can possibly assist them. If our farmers are to increase their export trade, it can only be by the use of the best labour-saving appliances obtainable. I am aware that a clause has already been inserted in the measure which, to some extent, protects the manufacturer. But if we pass the Bill in its present form, it will be within the power of those who are engaged in the manufacture of out-of-date machinery to hold up the importation of the most modern labour-saving appliances, and thus to place our agriculturalists under an enormous disadvantage.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [2.39].—I certainly cannot accept the amendment of the honorable member in its present form, but if he is prepared to agree to its modification by the insertion after the word "producers," of the words "without unfairly injuring any other section of the community," I will agree to it.

Mr. McWILLIAMS.—That would spoil the effect of the clause.

Sir WILLIAM LYNE.—It will spoil the honorable member's little game. I move—

That the amendment be amended by inserting after the word "producers" the words "without unfairly injuring any other section of the community."

Mr. LONSDALE (New England) [2.40].—I am in favour of the amendment of the amendment proposed by the honorable member for Franklin.

Mr. JOSEPH COOK.—I rise to a point of order. I submit that the amendment of the amendment just proposed by the Minister of Trade and Customs cannot be submitted. An amendment moved by the honorable gentleman is under discussion, and he cannot move to amend an amendment of that amendment until it has been dealt with.

The CHAIRMAN. — The Minister is quite in order in moving the amendment of the amendment.

Mr. LONSDALE.—I was about to say when the deputy leader of the Opposition rose to a point of order, that the attitude of the Ministry would be more honest if they simply negatived the amendment of the amendment, instead of proposing the addition of other words. If that course were adopted, we should have a fair straight-out vote on the honorable member for Franklin's proposal. Let us consider for a moment what would be the effect of passing the amendment of the amendment in the form now proposed by the Minister. Experiments with a view to the improvement of agricultural machinery are being made month after month and year after year. It is only a little while since complaint was made to the Minister that so-called foreigners were conducting a trial of disc ploughs with the object of discovering the improvements necessary to secure a machine best suited to the various soils of the country. If an improved plough on this pattern were sought to be introduced, the Minister, under his further amendment of the amendment, would be able to prevent its importation. We should desire to give free play to the improved machinery which comes here from other countries, instead of seeking to prevent its importation because our own manufacturers do not keep pace with modern development. The amendment of the amendment refers to stripper-harvesters. There can be no doubt that great improvements will be made in those machines as the result of experiments being made by agricultural experts. But what would be the position if an improved stripper-harvester were sought to be introduced? Is it to be said that because the improved machine would interfere with the business of a local manufacturer the farmers should be

prevented from obtaining it? Should the farmers be injured in this way merely to strengthen the position of a manufacturer of obsolete machines? The Committee have largely followed the lead of the Ministry, failing to recognise that they are taking this action in the interests of the manufacturers alone, but I trust that they realize the true position. Had the Government agreed to the amendment enabling the Justice to fix prices, we might have allowed the present proposal to pass; but they seem to be endeavouring to do all they can to help the manufacturers, who comprise the smallest section of the community. That is the one object of the Bill. I shall vote for the amendment moved by the honorable member for Franklin. The proposal submitted by the Minister is absurd. If the Government are opposed to the amendment of the honorable member for Franklin, the Ministry should negative it in a straight-out, honest way, and not seek to defeat it by a side wind. No doubt the Minister of Trade and Customs will boast to his constituents that he has assisted the farmer by reducing the price of stripper-harvesters; but he knows that his one object has been to enable local manufacturers of those machines to obtain a higher price for them. If he speaks the truth he will admit that his object is to prevent the competition which keeps down prices. If he were honestly pursuing the object that he claims to have before him, he would simply refuse to give an advantage to Mr. McKay when he was in a combine to keep up prices against the farmers. They certainly deserve no consideration. If I were satisfied that the business of Mr. McKay was being ruined by importations of harvesting machinery, I should not be prepared to give him any assistance, because he was in combination with others to keep up the price of agricultural machinery against the farmer. Throughout the consideration of this Bill Ministers apparently have assumed that there is only one class in the community in whose interests legislation should be passed. Amendments in the direction of helping other classes have come only from the Opposition, who have endeavoured to secure that some protection shall be afforded under this measure to the worker and to the consumer. I shall support the amendment.

Mr. CAMERON (Wilmot) [2.52].—I need hardly say that I strongly support the amendment proposed by the honorable

member for Franklin. The Minister of Trade and Customs proposes to add to it the words "without unfairly injuring any other section of the community." It appears to me that those words would cover too much ground. If they are accepted, and one or two persons claim to be unfairly injured, they will prevent the primary producer from being considered. It is almost universally accepted that in all cases the majority should rule. That is the principle followed in this House, and I think it should be applied in this case. If it is shown that only a very limited number of persons are likely to be injured by the importation of the articles specified, and that their importation will benefit the great majority of the primary producers, it is the majority who should be considered. I am aware that the Minister has a majority of supporters behind him, but I still ask the honorable gentleman to so alter the amendment which he has proposed as to enable the interests of the majority of the persons concerned to be considered. Knowing how fond the honorable gentleman is of fair play, and that he is a strong believer in majority rule, I ask him not to impose conditions which may have disastrous effects upon the primary producers as a whole, and merely for the benefit of a few small men engaged in a particular trade.

Mr. KELLY.—The honorable member does not call McKay a small man?

Mr. CAMERON. — I do not know whether he is a small or a big man, but I consider that he is a most unfair man. I am sorry to see that Ministers, who should consult the interests of the people as a whole, are prepared to consider the interests of individuals as against those of the great majority. We know that the interests of the towns are frequently diametrically opposed to those of the country, but if the country suffers the towns must feel the effect. In all the circumstances, it appears to me that the Minister should take a broadminded view of this matter. As the honorable gentleman is strong, he should be merciful. As this is about the last occasion in connexion with this Bill on which members of the Opposition can appeal to honorable members opposite to do justice to the primary producers, I hope they will respond unanimously to the appeal, and will accept the amendment of the honorable member for Franklin.

Mr. KELLY (Wentworth) [2.55].—Like the honorable member who preceded me, I also rise to make an appeal to the humanitarian instincts of the Minister in charge of this Bill. I hope the appeal will be successful, as otherwise I am afraid that the Committee will be called upon to divide on the question as to which of the great industries of the Commonwealth is of more importance—the primary industries or the secondary industries, for whose benefit this Bill has been introduced. Without intending to be offensive, I think that the Minister may be congratulated upon the slimness of his amendment.

Mr. PAGE.—The honorable gentleman has outslimmed honorable members opposite.

Mr. KELLY.—The Minister's amendment is a very slim one, but I do not think it will go down with the people when they understand it properly. Under the amendment moved by the honorable member for Franklin, the Justice, in certain cases, would be required to take into consideration the question whether goods being imported will benefit the primary producer. If the Justice takes that into consideration, *ipso facto* he must also take into consideration the question whether their importation will not benefit every industry in Australia. Every industry we have, and every phase of trade in the Commonwealth, depends to some extent on the success of the primary industries. If, through lack of the proper implements and tools of trade, the primary industries languish, every industry in the Commonwealth must suffer. What is asked by the amendment of the honorable member for Franklin is, not that the primary producers should be given some unfair advantage, but merely that they shall be enabled without interference to continue their avocations, which are of so much benefit to the whole Commonwealth.

Mr. ISAACS.—The honorable member is referring to the Minister's amendment.

Mr. KELLY.—No; the Minister's amendment is quite different. It is very specious, but it will not stand investigation. The Minister's proposed addition of the words "without unfairly injuring any other section of the community," would enable any manufacturer to hold up the whole of the primary producing industries of the Commonwealth. One manufacturer has only to prove that "unfair competition," not in the usual acceptance of the term, but according to this Bill—and unfair competition according to this Bill is successful

competition—is taking place, and if it is shown that goods are being imported successfully against the local manufacturer, the whole of the producing industries of Australia may be held up. We have had enough of these catch cries. The Minister will deeply regret it if he insists on the insertion of the word, because the farmers of his own electorate will see the hollowness of the proposal, which is drafted to hoodwink them. The farmers of the Hume are quite as intelligent as the farmers in other parts of the Commonwealth, although they have in the past returned the Minister of Trade and Customs as their representative.

Sir WILLIAM LYNE.—And they always will return me.

Mr. KELLY.—I am sure the farmers of the Hume will not retain their confidence in the Minister if he insists on these provisions. I do not seem to have been able to induce the Minister to meet our views, or to act in the interests of his constituents; and we must have a division, so as to force on honorable members the duty of deciding whether we ought, on the one hand, to consider the great primary industries, or, on the other hand, the private fortunes of one or two manufacturers.

Mr. ROBINSON (Wannon), [3.2].—There must be a division on this question, in order to test the sincerity of Ministers, and of a section of the Committee, in their statement that nothing in the measure is likely to injure the primary producers. The description of the implements given in the clause is taken from the New Zealand Act, the only addition being "stripper harvesters and any other implement usually used in agriculture." On the second reading we discussed the New Zealand Act, and it was pointed out by the honorable member for Echuca, and others, that Mr. Seddon provided that, if the manufacturers of such implements were suffering from unfair competition, they should receive a bonus. The honorable member for Franklin desires to provide that the Justice shall inquire whether the goods used by farmers, or likely to be used by them, are imported with the effect of benefiting the primary producers. The effect of the amendment proposed by the Minister is that any manufacturer who produces obsolete implements which are superseded by an imported article, would be able to block the importation on the ground that it injured himself and those whom he employed. It would

be far more courageous and sincere if Ministers, instead of endeavouring to wriggle out of their difficulty by such an amendment, were to vote directly against the clause. However, I do not think that the amendment of the Ministry will have the effect of blinding the country people. The amendment proposed by the honorable member for Franklin affords an opportunity to show that the Ministry are not prepared to consider the interests of the primary producers when we put them to a crucial test.

Mr. MAHON.—I thought the honorable member was against class legislation.

Mr. ROBINSON.—And so I am; and I say that two-thirds of the measure is class legislation. The honorable member for Coolgardie must admit this part of the Bill has been introduced for the benefit of one class—for the benefit, indeed, of one member of that class. This part of the measure is proposed in the interests of the manufacturers of agricultural implements; and we should never have heard of provisions of the kind, but for the skilful outcry raised throughout the country by one gentleman engaged in the industry. This amendment of the honorable member for Franklin is for the purpose of protecting—

Mr. MAHON.—A class.

Mr. ROBINSON.—The amendment is for the purpose of protecting one section of the community against class legislation for which the honorable member for Coolgardie has voted in every division. A good clean-cut issue is now presented to us.

Mr. MAHON.—Why is the miner not included?

Mr. ROBINSON.—If the honorable member chooses to propose that miners shall be included I shall vote with him; indeed, I should have the greatest pleasure in submitting such an amendment on his behalf.

Mr. ISAACS.—We protect the miner in our further amendment.

Mr. ROBINSON.—Really, I think we ought to subscribe, and present the Attorney-General with a leather medal. Of all the honorable and learned gentleman's protestations of patriotism, and regard for other people's interest, his last interjection reaches the culminating point. The Attorney-General has protested his patriotism on every platform; and I have no doubt that when he goes down to his grave, his simple epitaph will be "A Patriot." Just as a lady, now dead, is said to have had engraved on her heart one word, so shall we find on the

heart of the Attorney-General, "Patriotism." The question before us is whether the primary producers are to have their interests considered in these determinations. No doubt their interests ought to be considered; but, in contrast to the amendment of the honorable member for Franklin, the amendment of the Ministry seeks to put those interests in a secondary place. I am very glad to say that a large portion of the manufacturing classes have protested against the Bill, but, when dealing with legislation of the kind, we ought to pay some consideration to those who provide the means whereby the interest on our public debt is paid, and the country enabled to carry on business from day to day. The question is whether the primary producers are to be considered, or whether their interests are to be scattered to the winds. I hope honorable members will accept the amendment of the honorable member for Franklin, because, if they do not, they will act to the detriment of the interests of the primary producers.

Mr. CONROY (Werriwa) [3.8].—The clause under discussion is substantially taken from the New Zealand Act. Out of £120,000,000 worth of products of Australia, excluding New Zealand, £90,000,000 worth is the result of the work of the primary producers, and over 650,000 persons are engaged in these great primary industries. If we take as an example New South Wales before any duties were imposed, we find that out of £30,000,000 worth of secondary products, £28,000,000 worth were created without the aid of any tariff. Thus, in the primary industries £90,000,000 worth of produce, and in the secondary industries £28,000,000 have been created without any artificial aid. At the present time we are paying £10,000,000 in order to get less than £2,000,000 worth of manufactures in another direction; in other words, we are paying £5 for every pound we get back, apart from the extra value people have to pay in the retail trade. I may further show the position by stating, shortly, that out of £120,000,000 worth of produce, £118,000,000 worth is created without any extraneous help whatever; and, that being so, it is only right and proper that we should consider the interests of the great primary producers. The proposal of the Government means that if a manufacturer of stripper harvesters likes to come forward and say that he

is being injured, it will be within the power of the Minister to penalise the farmers and producers in order to bolster up the industry of that gentleman. The Government has already opposed an amendment which provided that fair and reasonable wages should be paid, and that fair prices should be fixed at which the articles affected should be sold; showing that they intend to make this Bill, as far as possible, operate in favour of one or two individuals. The amendment upon the amendment would prevent the primary producers from getting the benefit of any improvements in machinery which might be introduced. I am glad that the Bill, even at this late stage, has been somewhat improved, but it still requires many radical modifications.

Mr. LONSDALE (New England) [3.15].—I rise to reply to an interjection made by the honorable member for Coolgardie.

The CHAIRMAN.—Interjections are disorderly, and the honorable member has no right to reply to them.

Mr. LONSDALE.—It has been said that this amendment does not exempt the miner. I am prepared to test the honesty of the honorable member who made that interjection by moving an amendment which will exempt the miner. The honorable member for Coolgardie said that the amendment is for the benefit of one special class. The Bill throughout is intended to benefit the smallest class in the community. Yet the honorable member who made that remark does not dare to raise his voice against it. He sits calmly behind the Ministry voting for class legislation of the worst description. The amendment widens the scope of the Bill. I am prepared to widen it as much as possible. I do not come here to vote for legislation in the interests of two or three manufacturers. I am prepared to place the miners on the same footing as that upon which this amendment seeks to place the agriculturists. I like men to be consistent, and when some honorable members condemn class legislation and at the same time sit behind a Ministry which is guilty of the grossest legislation of that description, and never open their mouths in protest against it, I stigmatise their interjections as simply hypocritical.

Mr. CONROY (Werriwa) [3.17].—I wish to give another reason why the amendment should be adopted. When the Tariff was being dealt with, the manufacturers

obtained large exemptions for their tools of trade. We are simply asking that the primary producers should be treated in the same manner. I am prepared also to accept the suggestion of the honorable member for Coolgardie, and to exempt the miners. I should be only too happy to support an amendment in that direction.

Question—That the words "without unfairly injuring any other section of the community," be inserted in the proposed new sub-clause—put. The Committee divided.

Ayes	...	...	31
Noes	...	...	16
Majority	...	...	15

AYES.

Bamford, F. W.	Mauger, S.
Chanter, J. M.	Page, J.
Chapman, A.	Poynton, A.
Cook, Hume	Ronald, J. B.
Culpin, M.	Salmon, C. C.
Deakin, A.	Spence, W. G.
Ewing, T. T.	Thomson, D. A.
Fisher, A.	Tudor, F. G.
Forrest, Sir J.	Watkins, D.
Frazer, C. E.	Watson, J. C.
Groom, L. E.	Webster, W.
Hughes, W. M.	Wilkinson, J.
Hutchison, J.	
Isaacs, I. A.	
Lyne, Sir W. J.	
Mahon, H.	
Maloney, W. R. N.	

Tellers:

Carpenter, W. H.
O'Malley, K.

NOES.

Brown, T.	Robinson, A.
Cook, J.	Thomson, D.
Edwards, R.	Wilks, W. H.
Glynn, P. M.	Willis, H.
Johnson, W. E.	Wilson, J. G.
Kelly, W. H.	
Liddell, F.	
Lonsdale, E.	
McLean, A.	

Tellers:

Conroy, A. H. B.
Lee, H. W.

PAIRS.

Higgins, H. B.	Smith, S.
Phillips, P.	Fuller, G. W.
Thomas, J.	Gibb, J.
Kennedy, T.	Skene, T.
Bonython, Sir J. L.	Knox, W.
Batchelor, E. L.	Cameron, D. N.
Storrer, D.	McWilliams, W. J.
Crouch, R. A.	Fysh, Sir P. O.

Question so resolved in the affirmative.

Amendment of the amendment agreed to.

Amendment, as amended, agreed to.

Amendment (by Sir WILLIAM LYNE) proposed—

That the following new sub-clause be inserted:—

"(g) The determination of the Justice shall be final and conclusive, and without appeal, and shall not be questioned in any way."

Mr. DUGALD THOMSON (North Sydney) [3.27].—Some time ago I referred to the desirability of providing in the clause for an appeal from the decision of the Justice. Since that time I have been given reasons for not giving an appeal which might cover a matter of fact, but I can see no objection—and I think that the Attorney-General agrees with that view—to giving an appeal on a matter of law. Of his own motion, the Justice can state a case for the opinion of the Full Court on a question of law, and I desire to give either party the right to obtain, by request, such an appeal. I understand from the Attorney-General that it will have to be inserted after sub-clause 2. I should like to know if he agrees to the right of appeal being granted.

Mr. ISAACS (Indi—Attorney-General) [3.28].—We have no objection to that, but it can only be done on a recommitment of the clause. We shall recommit it for that purpose.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 18—

1. Upon the receipt of the report of the Board, the Minister shall forthwith submit it for the consideration of the Governor-General.

2. If the Board report that the imported goods do or probably will compete unfairly with Australian goods, the Governor-General may, under the powers of the Customs Act 1901, prohibit the importation of the imported goods either absolutely or under such conditions and restrictions as he deems just, and in that case the provisions of that Act shall apply to goods so prohibited.

Amendments (by Sir WILLIAM LYNE) agreed to—

That the words "report of the Board," lines 1 and 2, be left out, with a view to insert in lieu thereof the words "determination of the Justice."

That the words "submit it for the consideration of the Governor-General" be left out, with a view to insert in lieu thereof the words "cause it to be published in the *Gazette*."

Amendment (by Sir WILLIAM LYNE) proposed—

That sub-clause 2 be left out, with a view to insert in lieu thereof the following words:—

"2. If the Justice determines that the imported goods are being imported with the intent alleged, and that their importation should be prohibited either absolutely or subject to any specified conditions or restrictions—

(a) the determination when so published shall have the effect of a proclamation under the Customs Act 1901 prohibiting the importation of the goods either absolutely or subject

to those conditions or restrictions as the case may be; and in that case the provisions of that Act shall apply to goods so prohibited; and

(b) The Justice may by order reduce the amount recoverable under any bond given in pursuance of this part of this Act to such sum as the importer satisfies him is reasonable and just in the circumstances."

Mr. DUGALD THOMSON (North Sydney) [3.32].—I think that the amendment should be amended by inserting after the word "Act," line 16, the words "except as to forfeiture." As I read the provision, the goods to which it refers are to be prohibited imports according to section 52 of the Customs Act, and section 229 of that Act declares that all prohibited imports shall be forfeited to His Majesty.

Mr. ISAACS.—It might be that the importation of certain goods was prohibited, but that they were being imported in defiance of the prohibition.

Mr. DUGALD THOMSON.—The importation could be stopped. The goods whose importation is prohibited by the Customs Act are works infringing copyright, false money, counterfeit coin, blasphemous, indecent, and obscene publications, prison-made goods, exhausted tea, oleomargarine and butterine, and goods whose importation has been prohibited by proclamation as undesirable.

Sir WILLIAM LYNE.—The Minister is not compelled by the Customs Act to forfeit.

Mr. DUGALD THOMSON.—The Act says "the following goods shall be forfeited to His Majesty." I see no reason for forfeiture under the Bill. Bonds have to be given, and penalties can be imposed. Some of the competition which it is desired to prevent is, in my opinion, fair competition.

Mr. ISAACS (Indi—Attorney-General) [3.34].—The goods which are brought into Australia may be the subject of a proceeding before the Justice, and, if a bond is given, will be permitted to go into circulation. But if the Justice determines that there is unfair competition, future importations may be prohibited, and if, in defiance of that prohibition, the importation continues, there will be no distinction between the goods prohibited under this measure and those prohibited under the Customs Act.

Mr. DUGALD THOMSON (North Sydney) [3.35].—This part of the Bill prohibits only certain action in connexion with

imported goods, yet the Minister is asking to have the power to prohibit the importation of goods.

Mr. GLYNN.—The mischievous part of the provision is that it may allow the prohibition of the importation of a whole class of goods, no matter what alteration of conditions takes place.

Mr. HIGGINS.—If the unfair competition ceases, the prohibition may be at once rescinded.

Mr. DUGALD THOMSON.—But why should goods which, in themselves, are harmless be forfeited if imported? It is not the nature of the goods which offends, but the fact of their sale under conditions which the Judge determines amount to unfair competition.

Mr. ISAACS.—Prohibition of importation may be the only way to stop the commission of the offence.

Mr. DUGALD THOMSON.—Why should goods be forfeited because of a mere opinion?

Mr. ISAACS.—They can be forfeited only upon the determination of the Justice.

Mr. DUGALD THOMSON.—That will be merely a legal opinion. Persons will not send goods here if the Justice decides that their importation under certain conditions amounts to unfair competition.

Mr. ISAACS.—The Minister of Trade and Customs pointed out some time ago that he has, under the Customs Act, the power to prohibit importation, but that he would not use it in this connexion.

Sir WILLIAM LYNE.—I have refused to use it until I get a specific authority under this measure.

Mr. DUGALD THOMSON.—Another Minister might use the power.

Mr. JOSEPH COOK.—It is given to be used.

Mr. DUGALD THOMSON.—No forfeiture takes place in Canada, the goods there being admitted subject to the payment of an increase in duty. I see no reason for forfeiture, because the Justice can impose what conditions he likes as to entry. Surely that is sufficient.

Mr. ISAACS.—This is a reserve power which will be used only in case of wilful defiance, when there is no other way to enforce the Justice's order.

Mr. DUGALD THOMSON.—I see no necessity for it. The Justice will determine the conditions under which goods may be imported, and the prohibition is not because of anything deleterious in the nature of the goods themselves. The Judge

could fix conditions, however severe, under which the goods should be imported.

Mr. ISAACS.—Suppose that those conditions were not complied with?

Mr. DUGALD THOMSON.—Then the goods would be shut out altogether. It is not right that the goods should be forfeited. There might be no objection to the goods themselves. In the cases in which the powers of forfeiture are exercised under the Customs Act, the goods are supposed to be deleterious or harmful. The articles with which we are now proposing to deal might be perfectly sound and desirable, and there would be no reason to object to their introduction under certain conditions, which the Judge could make as drastic as he pleased.

Mr. HIGGINS (Northern Melbourne) [3.41].—I should like to know if the Attorney-General thinks that under the clause as it stands a prohibition applying to the goods introduced by one importer would extend to all similar goods of the same manufacturer, irrespective of the conditions under which they were imported and sold. It seems to me that under paragraph *a* the determination of the Justice would have the effect of a proclamation under the Customs Act 1901, and would apply to all goods of a certain class. I find, on looking at the interpretation clause, that imported goods include all goods of certain classes, or all parts or ingredients thereof.

Mr. ISAACS (Indi—Attorney-General) [3.43].—Absolute power is given to the Justice to make an order that he thinks will meet the case. If only one person is concerned in the offence, he will make an order accordingly. Power is given to the Justice to look into the circumstances, and to make his order fit them.

Mr. HIGGINS.—Does the Attorney-General think that the Justice will have power to differentiate between different importers of the same class of goods?

Mr. ISAACS.—Yes, I think so. I do not know of any other words that would meet the case. We can only give the Justice unrestricted power, and trust him to make no more stringent order than is necessary.

Mr. HIGGINS (Northern Melbourne) [3.44].—I think it is necessary to clearly indicate that the Justice is empowered to differentiate between one importer and another, otherwise the provision will fail to accomplish its object. If the Justice finds that by making a determination it will

apply to all the goods manufactured by one person, he may hesitate to practically exclude the whole of such articles from our market. There may be two importers of goods made by the same manufacturer, and one only may be unfairly competing. I feel sure that the Attorney-General does not desire to prevent the Justice from restricting the effect of his proclamation by determining that it shall apply only to goods consigned to certain persons, or imported under certain conditions.

Mr. GLYNN (Angas) [3.46].—Throughout the Bill the provisions for prohibition are directed against classes of goods, and this fact has to a large extent inspired the opposition of honorable members on this side of the Chamber. Although an offence may be committed by only one importer of a certain class of goods, all similar articles will be placed under a ban. The power to remove the ban is given, not to Parliament, or to the Justice, but to the Executive only. Six months after a proclamation had been made it might be found that the circumstances of the trade had undergone a complete change, and yet the prohibition would continue in force. The remarks of the honorable and learned member for Northern Melbourne indicate clearly the harsh character of the provisions of the measure, and I am sorry that he did not at an earlier stage grant us his assistance in toning down their effect. I am glad that he has suggested that the Judge should have power to limit the prohibition to the goods introduced by the offending importer. Under the Bill, as it stands, if one importer of machines, such as harvesters, were competing unfairly, twenty other importers of similar goods operating under perfectly fair conditions, might be prevented from continuing to carry on their business.

Mr. HIGGINS (Northern Melbourne) [3.48].—I understand that the Attorney-General will consent to an amendment in the direction I have indicated, and I therefore move—

That the amendment be amended by the insertion after the word "restrictions," line 8, of the words "or limitations of any kind whatsoever."

Mr. CONROY (Werriwa) [3.49].—I do not think that the amendment would go quite far enough. In paragraph *d*, of sub-clause 2 of clause 14, it is provided that competition shall be deemed unfair—

If the imported goods have been purchased abroad, by or for the importer from the manu-

facturer or some person acting for or in combination with him or accounting to him, at prices greatly below their ordinary cost of production where produced or market price where purchased.

It is clear that that might happen in only one or two isolated cases. A man might import certain goods, and a Justice of the High Court might make an order which would affect the whole of that class of goods. In other words, because one man chose to act unfairly by importing certain commodities, a prohibition might be imposed upon the whole of that particular class of goods. Surely that cannot be the intention of Ministers.

Mr. HIGGINS. — But clause 18 is the operative clause, and no harm can be done if we define unfair competition.

Mr. CONROY.—As the clause stands, I hold that it is not sufficient. Even if the honorable and learned member for Northern Melbourne be right, I still say that it should not be within the power of any single Justice to make an order from which there can be no appeal whatever. Perhaps the Attorney-General will now see the force of allowing an appeal from the decision of a Justice upon a matter of fact, as well as upon a question of law. If such extraordinary powers are to be vested in a single Justice, it is highly desirable that we should permit of an appeal being made to the Full Court. Upon questions of law there can be an appeal in any case.

Mr. ISAACS.—No.

Mr. CONROY.—Under the Constitution Act an appeal is allowed upon questions of law. Having regard to the decision of the Privy Council the other day, in the case of an appeal from the High Court, I say that we cannot prohibit appeals upon points of law under certain circumstances. Clearly, we ought to vest in the High Court the power to decide whether or not one of its Justices has acted properly. I do not think that the addition of the words "all limitations of any kind whatsoever" is sufficient, and the Attorney-General ought to recognise that. It would be very much better to make an alteration in the direction I have suggested. It ought not to be within the power of a single Justice to prohibit the importation of any particular class of goods.

Mr. ISAACS.—That power is not contained in this clause.

Mr. CONROY.—Will the Attorney-General agree to permit of an appeal being made to the High Court in cases where

the determination of a single Justice absolutely prohibits the importation of a certain class of goods?

Mr. ISAACS.—Personally, I would object, but the matter is one for the Minister to decide.

Sir WILLIAM LYNE.—It is a legal point, and I am content to leave it to the Attorney-General.

Mr. ISAACS.—Appeals would prove very expensive, and it would be against the interests of business men to have the matter hung up so long.

Mr. CONROY.—The penalty provided is a very severe one. Not merely are the goods which form the subject of the proceedings under the Act to be forfeited, but all other consignments which may have been ordered by a number of individuals prior to the initiation of those proceedings. Under the Customs Act of 1901 there is no power to revoke that prohibition.

Mr. ISAACS.—The power is contained in a subsequent section.

Mr. CONROY.—The Executive may at a subsequent period revoke it.

Mr. ISAACS.—They may do so immediately if they choose.

Mr. CONROY.—But the damage will have been done in the meantime. The forfeiture clauses of the Customs Act operate immediately, and there is no power vested in the Minister to restore the goods to their original owner. The forfeiture is absolute, and cannot be revoked.

Mr. ISAACS.—We have already stated that we cannot agree to the honorable and learned member's suggestion.

Mr. CONROY.—Surely the matter is too important to be lightly brushed aside in that way. We have established a High Court for the purpose of determining all appeals, and yet it is now proposed to take away from it the right to hear them. To my mind, that is casting a stigma upon the tribunal in question. If we prevent the High Court from hearing these appeals it is only necessary to go a step further, and to deprive it of some of its original jurisdiction, to enable three Justices to be more than equal to all the work that will come before it. If we are to take away from importers the right of appeal, as is sought to be done by the Government, I cannot support the appointment of any additional Justices to the High Court Bench.

Mr. FRAZER.—Does the honorable and learned member favour taking away the original jurisdiction of the High Court?

Mr. CONROY.—In certain cases, I do absolutely. I would have cases decided in the most inexpensive way possible. If the Attorney-General maintains that a single Justice can determine these matters, why should we appoint more Justices? If the powers of appeal to the High Court are to be swept away, I cannot support the appointment of any additional Justices for many years to come. Under the Bill it is proposed to vest extraordinary powers in a single Justice, and to allow no appeal from his decision upon matters of fact.

Mr. ISAACS.—Upon matters of fact only.

Mr. CONROY.—Under the Constitution Act there is an appeal from his decision upon matters of law. We are putting it in the power of the Justice to declare that all goods—and not merely the particular consignment in question—shall be absolutely prohibited and come under the Customs Act of 1901. On referring to that Act, we find that it contains provisions relating to prohibited goods which involve absolute forfeiture. In these circumstances there should be an appeal to the High Court before any one Justice could take it upon himself to declare goods absolutely forfeited.

Mr. MAHON.—Does not the honorable and learned member think that, as a Justice is permitted to deal with questions affecting the life and liberty of a man, he might be allowed to deal with these matters?

Mr. CONROY.—In criminal cases the Justice has the assistance of a jury, and there is always an appeal to the Full Court on questions of law. Parliament is asked to give away so much of its rights in this regard that the determination of the matter should not be left to the idiosyncrasies of a Justice.

Mr. MAHON.—He might be a free-trader.

Mr. CONROY.—And he might be a protectionist. We have nothing to do with a Justice's likes or dislikes; but, since we are giving up our right to determine these important matters, we should insist upon the High Court itself dealing with them.

Amendment of the amendment agreed to.

Amendment (by Mr. HIGGINS) agreed to—

That the amendment be further amended by the insertion after the word "restrictions," line 14, of the words "or limitations."

Mr. CONROY (Werriwa) [4.7].—I appeal to the Attorney-General to accept the following amendment of the amendment, as a proviso to the clause—

Provided that in any case where the proclamation prohibits the importation of the goods absolutely, an appeal shall lie to the High Court.

Mr. ISAACS.—The honorable and learned member is proposing to reverse what has been done in clause 17.

Mr. CONROY.—No. Under my provision the appeal to the High Court would be permissible only in extreme cases.

Mr. ISAACS.—Wait until we recommit sub-clause 2 of clause 17. The honorable and learned member will then be able to take action.

Mr. CONROY.—Do the Government propose to move for the recommitment of that clause?

Mr. ISAACS.—We promised the honorable member for North Sydney that we should move the recommitment of sub-clause 2 of clause 17, for the purpose of enabling the Committee to deal with the proposal that either party should be permitted to ask the Justice to state a case on a question of law.

Mr. CONROY.—I think that my amendment might well be inserted where proposed by me.

Mr. ISAACS. — We will recommit sub-clause 2 of clause 17, to enable the honorable and learned member to move the amendment proposed by him.

Amendment, as amended, agreed to.

Clause, as amended, agreed to.

Clause 19—

In all cases of prohibition, the report of the Board shall be laid before both Houses of the Parliament within seven days after the proclamation or, if the Parliament is not then sitting, after the next meeting of Parliament.

Amendments (by Sir WILLIAM LYNE) agreed to—

That the words "report of the Board," lines 1 and 2, be left out with a view to insert in lieu thereof the words "determination of the Justice and any proclamation affecting the same."

That the word "proclamation," line 4, be left out, with a view to insert in lieu thereof the words "publication in the *Gazette*."

Clause, as amended, agreed to.

Amendments (by Sir WILLIAM LYNE) agreed to—

That the following new clauses be inserted:—

"11A. The jury panel for the trial of any offence against this Part of this Act, or for the trial of any action or issue under this Part of this Act, shall be taken from the list of special

jurors (if any) in the State or part of the Commonwealth in which the trial takes place."

"11AA. (1) Any offence against this Part of this Act (not being an indictable offence), shall be tried before a Justice of the High Court without a jury."

"(2) Any offence against this Part of this Act committed by a person who has previously been convicted of any offence against this Part of this Act shall be an indictable offence, punishable on conviction by a penalty not exceeding Five hundred pounds, or imprisonment for any term not exceeding one year, or both; in the case of a corporation, by a penalty not exceeding One thousand pounds."

"11B. The penalty of imprisonment shall not be inflicted upon any person upon his first conviction for an offence under this Part of this Act."

"11C. (1) No criminal proceeding shall be instituted under this Part except by the Attorney-General or some person authorized by him."

"(2) No civil proceeding shall be instituted under this Part without the written consent of the Attorney-General."

"18A. The Governor-General may at any time, by proclamation, simultaneously with or subsequently to any prohibition under this Part of this Act, rescind in whole or in part, the prohibition in any condition or restriction in importation imposed thereby."

"20. The Justices of the High Court, or a majority of them, may make Rules of Court, not inconsistent with this Act, for regulating the proceedings before a Justice under this Part of this Act, and for carrying this Part of this Act into effect."

"21. Any person who wilfully—

(a) makes to the Comptroller-General or to any officer of Customs any false statement in relation to any action or proceeding taken or proposed to be taken under this Part of this Act; or

(b) misleads the Comptroller-General in any particular likely to affect the discharge of his duty under this Act shall be guilty of an indictable offence.

Penalty: One hundred pounds."

Amendment (by Sir WILLIAM LYNE) proposed—

That after paragraph b, clause 21, the following new sub-clause be inserted—

(2) Any person convicted under the last preceding sub-section may be ordered by the Justice to whom a question is referred under this Part of this Act to pay the whole or part of the costs incurred by the importer in whose favour the question is determined.

Mr. KELLY (Wentworth) [4.15].—Ministers have now accepted the principle of penalizing the person who maliciously sets the ball rolling against an innocent importer, but such a man can only be hit if he has anything worth hitting. If he is a dummy put up by some local manufacturer he cannot be touched. How can a dummy pay costs? It would be taking blood from a stone. We none of us have

any desire to protract the proceedings this afternoon, and perhaps the Attorney-General would promise to look into the matter carefully, with a view to see that no loophole is left in this matter.

Mr. ISAACS.—What I intended was to strike out the word "indictable" in this clause, and make it a summary offence. An indictable offence would be too cumbersome a proceeding, I think.

Mr. KELLY.—Does the honorable and learned gentleman think that would meet the situation?

Mr. ISAACS.—It would then be a matter which justices could deal with, and would not require the cumbersome proceeding of a jury case.

Mr. KELLY.—Would it enable any person putting up a man of straw to be got at?

Mr. WATSON.—The complaint is to be investigated in the first instance by the Attorney-General.

Mr. KELLY.—If the honorable member for Bland will look at clause 15 he will find that when the Comptroller-General "has received a complaint in writing" certain things are to happen. Some of these complaints may be as to loss of employment.

Mr. WATSON.—The Attorney-General, on looking into the complaint, may decide to carry it no further.

Mr. KELLY.—That is so; but I submit this position, which the honorable gentleman will no doubt appreciate. A union secretary may be told by the manufacturer employing the men of his union that if certain competition is allowed to go on unchecked the members of the union may be seriously affected in the matter of their employment. He might make an application under clause 15, and there might be nothing behind that application. The union secretary might be *bonâ fide* in the case, but the employer might not, and I desire that in such a case as I have submitted the union secretary shall be placed in such a position that he will have to take such a risk as will make him careful to be sure of his facts before he proceeds.

Mr. WATSON.—The Attorney-General will look for a *prima facie* case before the Crown proceeds.

Mr. ISAACS (Indi—Attorney-General) [4.18].—In order to save time, may I suggest that when we get a clean reprint of the Bill, with the amendments made so far, we can look into all these things.

Mr. KELLY.—Will the honorable and learned gentleman give me an opportunity to raise the question then, if it should appear to be necessary?

Mr. ISAACS.—Yes.

Mr. JOSEPH COOK (Parramatta) [4.19].—May I ask whether, if when we have a clean reprint of the Bill with amendments, there is a desire for a recommitment of the measure for good cause shown, the Minister in charge will raise any objection to that?

Sir WILLIAM LYNE.—I do not desire to recommit the Bill for the reconsideration of the whole of the clauses.

Mr. JOSEPH COOK.—But for good cause shown.

Sir WILLIAM LYNE.—If reasonable cause be shown, I shall not object.

Amendment agreed to.

Proposed new clause, as amended, agreed to.

Mr. HIGGINS (Northern Melbourne) [4.21].—I move—

That the following new clause be inserted:—

"11D. (1) Any person party to a contract or member of a combination or in any way concerned in carrying out the contract or the objects of the combination may—

(a) lodge with the Attorney-General a statutory declaration by himself, or in the case of a corporation by some one approved of in that behalf by the Attorney-General setting forth truly, fully, and completely the terms and particulars of the contract, or the purposes, objects, and terms of agreement or constitution of the combination, as the case may be, and an address in Australia to which notices may be sent by the Attorney-General; and

(b) publish the statutory declaration in the *Gazette*.

(2) The Attorney-General may at any time send notice to the person above-mentioned (hereinafter called the declarant) to the address mentioned in the statutory declaration that he considers the contract or combination likely to restrain trade or commerce to the detriment of the public, or to destroy or injure an Australian industry by unfair competition.

(3) In any proceeding against the declarant in respect of any offence against section four or section five of this Act alleged to have been committed by him in relation to the contract or combination after the time the statutory declaration has been lodged and published, and before any notice as aforesaid has been sent to him by the Attorney-General it shall be deemed (but as regards the declarant only and not as regards any other person) that the declarant had no intent to contravene the provisions of the section, if he proves that the statutory declaration contains a true, full, and complete statement of the terms and particulars of the contract, or the purposes, objects, and terms

of agreement or constitution of the combination, as the case may be, at the date of the statutory declaration and at the date of the alleged offence."

I understand that the proposed new clause has the approval of the Government. In my speech on the second reading I expressed the wish that an honest man, who desired to make certain that he was not breaking the law, should be able to submit the question to some official, whose certificate should exonerate him so long as it lasted. Nine out of every ten of these agreements are perfectly valid, honest, and impugnable, and there are cases where a man would not object to show the terms of a combination to an official; and, therefore, I suggest in the new clause that a man may submit an agreement to the Attorney-General, who may give a certificate that it does not operate to the harm of the public or involve unfair competition, and that, so long as the certificate is not withdrawn, the arrangement or contract is not to be deemed as contravening the Bill. However, Ministers, especially the Attorney-General, who has kindly looked into my proposal during the last few days, see some need for a limitation. Although I confess I should like the clause to pass as I at first proposed, I recognise that what the Government agree to will meet my object three-fourths of the way, and, in order to save the time of honorable members, I shall submit the new clause in the form which has been approved. The effect of the new clause is substantially that any person may submit an agreement or arrangement for a combination to the Attorney-General, accompanied by a sworn declaration as to its truth. The Attorney-General may then send a reply that he regards the arrangement as detrimental to the public, or as unfair competition, and in such case the combination is, of course, illegal. But until the Attorney-General does say that he regards the arrangement as unfair it is deemed to be fair.

Mr. ISAACS.—No; that is as to the intent.

Mr. HIGGINS.—The combination is deemed to be fair, so far as regards any intent on the part of the person who makes the declaration. I admit that the clause does not go to the full extent that I desire, but it will at least prevent any man from being subject to criminal prosecution, and liable to be thrown into gaol, in relation to a matter as to which he had no intent to do anything against the law. I think

[46]—2

I have explained sufficiently what I have in view; and, although the clause is a little elaborate, it is plainly worked out to attain the desired end.

Proposed new clause agreed to.

Bill reported with amendments.

Mr. ISAACS (Indi—Attorney-General) [4.28].—I move—

That the Bill be recommitted to a Committee of the whole House for the reconsideration of clauses 4, 5, 6, 10, 14, and 21.

The recommitment is necessary to make those clauses harmonize with the amendments made in other parts of the Bill, and I submit this motion in accordance with an arrangement which has been made.

Question resolved in the affirmative.

In Committee: (Recommitment.)

Clause 4—

Any person who, either as principal or agent, makes or enters into any contract, or continues to be a member of or engages in any combination is guilty of an indictable offence.

Penalty: Five hundred pounds, or one year's imprisonment, or both; in the case of a corporation, Five hundred pounds. . . .

Amendments (by Mr. ISAACS) agreed to—

That the word "indictable," and also the words "or one year's imprisonment, or both; in the case of a corporation, Five hundred pounds," be left out.

Clause, as amended, agreed to.

Clause 5 consequentially amended.

Clause 6—

. Unfair competition means competition which is unfair in the circumstances; and in the following cases the competition shall be deemed to be unfair unless the contrary is proved—

(c) If the competition would probably, or does in fact, result in greatly disorganizing Australian industry or throwing workers out of employment.

Amendment (by Mr. ISAACS) agreed to.

That the words "greatly disorganizing," lines 7 and 8, be left out, with a view to insert in lieu thereof the words "creating substantial disorganization in."

Clause, as amended, agreed to.

Clause 10—

The Attorney-General, or any person thereto authorized by him, may institute proceedings in any competent Court exercising Federal jurisdiction to restrain by injunction the carrying out of any contract or combination

Amendments (by Mr. ISAACS) agreed to.

That the words "any competent Court exercising Federal jurisdiction," lines 3 and 4, be left out, with a view to insert in lieu thereof the words "the High Court."

That after the word "injunction," line 4, the following words be inserted—"after hearing and determining the merits and not by way of interlocutory order."

That after the word "contract," line 5, the word "or" be left out, with a view to insert in lieu thereof the words "made or entered into after the commencement of this Act or any."

Clause, as amended, agreed to.

Clause 14—

1. For the purposes of this Part of this Act competition shall be deemed to be unfair if—

(a) Under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced or being withdrawn from the market or being sold at a loss, unless produced at a lower remuneration for labour; or

2. In the following cases the competition shall be deemed unfair unless the contrary is proved—

(c) If the imported goods are imported by or for the manufacturer or some person acting for or in combination with him or accounting to him and are being sold in Australia at a price which is less than gives the person importing or selling them a fair profit upon their fair foreign market value, or their cost of production, together with all charges after shipment from the place whence the goods are exported directly to Australia (including Customs duty.)

Amendments (by Mr. ISAACS) agreed to.

That the words "a lower," paragraph a, be left out, with a view to insert in lieu thereof the words "an inadequate."

That the words "cost of production," paragraph c, be left out, with a view to insert in lieu thereof the words "fair selling value if sold in the country of production."

Clause, as amended, agreed to.

Clause 21 consequentially amended, and agreed to.

Bill reported with further amendments.

Reports adopted.

ADJOURNMENT.

LIEUTENANT-GOVERNOR OF PAPUA—WIRELESS TELEGRAPHY—OVERSEA MAIL CONTRACT—SENATE ELECTIONS—TARIFF REVISION—OLD-AGE PENSIONS.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. MAHON (Coolgardie) [4.35].—I wish to draw the attention of the Prime Minister to a statement published this morning in the *Age* newspaper under the heading "Future of Papua." It is stated—

It is understood that the Prime Minister has received quite recently a communication from Sir William McGregor, intimating that until

certain action is taken by the Colonial Office he is not free to accept the proffered appointment. The inference is that if the Colonial Office can and will select a successor to him in the Governorship of Newfoundland within a reasonable time, he will favorably consider a definite proposition from Australia.

I should like to ask what truth, if any, there is in that statement, and whether any communications have recently taken place of which he can disclose the particulars to the House? I also wish to know the intentions of the Government in regard to another matter which is now prominently before the public, and which is of great importance to Australia. I understand that the Government of New Zealand, in view of the recent developments in wireless telegraphy, have placed the sum of £7,000 upon the Estimates for the purpose of promoting that invention in New Zealand. I think that the time has arrived when the Commonwealth Government should let us know whether it is proposed, or is considered desirable, that a sum of money for a similar purpose should be placed upon the Estimates which will shortly be submitted to Parliament, and whether, in the opinion of the Government, it would not be justifiable to expend money upon the development of this invention in Australia, especially on account of the great advantage which wireless telegraphy would be to the shipping community, and on account of its great value in the event of any international complications.

Mr. CARPENTER.—Does the honorable member mean that the Commonwealth Government should acquire the patent rights?

Mr. MAHON.—I make no suggestion as to that.

Mr. CARPENTER.—What would the sum of money be for, then?

Mr. MAHON.—I presume it might be voted for the purpose of establishing stations, if the Government saw fit to establish them, or in any way that the Government thought advisable for the development of wireless telegraphy in Australia.

Mr. R. EDWARDS (Oxley) [4.39].—I wish to bring under the notice of the Prime Minister the fact that Mr. Kidston, the Premier of Queensland, is reported to have said that he had been informed that in the new mail contract there was no assurance that the mail-boats would go to Melbourne and Sydney. I, however, have reason to know that Mr. Croker wrote a letter to the Government to the effect that the company intended to

do so; and in furtherance of my desire to have Brisbane placed upon the same footing as Melbourne and Sydney, I wish to ask the Prime Minister if my information is not correct?

Mr. WATSON (Bland) [4.41].—I desire to ask the Prime Minister whether the Cabinet has yet arrived at a decision with respect to putting the suggestion to the electors at the next general election for an amendment of the Constitution providing that in future the elections for the Senate and the House of Representatives shall be held some months later than the usual time? If a decision has been come to, it is desirable that it should be made known at the earliest moment.

Mr. McLEAN (Gippsland) [4.42].—Now that the Australian Industries Preservation Bill is practically done with, I wish to ask the Prime Minister when the Government intend to proceed with the revision of the Tariff? I would remind the honorable gentlemen that if they are sincerely desirous, as I believe they are, to effect a satisfactory revision of the Tariff, they are not likely to have more favorable conditions for doing so for many years to come than prevail at the present time. They have a strong protectionist majority in the House, and even the free-traders here, I understand, recognise that the sooner this question is dealt with and settled the better it will be for all concerned. It is not for me to dictate the order of business to the Government, but we all have a responsibility to our constituents and to the country in that regard. I, for one, consider that the revision of the Tariff is the most pressing matter before the Parliament. I think that it is infinitely more pressing than the measure with which we have been dealing. I understand that on a previous occasion it was intimated, in reply to some questions, that the Government intended to proceed with it when they had got further reports. To me that appears to be a waste of time. If it is intended to proceed with the matter at all during the present session, surely the sooner we begin to do so the better! By the time we shall have finished with the three reports that are before us, probably others will be to hand. The Attorney-General will, I am sure, support my request. He will remember how he devoted his time, in season and out of season, more especially out of season, in abusing the late Government for not pro-

ceeding with an immediate revision of the Tariff—even before they had any information that would enable them to do so satisfactorily. Surely he will see the necessity of not losing any time in dealing with the matter, now that we have reports of the Tariff Commission to guide us, and enable us to do the work satisfactorily.

Mr. FISHER (Wide Bay) [4.44].—At every election, nine-tenths of the candidates and, I believe, nine-tenths of the members returned have been distinctly pledged to the establishment of a scheme of old-age pensions. I desire to ask whether the Government have come to a conclusion on the subject, and if so, whether it is proposed at an early date to introduce a measure of reform about which this Parliament is practically unanimous?

Mr. DEAKIN (Ballarat—Prime Minister) [4.45].—The honorable member for Coolgardie is correctly informed that the delay in the consideration of the proposition as to Sir William McGregor has been due to the necessary arrangements required to be made between the Colonial Office and himself before he can consent to become a candidate for the post. The House has already been informed, in reply to the honorable member for Moreton, it will have the opportunity of discussing the matter before any appointment is made. The consideration of a vote for the purpose of wireless telegraphy will come before the Cabinet during the next few weeks, in connexion with the preparation of the Estimates. The Premier of Queensland is in possession of a copy of the letter which was received by the Government with reference to Brisbane, and also Melbourne and Sydney, as ports of call in connexion with the oversea mail service. Any statement made by that honorable gentleman is therefore certain to be correct, because he has the tenderer's letter in his hand. The question of altering the date for holding future elections for the Senate to March or April has not been decided by the Cabinet, but is, I am in a position to say, favorably regarded by it. No time will be lost in dealing with the Tariff. It is recognised that when the proposals are submitted it will be desirable to deal with them in a group, and, of course, to dispose of them as rapidly as possible. In the meantime, we have to provide another place with sufficient work to keep it continuously occupied for the period which we shall need for dealing with the Tariff. Having regard

to both these matters, and the necessity for stating the financial position of the Commonwealth, which may be incidentally affected by some of these proposals, I can promise the honorable member that the Tariff will be dealt with, not only as early as possible, but as fully as possible. The report of the Royal Commission on Old-Age Pensions is before the Cabinet. The honorable member for Wide Bay correctly states the attitude of the great bulk of honorable members, but he is also aware of the fact that the whole question turns, not so much on the adoption of a scheme, as on the financial arrangements which would require to be made regarding it. Those have been under the consideration of my colleague, the Treasurer, and the Cabinet. I hope that we shall be in a position to make a proposition in that regard before this session closes.

Question resolved in the affirmative.

House adjourned at 4.47 p.m.

House of Representatives.

Tuesday, 17 July, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

IMPERIAL DEFENCE COMMITTEE'S REPORT.

Mr. KELLY.—I desire to ask the Prime Minister whether it is correct, as stated in connexion with the report of the interview with Captain Creswell which appeared in the *Age* of yesterday, that the Imperial Defence Committee is opposed to Captain Creswell's present proposals for the creation of Australian torpedo flotillas. If so, I should like to know why the information referred to could not have been given directly to honorable members instead of being permitted to first become public per medium of an interview between one of the officers of the Defence Department and an *Age* reporter?

Mr. DEAKIN.—I read the report of the interview, but do not recollect the particular remark to which the honorable member refers. If, as the honorable member says, Captain Creswell alluded to the report of the Imperial Defence Committee in the terms referred to, he

may have been drawing a bow at a venture, indicating his expectations, or have derived information from some source of which we are not aware. He had not then seen the report of the Committee.

QUEENSCLIFF CANTEEN.

Mr. CROUCH.—In the *Age* and *Argus* of last Saturday, the following statement appeared under the heading of "Queenscliff Canteen":—

The following statement was issued yesterday by the Minister of Defence on the question of the prices charged to officers and men at the Queenscliff military canteen.

Then followed an attack upon the minority report of the Hawker Inquiry Board. I should like to know whether this statement was made upon the authority of the Minister of Defence.

Mr. EWING.—I have no information as to the authority for the statement, but I shall make inquiries and communicate with the honorable and learned member to-morrow.

FEDERAL CAPITAL SITE.

Mr. FRAZER.—I should like to ask the Prime Minister a question with reference to the statements made by the Premier of New South Wales, and reported in the records of the Conference of State Premiers recently held in Sydney. Mr. Carruthers, speaking on the subject of the Federal Capital, is reported to have said—

I do not like the idea of a "stringy-bark" capital, but there is no necessity.

Mr. BENT.—Why not adopt the idea of ten years in each place—Sydney and Melbourne?

The PRESIDENT.—Let them bring that on.

Mr. BENT.—Shall we suggest that course?

The PRESIDENT.—You can suggest it, but we shall get into deep water when once we suggest amendments in the Constitution.

At a later stage Mr. Carruthers further stated—

To suggest an amendment would put ourselves in a false position. I think the general feeling in New South Wales is against a bush capital. If the Federal Parliament can gather that that feeling exists, it should at once take the matter in hand and propose an amendment of the Constitution to get the question settled.

I should like to know whether the Prime Minister will give consideration to the suggestion made by Mr. Carruthers, with a view to submitting to Parliament a resolution in the direction of referring the question of the revision of the Constitution to the electors.

Mr. DEAKIN.—The honorable member has quoted from a report of the Confer-

ence which took place between the States Premiers alone. I had not an opportunity of being present at that discussion. Though I would not for a moment dispute that the Premiers of the States represent their respective Parliaments, I would point out that we look to the representatives of New South Wales in this Parliament for an expression of the opinion of the electors of that State with regard to the Federal Capital Site question. To my recollection, they have not proposed any such course as that suggested.

Mr. SKENE.—They opposed it when it was suggested.

Mr. WILKS.—It was suggested two years ago.

Mr. DEAKIN.—At any rate, the suggestion has not been made so authoritatively as to call for consideration by the Government, and I am not aware that it calls for that consideration.

Mr. JOSEPH COOK.—I wish to know whether the Minister of Home Affairs has yet concluded arrangements for a visit by honorable members to the new sites proposed for the Federal Capital.

Mr. GROOM.—I have prepared an itinerary, and I have telegraphed to Mr. Carruthers, asking him to meet me in Sydney to-morrow with a view to definitely arranging matters.

BRADDON SECTION.

Mr. CROUCH.—I desire to direct the attention of the Prime Minister to the following passage in a resolution with regard to the Braddon section of the Constitution, unanimously passed by the States Premiers at the recent Conference:—

Subsequently this clause was modified by the Premiers' Conference, in 1898, at the instance, chiefly, of New South Wales.

The alteration suggested by the Premiers' Conference resulted in the present section of the Act, but neither Victoria nor South Australia nor Tasmania submitted the amended Bill to the electors.

We therefore believe that the majority of the electors are still in favour of the original clause, and that the earliest opportunity should be afforded to them of directly expressing their opinions to that effect before any attempt be made to vary the present system of distribution of the Customs revenue.

We believe that the most opportune time for such reference to the people will be at the ensuing general elections, and we therefore invite the Prime Minister to move in that direction.

Mr. JOSEPH COOK.—I rise to a point of order. The course that is now being adopted by the honorable and learned member is an abuse of the privileges of

honorable members in addressing questions to Ministers. If this kind of thing is to be permitted, honorable members may read the whole of the reports of conferences such as that referred to by the honorable and learned member.

Mr. PAGE.—Are we not entitled to ask questions in a form in which they will elicit the information we desire?

Mr. JOSEPH COOK.—Yes, in the proper way. But I submit that the honorable and learned member is abusing his privilege.

Mr. SPEAKER.—I was on the point of interfering when the honorable member for Parramatta rose. I had intended to point out that the extract that the honorable and learned member was reading was too long, and to ask him not to read any more than was absolutely necessary to indicate the nature of his question.

Mr. CROUCH.—I was about to ask the Prime Minister whether the statements quoted by me were correct. If they are incorrect, will the Prime Minister take into consideration the propriety of having prepared or compiled some history of the Federal movement, in order that States Ministers may not be so utterly unaware of what has taken place?

Mr. DEAKIN.—The statement quoted by the honorable and learned member is erroneous. A second referendum was taken in every State. What may be termed a semi-official record of the Federal movement, and of the votes recorded by the electors, is to be found in Quick and Garran's *Annotated Constitution*.

PRESS COMMUNICATIONS BY MILITARY OFFICERS.

Mr. KELLY.—I desire to ask the Minister representing the Minister of Defence whether it is in accordance with the regulations for officers of the Defence Department to grant interviews to representatives of the press?

Mr. EWING.—I do not think that there is any regulation dealing with that matter, but obviously the practice to which the honorable member refers would be unwise.

TELEPHONES IN TOTALISATOR SHOPS.

Mr. ROBINSON.—I desire to ask the Postmaster-General whether, since his return to Australia, he has noticed in the daily press, statements to the effect that various illegal establishments known as "tote shops" are connected with the telephone system, and that the use of the telephone

is necessary for the conduct of their business? Also whether he will take further steps, if necessary, to prevent such establishments from enjoying the use of the telephone system?

Mr. AUSTIN CHAPMAN.—In reply to the honorable and learned member, I would point out that the regulations provide that upon the conviction of any person carrying on a "tote" shop, the telephone may be cut off from his establishment. That is the power I have at present, and I shall be very pleased to have the telephone disconnected from the premises of any person who is convicted either of conducting a "tote" shop or of engaging in any other illegal business.

Mr. MAUGER.—In view of the serious nature of the betting and gambling evil, will the Postmaster-General consider the advisability of altering the regulations so as to insure that the public telephone shall not be used for such immoral purposes?

Mr. AUSTIN CHAPMAN.—I should like the honorable member to give notice of that question, because it seems to me that to give effect to his desire would necessitate the introduction of a Bill to appoint a censor of the morals of the community.

COMMERCIAL CONVENTION: NEW ZEALAND.

Mr. BRUCE SMITH.—In the newspapers to-day the Prime Minister is reported to have stated that a commercial convention between the Commonwealth and New Zealand had been signed by Mr. Seddon before his death, and that it would be laid upon the table of the House before the next election. I should like to know whether the convention was also signed on behalf of the Commonwealth, and, if so, why it cannot be laid upon the table of the House before the next election?

Mr. DEAKIN.—In reply to the honorable and learned member, I desire to say that a draft commercial convention was signed both by Mr. Seddon and myself, but in consequence of the lamented and unexpected death of the late Premier of New Zealand, the Government were requested by his surviving colleagues to defer any publication of its terms until they had a further opportunity of considering it. Owing to the fact that they did not receive the papers of their late chief at the time the New Zealand Parliament met and adjourned for two months, they had no opportunity of seeing all the details of the

agreement. Our understanding was that it should be laid upon the tables of the Houses of the New Zealand Parliament and of the Commonwealth Parliament simultaneously. As soon as the New Zealand Government are ready, we are prepared to lay it upon the table.

FARMERS AND COUNTRY DISTRICTS TELEPHONES.

Mr. MAHON asked the Postmaster-General, *upon notice*—

1. Is he aware of the wide-spread use of the telephone by rural settlers in America, as indicated by the following extract from a letter to the London *Spectator* of 12th May:—"We have a 'farmers' line' connected with our summer home, a farm in Eastern Massachusetts, for which we pay 18 dollars yearly. At all hours of the day or night we can talk with fifteen other families without calling up the Exchange Office. Every forenoon at about 11 o'clock all subscribers are called to listen to the weather forecast, and perchance to any news the obliging clerk may wish to communicate. On a recent Sunday morning he attached a gramophone and gave us, free of charge, a so-called sacred concert. Much town business is now transacted by telephone?"

2. Would not the initiation of such a system here render country life more attractive, reduce the congestion of our chief cities, promote rural settlement, and consequently induce greater and more vigorous development of the primary industries of Australia?

3. What steps, apart from extending the condenser system, is the Department taking to popularize the telephone in the country districts?

4. Was not Mr. Hesketh instructed to make special inquiry, during his visit to America, as to the facilities afforded in that country to settlers in rural districts to become connected with the telephone system?

5. Has Mr. Hesketh submitted a report on the subject; and, if so, will the Minister see that copies of the document are circulated among honorable members?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. It is anticipated that the initiation of such a system would assist in the direction indicated.

3. The Department's endeavours to popularize the telephone in the country districts are shown by the recently issued draft telephone regulations, a *résumé* of which, so far as they affect country district telephones, is given in the paper read by Mr. Hesketh at the recent Convention of the Agricultural Association at Sale. A copy of this paper will be laid upon the table of the House at an early date.

4. Yes.

5. The report, dated 12th March, 1905, presented by Mr. Hesketh on his return from America, and laid upon the table of the House on 8th September, contains, on page 5, a summary of the results of his investigations as to country district telephones.

BENDIGO LIGHT HORSE.

Sir JOHN QUICK asked the Minister representing the Minister of Defence, *upon notice*—

Whether he is in a position to make an announcement respecting the proposed formation of a squadron of the Light Horse Regiment at Bendigo, and what is to be the arrangement, organization, and command?

Mr. EWING.—The answer to the honorable member's question is as follows:—

The Ninth Australian Light Horse Regiment at present consists of two squadrons in the Ballarat district; and two troops each, forming two squadrons, at Elmore, Echuca, Kerang, and Pyramid Hill. The redistribution of the troops allotted to Elmore, Echuca, Kerang, and Pyramid Hill have been found necessary, owing to the unsatisfactory attendances at parade. On the recommendation of the Military Board, it has been decided to reorganize the regiment as follows:—One troop each at Elmore, Echuca, Kerang, and Pyramid Hill, which will constitute No. 4 squadron. One complete squadron at Bendigo, to be called No. 3 squadron. These two squadrons will have their head-quarters at, and be administered from, Bendigo. The question as to who will command will be decided when the squadrons have been reformed. The two squadrons (Nos. 1 and 2) in the Ballarat district will be independently administered from Ballarat. It is not at present proposed to appoint a Commanding Officer for the whole regiment.

CLOSING TIME OF POST OFFICES.

Mr. BROWN asked the Postmaster-General, *upon notice*—

1. Is it a fact that certain offices in the city and suburbs of Sydney are open for the transaction of business from 9 a.m. to 6 p.m.?

2. Is it a fact that the work of certain other offices requires the presence of postmasters at 7 a.m., and these offices do not close until 8 p.m., involving in some instances work to the extent of about fourteen hours per diem?

3. What periods are allowed for meals?

4. What are the regulations, if any, governing the working hours of postmasters, and will the Minister see that reasonable working hours are observed?

Mr. AUSTIN CHAPMAN. — The answers to the honorable member's questions, as supplied by the Acting Deputy Postmaster-General, Sydney, are as follows:—

1. Yes.

2. The work of certain other offices in the city of Sydney and suburbs, which do not close until 8 p.m., requires the presence of either the postmasters or their assistants at 7 a.m. for a comparatively short time. The daily period of thirteen hours indicated in the question, and in some instances longer periods, represent the general work of these offices, carried out by the staffs, but no instance is known in which the postmasters are working or required to work

to the extent of about fourteen hours per diem in performing duties of the Postmaster-General's Department.

3. At official post and telegraph offices where there is not more than one person employed competent to undertake all duties required, postmasters are permitted to close their offices during meal hours from 12.30 to 1.30 p.m., and from 6 to 7 p.m. At offices where two or more persons competent to undertake all duties are employed, postmasters are permitted to arrange the hours of duty of their staffs, so that they may be relieved for an hour for each meal.

4. Commonwealth Public Service Regulation No. 4 provides for hours of attendance to be observed by officers not subject to special Regulations or Departmental arrangements. In that behalf postmasters are subject to special Regulations or Departmental arrangements, and their working hours are governed by unrepealed New South Wales Post and Telegraph Department Regulations issued 1st June, 1895, viz., Portion of Regulation No. 5: "Every Postmaster is required to give his personal attention to the discharge of the duties of his office, and must on no account intrust such duties to others without authority from the Head Office. He must not absent himself during office hours without permission from the Deputy Postmaster-General." Portion of No. 7: "It is left to the discretion of the Postmaster to regulate the duties and the hours of attendance of his staff, which should be done with a view to each official being required to perform a fair day's work, and none being expected to work continuously for an undue length of time;" and portion of Regulation No. 27: "At official Post and Telegraph offices, where there is not more than one person employed the Postmaster may close his office from 12.30 to 1.30 p.m., and 6 to 7 p.m., but where two or more are stationed it must not be closed during meal hours." In practice the discretion left with postmasters under Regulation 7 has generally permitted of efficient arrangements being made to afford them relief from duty without interfering with the transaction of public business, and with due regard to the local circumstances of each office. If an instance in which a Postmaster is required to work unreasonably long hours be brought under notice, remedial steps could be taken.

NEW SOUTH WALES ELECTORAL ROLLS.

Mr. WEBSTER asked the Minister of Home Affairs, *upon notice*—

1. Whether he has received any detailed information of the steps that are being taken in the State of New South Wales to secure the enrolment of electors on the Federal Rolls?

2. If so, would he kindly furnish same to this House?

Mr. GROOM.—The answer to the honorable member's questions is as follows:—

1 and 2. Arrangements have been made in New South Wales under which the Police, whilst conducting their annual house to house canvass for the State rolls, shall also endeavour to bring the Commonwealth Rolls up to date, as far as possible, by reporting—

(a) the names of persons appearing on the existing roll who, by reason of death

- or through having permanently left the Division, should not be included;
- (b) by inducing any qualified persons whom they find resident in an Electoral Division, but whose names do not appear on the Commonwealth roll to sign forms of claim for enrolment or transfer, as required;
- (c) Any change of address, duplication of names, &c.

POSTAL STAFF CHANGES: ELECTORAL LAW.

Mr. BROWN asked the Postmaster-General, *upon notice*—

1. Is it a fact, as indicated in the Sydney *Daily Telegraph* of the 10th instant, that postal staff changes of a very radical and far-reaching character have been authorized in New South Wales?

2. Is it true that those changes will entail considerable expense upon the Department, and discomfort and inconvenience upon officers, without insuring any adequate efficiency of the service in return?

3. In view of the fact that the grading of officers on which those changes are proposed was made during 1903-4 when the State was in conditions of drought, will he consider the advisableness of having this grading checked to date before insisting upon transfer of officers?

4. In view of the serious manner in which those changes will affect the administration of the Federal Electoral Department will he consider the advisableness of allowing officers to retain their positions until after the work of the next General Elections has been completed?

Mr. AUSTIN CHAPMAN.—The following replies have been furnished to the honorable member's questions by the Public Service Commissioner, who has arranged the transfers consequent upon classification:—

1. The changes are only those necessary to adjust the salaries of the officers to the value of the stations they occupy, combined with the changes consequent upon filling the number of vacant offices which existed in the State. No less than 84 of the changes are the result of the latter, and 41 of the Postmasters are to be promoted to positions where they can receive higher salaries.

2. Expense will necessarily be involved, but the greater part of it would have to be incurred in any case to fill existing vacancies, and the transfers consequent thereon. The rearrangement is to secure the greater efficiency of the service.

3. The classification has been so recently made that it is not considered necessary to enter upon a reclassification so soon; moreover, it would not be likely to affect the scheme, and in any case adjustments will be made from time to time as vacancies arise, in the ordinary administration of the Department.

4. Consideration has been given to this phase of the question, and wherever possible the service of officers with electoral experience, who are to be removed to other positions where such experience will be of value have been secured. If,

however, the necessary changes of officers who will have electoral duties to perform are made at once, they will have ample time to make themselves acquainted with the electoral work, but where it is found the work is likely to suffer by any transfer, it will not be effected until after the election.

COMMONWEALTH OFFICES, MELBOURNE.

Mr. WEBSTER asked the Minister of Home Affairs, *upon notice*—

1. What is the total sum expended annually by the Commonwealth for rent of offices in Melbourne necessitated by reason of the presence of the Parliament in Victoria?

2. What is the total sum expended annually by the Commonwealth for rent of offices in Melbourne?

Mr. GROOM.—I have much pleasure in placing the information upon the table of the House in the form of the following return:—

1. The total rentals paid by the Federal Government for offices in Melbourne, £4,597 4s.
2. The rental paid for each suite of offices, giving each service separately:—

Department.	Rent per annum.
	£ s. d.
Postmaster-General's Department—	
Rokeby—Spring-street	425 0 0
Customs—Central; External Affairs;	
Attorney-General, Commonwealth	
Offices, corner Spring and Collins	
streets	730 4 0
Commonwealth Treasury	335 0 0
Government Printer, Little Lonsdale-	
street	167 0 0
Do., Flinders-lane	150 0 0
Do., a'Beckett-street	400 0 0
Patents Office, Rialto	850 0 0
Home Affairs, Russell-street	875 0 0
Census and Statistics, Rialto	450 0 0
Auditor General, Market-square	325 0 0
Total	£4,597 4 0

3. The rental (if any) paid to the Victorian Government for Federal offices, £1,105 4s.

TELEGRAPHISTS: SUNDAY WORK.

Mr. TUDOR asked the Minister of Home Affairs, *upon notice*—

1. How many Sundays during the year do telegraphists have to work?

2. Do they receive any extra remuneration for Sunday labour?

3. Does not a Regulation under the Public Service Act provide that time and a half shall be allowed for Sunday labour?

4. Does not the Postal Department charge double rates for telegrams on Sundays?

5. Owing to Sunday labour, have not telegraphists been compelled to work on twelve consecutive days?

Mr. GROOM.—The Public Service Commissioner has furnished the following replies:—

1. In Victoria, telegraphists work on Sunday once in seven weeks.

2 and 3. A telegraphist is paid time and a half for Sunday when he works seven days in a week, but if he works six days only and Sunday is one of them, he is not paid, because he has already had one day off in seven, and it is considered desirable to employ more telegraphists rather than to allow the others to work seven days a week.

4. Yes; the business is consequently small, and the work is not continuous.

5. No; in fourteen days a telegraphist works only twelve days.

HIGH COURT VACATIONS.

Mr. ROBINSON asked the Attorney-General, *upon notice*—

1. What was the duration of the vacation observed by the High Court in midsummer last?

2. What is the proposed duration of the vacation now being observed by the High Court?

Mr. ISAACS.—The answer to the honorable and learned member's questions is as follows:—

The duration of the summer vacation was eight weeks, and that of the winter vacation will be four weeks, as enacted by Parliament, in Order XLVIII, Rule 3 of the Rules of Court scheduled to the High Court Procedure Act 1903.

CITY TELEGRAPH OFFICES.

Mr. AUSTIN CHAPMAN.—I can now answer the question put to me on Friday last by the honorable member for North Sydney, in reference to city telegraph offices. The honorable member desired to know—

1. The branch city telegraph offices in Sydney and in Melbourne, from which instruments have been recently, or are to be, removed?

2. Which of those offices have tube connexion with the head office?

3. Which will require a messenger service for conveyance of messages to a despatching office?

4. How frequently will messengers leave each of such offices with the accumulated messages?

The answers are as follow:—

1. Instruments have been removed from the following offices in Sydney at the instance of the Public Service Commissioner, and on the recommendation of the Deputy Postmaster-General:—King-street, Queen Victoria Markets, George-street north, and the Exchange. At the latter office one instrument has been left for "urgent" rate telegrams. No other removals have been determined on. No similar action has been recently recommended in the case of

Melbourne, where three offices have been worked by tube and one by messenger for years past.

2. Only the Exchange, but tube is not in working order.

3. There is now a messenger service at the offices named for conveying messages to the General Post Office.

4. Messengers are despatched from the Exchange about every six or seven minutes, provided, of course, telegrams have been lodged for them to convey. They at present use the trams, but it is proposed to supply them with bicycles. When this has been done the service will be accelerated, as it will be possible to arrange for a fixed time-table of five minutes to serve both the Exchange and George-street north offices. At the latter office, as well as at Queen Victoria Markets and King-street, there is at present a ten minutes' service, or as required, according to the times of lodgment of messages. It frequently happens that intervals of several minutes occur during which no telegrams are handed in at the three last-named offices.

MILITARY TRAVELLING ALLOWANCES.

Mr. EWING.—I am now in a position to supply the information sought on 5th inst. by the honorable member for Maranoa, in reference to military travelling expenses. The return is as follows:—

Returns of amounts paid as Travelling Allowances, &c., during the financial year 1905-6, to:—

The Inspector-General of the Military Forces and his Staff.

The members of the Military Board, and the Directors of the Administrative Staff.

The District Commandants and their Staffs.

STATEMENT SHOWING AMOUNTS PAID TO THE INSPECTOR-GENERAL AND STAFF ON ACCOUNT OF TRAVELLING EXPENSES DURING THE FINANCIAL YEAR 1905-6.

Rank and Name.	Position.	Amount Paid.
Major-Genl. Finn, H.	Inspector-General	£ 361 10 10
Captain Niesigh, J. W.	Staff Officer and Private Secy.	53 9 6*
Captain Forsyth, J. K.	Staff Officer and Private Secy.	148 15 7
Major Sandford...	Inspector of Ordnance and ammunition	140 6 0
Wilson, A. J. L.	Clerk	21 8 9†
	Total	725 10 8

NOTE.—No other allowances beyond the above were paid to these officers.

* Resigned.

† During interval between resignation of Captain Niesigh and appointment of Captain Forsyth.

STATEMENT SHOWING AMOUNTS PAID TO MEMBERS OF THE MILITARY BOARD, TOGETHER WITH THE DIRECTORS ON THE ADMINISTRATIVE STAFF, ON ACCOUNT OF TRAVELLING ALLOWANCES DURING THE FINANCIAL YEAR 1905-6 :

Rank and Name.	Position.	Amount Paid.
		£ s. d.
Members of Board.		
Colonel Hoad, J. C.	Deputy Adjutant General	56 18 11
Lt.-Col. Bridges, W. T.	Chief of Intelligence	51 1 7
Lt.-Col. Le Mesurier, H.	Chief of Ordnance	45 6 7
Directors.		
Surgeon-General Williams, W. D. C.	Director-General of Medical Services	80 1 7
Major Parnell, J. W.	Director of Engineer Services	32 15 0
Capt. Buckley, P. N.	Acting Director of Engineer Services	14 2 2*
Savage, F.	Director of Stores	11 10 6
	Total ...	291 16 4

* Captain Buckley acted during the absence of Major Parnell in England on duty.

NOTE.—No other allowances beyond the above were paid to these officers, but Mr. J. A. Thompson, Chief Accountant of the Department (who acts as Finance Member of the Board) received an allowance of £50 per annum, which was approved by the Public Service Commissioner and voted by Parliament.

STATEMENT SHOWING AMOUNTS PAID TO STATE COMMANDANTS AND THEIR STAFFS ON ACCOUNT OF TRAVELLING ALLOWANCES DURING THE FINANCIAL YEAR, 1905-6 :

Rank and Name.	Position.	Amount Paid.
		£ s. d.
<i>New South Wales.</i>		
Brig.-Genl. Gordon, J. M.	Commandant	119 16 7
Lieut.-Col. Lyster, J. S.	A.A.G. and C.S.O.	17 13 0*
Lieut.-Col. Irving, G. G. H.	" "	14 6 11
Major Luscombe, A. P.	D.A.Q.M.G.	32 7 7
Major Legge, J. G. ...	D.A.A.G. ...	27 4 1
Lieut. Harrison, E. T.	Orderly Officer	23 6 10
<i>Victoria.</i>		
Col. Ricardo, P. R.	Commandant	66 5 10
Lieut.-Col. Lee, G. L.	A.A.G. and C.S.O.	5 3 10
Major Patterson, W. G.	D.A.Q.M. .	22 8 3
Major Bruche, J. H.	D.A.A.G. ...	7 6 5
<i>Queensland.</i>		
Col. Plomer, W. H. P.	Commandant	35 0 0†
Col. Lyster, J. S. ...	"	95 0 0
Lt.-Col. Chauvel, H. G.	A.A.G. & C.S.O.	16 0 0
Major Sellheim, V. C. M.	D.A.A.G. and D.A.Q.M.G.	59 0 0

Ewing.

STATEMENTS SHOWING AMOUNTS PAID TO STATE COMMANDANTS AND THEIR STAFFS ON ACCOUNT OF TRAVELLING ALLOWANCES DURING THE FINANCIAL YEAR, 1905-6—continued :

Rank and Name.	Position.	Amount Paid.
		£ s. d.
<i>South Australia.</i>		
Col. Wallack, E. T.	Commandant	71 15 10
Lt.-Col. Reade, C. J.	D.A.A.G. and D.A.Q.M.G.	29 10 2
<i>Western Australia.</i>		
Lt.-Col. Wallace, R.	Commandant	44 0 0
Capt. Darvall, F. J. S.	D.A.A.G. and D.A.Q.M.G.	38 0 0
<i>Tasmania.</i>		
Col. Mackenzie, H. D.	Commandant	139 0 0
Major Hayter, F. J.	D.A.A.G. and D.A.Q.M.G.	11 0 0
	Total ...	874 5 4

NOTE.—No other allowances beyond the above were paid to these officers.

* Transferred to Queensland. † Returned to England.

BOUNTIES BILL.

Mr. SPEAKER reported the receipt of a message from His Excellency the Governor-General, recommending that an appropriation be made from the consolidated revenue for the purposes of this Bill.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

Motion (by Sir WILLIAM LYNE) proposed—

That the Bill be now recommitted to a Committee of the whole House for the reconsideration of clauses 3, 6, 10, 11, 11B, 14, 17, and 18A, in regard to the following proposed amendments :—

Clause 3, page 2, line 6, omit "Lower," insert "Inadequate."

page 2, line 6, omit "less," insert "inadequate."

page 2, line 6, omit "longer," insert "excessive."

page 2, line 8, omit "more," insert "unduly."

Clause 6, page 3, lines 1-2, omit "a lower," insert "an inadequate."

Clause 10, page 3, line 47, omit "destroying or injuring," insert "destructive or injurious."

page 3, line 48, before "any" insert "to."

page 4, line 6, omit "Judge," insert "Justice."

Clause 11, page 4, lines 15-16, omit "any competent Court exercising Federal jurisdiction," insert "the High Court before a Justice without a jury."

Clause 11B, page 4, omit the clause.

Clause 14, page 6, line 14, omit "a lower," insert "an inadequate."

Clause 17, page 7, lines 47-48, omit "including the power, if he thinks fit, to," insert "He may, if he thinks

fit, and shall on the application of either party."

page 7, line 49, at end of sub-clause (2), add "and he may, if he thinks fit, at any stage of the proceeding, refer the investigation and determination of the matter to the Full Court, which shall, in that case, have all the powers and functions of a Justice under this Part of this Act."

page 8, line 3, omit "thereby," insert "therein."

Clause 18A, page 8, line 49, omit "in," insert "or limitation on."

Amendment (by Mr. JOSEPH COOK) proposed—

That the following words be added:—"and clause 17, page 8, lines 25 and 26, omit 'without unfairly injuring any other section of the community.'"

Question—that the words proposed to be added be so added—put. The House divided.

Ayes	...	...	15
Noes	...	...	34
Majority	...	...	19

AYES.

Conroy, A. H. B.
Cook, J.
Edwards, R.
Fysh, Sir P. O.
Kelly, W. H.
Knox, W.
Lee, H. W.
Liddell, F.

McCay, J. W.
McLean, A.
Skene, T.
Smith, B.
Wilson, J. G.
Tellers:
Robinson, A.
Wilks, W. H.

NOES.

Bamford, F. W.
Batchelor, E. L.
Brown, T.
Carpenter, W. H.
Chapman, A.
Crouch, R. A.
Culpin, M.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Fowler, J. M.
Frazer, C. E.
Groom, L. E.
Hughes, W. M.
Hutchison, J.
Isaacs, I. A.
Kennedy, T.

Lyne, Sir W. J.
Mahon, H.
Mauger, S.
McDonald, C.
O'Malley, King
Page, J.
Phillips, P.
Poynton, A.
Ronald, J. B.
Salmon, C. C.
Spence, W. G.
Thomson, D.
Tudor, F. G.
Wilkinson, J.

Tellers:
Cook, Hume
Thomas, J.

PAIRS.

Willis, H.
McWilliams, W. J.
Smith, S.

Watkins, D.
Storrer, D.
Watson, J. C.

Question so resolved in the negative.
Amendment negatived.

Mr. KELLY (Wentworth) [3.5].—When clause 21 was under consideration, I raised the question whether a penalty of imprison-

ment should not be provided to meet the case of a man of straw being put forward by a manufacturer to give false information to the Department—a proceeding which might lead to the "holding up" of a trade, and to an evasion, on the manufacturer's part, of the mere money penalty imposed by this clause. The Minister said he would consider the point, and I should like to know the conclusion at which he has arrived, and whether he is serious in the matter. The clause was allowed to pass on Friday on the Ministerial assurance that the point would be considered; and I suggest that a division might be taken, without debate, on a proposed amendment, with the object of imposing the penalty of imprisonment in cases where there has been deliberate evasion of the Act.

Sir WILLIAM LYNE.—A penalty is already provided.

Mr. KELLY.—But there is no penalty against a man of straw, on whose recommendations the Minister may act under clause 15. If it be found that a complaint made is one that cannot be substantiated, the only penalty is a fine of £100 and the costs; and it is obvious that, as the Bill now stands, a man, who is absolutely without property, could not be touched. Indeed the Bill, in its present shape, offers a premium on actions such as I have indicated. On Friday I suggested that the penalty of imprisonment should also be provided, but, owing to the lateness of the hour, I did not press the point. This is a suggestion which I think the Minister might accept as one likely to strengthen the Bill.

Sir WILLIAM LYNE.—But there is a penalty of £100, and also the liability to pay costs.

Mr. KELLY.—It is impossible to get blood out of a stone; and a man who has no property does not care whether or not damages or costs are awarded against him—he simply does not pay. I am sure that the Attorney-General must see the point; and, at any rate, no ill result would follow the discussion of an amendment of the kind on committal.

Sir WILLIAM LYNE.—We cannot consent to recommit the clause.

Mr. KELLY.—Then I beg to move—

That the following words be added, "and clause 21, with the object of providing the penalty of imprisonment, as well as a money penalty."

Mr. CONROY (Werriwa) [3.9].—I second the motion, on the ground that we

are placing in the hands of a class of manufacturers a very formidable weapon which might enable them to ruin any one of their trade rivals. A manufacturer would not be able to readily procure a dummy or man of straw if, in addition to a penalty of £100 and costs, imprisonment were likely to follow. When we create the great powers we do under this Bill the least we can provide is that the man who is really instrumental in putting the law into motion shall himself bear the penalty of wrongful action. If this clause were recommitted, we should be able, possibly, to insert an amendment to that end; but, failing that, it is our duty to, as far as possible, prevent any manufacturer from procuring some person, in return, probably, for a few pounds, to lay any information which may or may not be absolutely true. There might be so much partial proof of the information, that, in case of proceedings for perjury, a jury would decline to convict; and it is not too much to ask that a person, who wilfully makes a false statement, shall be subject to more than a mere fine. Considering that on Friday last time was too pressing for us to consider such points as these, I hope honorable members will see the advisability of supporting the motion of the honorable member for Wentworth. This is a matter worth consideration, because, in the absence of an amendment, very great abuses may arise.

Mr. FISHER.—If the money penalty is not paid, is the informant to be sent to prison?

Mr. CONROY.—There should be that power; the real person at the back of the proceedings should pay the money penalty. It must be remembered that the offender who goes to prison will have to be convicted of perjury; and I know of no law passed by any Parliament, in which such an offence is visited by a money penalty only. Had no penalty been provided under the clause, an offender might be proceeded against under ordinary criminal law; but the specific penalty prevents any such step. As the clause stands, a man who has committed perjury is merely liable to a penalty not exceeding £100.

Mr. KELLY.—And the penalty cannot be recovered from a man of straw.

Sir WILLIAM LYNE.—There are also the costs.

Mr. CONROY.—But the case to be met is one in which a man has wilfully made a false statement—committed perjury.

Mr. ISAACS.—It is not perjury; the informant has not taken an oath.

Mr. CONROY.—According to the clause an offender must have made, and be convicted of making, a wilfully false statement to the Comptroller-General, or some other officer of Customs; the offender has not to make merely an inaccurate statement, but one that he knows to be false. What are we coming to when this Parliament allows a clause to slip through which would allow a man who had been convicted of committing perjury to be fined only £100? If he is a wealthy man, such a fine would be nothing to him whatever. I fail to understand why the Attorney-General does not grasp the importance of the point. It is a very great pity indeed that he should refuse to consent to allow the Committee to have another opportunity to discuss a clause which slipped through while we were hurriedly dealing with the last part of the Bill on Friday afternoon.

Mr. ISAACS.—It was before the Committee for a considerable time.

Mr. CONROY.—I have no hesitation in saying that the particular provision to which I refer has never been before the Committee. Take it that a wealthy man lays an information under the clause, and that he is afterwards convicted of having made a wilfully false statement. Does the Attorney-General imagine that that man will be punished merely by being fined £100? He can turn round and say, "There may be laws for perjury, but all you can do to me is to fine me a sum which I can very easily pay."

Mr. ISAACS.—Did the honorable member say that when the importer was relieved in just the same way?

Mr. CONROY.—I do not care who the offender is; a man who commits perjury ought to be properly punished.

Mr. ISAACS.—It is not perjury.

Mr. CONROY.—Will the Attorney-General tell me what making a wilfully false statement is if it is not perjury? Here we have the lawyers' distinction again! A man can lay an information, and make a wilfully false statement in so doing, but he has not committed perjury because he was not sworn according to proper forms and ceremonies.

Mr. KELLY.—It may be worth a man's while in a case involving hundreds of pounds to make a false statement.

Mr. CONROY.—A man may have landed his trade opponent in costs amount-

ing to £1,000 by making a wilfully false statement. But here we have the highly technical distinction drawn that if the wilfully false statement is not made on oath the offender is not guilty of perjury.

Mr. ISAACS.—Does the honorable member say that it is perjury?

Mr. CONROY.—I say that, except for the distinction drawn, it would and ought to be perjury. Any man who wilfully makes a false statement to the Comptroller-General, so as to mislead him into instituting proceedings by which another man may be put to an expense of hundreds of pounds in costs, is morally guilty of perjury. Indeed, I am not at all sure that it would not be perjury despite the provisions of this Bill. It is quite true that perjury does consist, in the legal sense, in wilfully making a false statement on oath. But it ought not to excuse a man who wilfully makes a false statement under this clause that he has not made it on oath. He ought not to be allowed practically to compromise merely by paying a fine of £100. Such a penalty would be no punishment whatever in the case of a man of wealth, and it would be useless in the case of a man of straw. It might pay a man of wealth to institute proceedings against a trade rival, and it might also pay a man of no means to do the same, with the knowledge that the only penalty attached to the false statement was a penalty of £100. I have no hesitation in saying that this clause ought to be re-committed. The Minister must understand the full importance of it. Therefore, I gladly support the motion.

Mr. ISAACS (Indi—Attorney-General) [3.25].—There is a strange confusion between the two honorable members opposite who are opposing this clause.

Mr. CONROY.—Wilfully making a false statement is what I dealt with.

Mr. ISAACS.—The honorable member for Wentworth said that a very poor man, who had not sufficient money, could give no satisfaction in such a case unless he were sent to gaol. The honorable and learned member for Werriwa says that the rich man who is able to pay is the person who can give no satisfaction in such a case unless he is sent to gaol.

Mr. CONROY.—We spoke from different points of view.

Mr. ISAACS.—The honorable and learned member has made a very long speech, in which he said the same thing three times over, and perhaps he will now allow me to make an answer once. He also

said that he would challenge us to show any other provision of a similar nature.

Mr. CONROY.—I do.

Mr. ISAACS.—In this very Bill—

Mr. CONROY.—Except in this Bill.

Mr. ISAACS.—In this very Bill, when the importer or monopolist, however rich and wealthy he may be, has done something with intent to injure the public, we have said that for the first offence he shall not be imprisoned.

Mr. BATCHELOR.—Did not the honorable and learned member for Werriwa object to that?

Mr. ISAACS.—The honorable and learned member was one of the very strongest supporters of that provision.

Mr. CONROY.—I say that if a man wilfully makes a false statement he should be imprisoned.

Mr. ISAACS.—I have shown a case of the kind in answer to the honorable and learned member's challenge, and here we simply apply to the poor man what honorable members opposite have agreed shall be applied to the rich man. The wealthy importer for his first offence of attempting with intent to destroy our industries, or to act to the detriment of the public at large, is not to be imprisoned.

Mr. CONROY.—That is not committing perjury.

Mr. SPEAKER.—Order! The honorable and learned member is out of order.

Mr. ISAACS.—For the first offence he is to be let off with a fine, and in this clause we have said that a man who comes forward to give information shall be put on the same footing. According to honorable members opposite, what is not right in this case is to be considered right in the case of the rich importer. I am unable to admit the justice of that argument. Let me put something else. The honorable and learned member for Werriwa fell into confusion of thought in his own remarks. If a wealthy manufacturer desires to injure an importer he goes to the Comptroller-General and makes a statement. Every one knows the distinction between a false oath and a false statement. One is perjury and the other is not. Morally there is no distinction, but we know the distinction in law. This manufacturer, the honorable and learned member contends, will know that he has only to pay a penalty of £100. But that is not correct, because in the clause referred to it is provided that he may be ordered to

pay the whole of the costs of the importer. Is not that rather a heavy penalty?

Mr. CONROY.—Not if he wilfully makes a false statement.

Mr. ISAACS.—He is placed in the same position as the importer found guilty of what is treason to the whole public, treason to the community of which he is a member. For his first offence of this kind he is liable to a penalty of £500. I do not think that he can be called upon to pay costs, but an injunction may be issued against him. A man who brings false information which the Minister may test or not as he pleases—and the Minister, or the Comptroller-General rather, will take very good care that he is standing on fair ground before he proceeds—is liable to a penalty of £100, and to be brought before a Justice, and made to pay the whole of the costs he inflicts on the other side. We can say that he is placed in a worse position than is the importer. We have heard no groans from the other side on behalf of the importer, and we propose to place the two men in precisely the same position. We hold that what is justice for the one is justice for the other.

Mr. KELLY.—Why not provide imprisonment for both?

Mr. ISAACS.—That is exactly what honorable members opposite have kept out in the case of the importer. Therefore, we say that we have done the fair and proper thing. It seems to me that having put both on the same footing there should be no ground for complaint.

Mr. LONSDALE (New England) [3.32].—The Attorney-General stated that he could not see any difference between an importer who committed treason against the community being allowed to escape imprisonment for his first offence, and a person who made a wilfully false statement having to pay a penalty of only £100, and being allowed to escape imprisonment. In the first case the reason why there should be no imprisonment for a first offence is that this is novel legislation—of a character entirely different from any which has governed commerce in the past, and the importer might act unwittingly. It was felt that in the circumstances he should be given full notice, and that no very drastic punishment should follow a first offence of the kind. But under clause 21 we are dealing with a man who deliberately and wilfully makes a false statement, and there is no reason why he

should be given any particular notice. A man who comes forward to make a statement of this kind which he knows to be false, deliberately and wilfully makes a false statement, and in such a case it would appear that the punishment should be governed by the enormity of the offence. The Attorney-General went on to say that the statement made is one which the Minister can test, and that he will not put the Act into force unless he is satisfied that there is good ground for so doing. The honorable and learned gentleman's faith in the Minister of Trade and Customs is much greater than is mine. I judge the Minister only by our experience of his actions on previous occasions. We must allow our experience to govern us in these matters. Unless we have a strong recantation from a person who has offended, we are justified in concluding that what he has done in the past he will be prepared to do in the future. As in the past the Minister of Trade and Customs has put the law into force without any consideration except for one side, we may reasonably expect that the honorable gentleman will put this law into force in the future against these treasonable importers. In connexion with these matters there is no doubt that strong preventive means should be adopted. I am not quite sure that legal sentences always prevent people from committing offences, but when people do commit offences their punishment should have some relation to the nature of the offence committed. To make a wilfully false statement, which has the effect of stopping a man's trade completely, and of injuring him largely in his business, must be admitted to be an offence of very great magnitude, and one which should be visited with severe punishment. The Attorney-General has stated that the Justice can give costs against such a person, as well as fine him £100. What costs? I take it that the Justice is not empowered under this clause to say, "You have stopped this man's business for one, two, or three months; as a consequence, he has lost £2,000 or £3,000, and therefore you must pay him that £2,000 or £3,000."

Mr. ISAACS.—The business is not stopped.

Mr. LONSDALE.—I say that publication of the certificate of the Comptroller-General in such a case may stop the importer's business. I am suggesting only what can happen, and what I feel pretty

sure will happen, under this Bill, unless the Minister changes his mind. There is nothing in the sub-clause to which the Attorney-General has referred to meet that difficulty. The honorable and learned gentleman knows that the costs which can be recovered are only the usual law costs of barristers, solicitors, and witnesses, and there is nothing in the clause to empower the justices to award damages against the person whose wilfully false statement has prevented a man's business from being carried on. If it be contended that that is not perjury, then I think that every statement required by the Act should be made upon oath. I take it that we should not lightly allow any man's business to be shut up or to be interfered with on the statement of a single individual, and that, therefore, when a man makes a statement of that kind, he should be called upon to make it in the most solemn manner possible. I am not here to defend the taking of oaths, because I believe that a man who will wilfully and deliberately tell a lie will swear falsely. If I had to try a person upon the evidence of a man whom I would not believe when he told me a thing in the ordinary way, I would not believe him when he made his statements upon oath. I do not believe that the taking of an oath has any controlling power in respect of many individuals. The only advantage in the system is that there is a certain punishment attached to perjury, and that some men may be deterred thereby from making a false statement. I submit to the Attorney-General that if the Bill does not make a wilfully false statement perjury it ought to do so. It ought to compel all this information to be given by means of a statutory declaration, and in the usual form. I hope that we shall at any rate increase the penalty. It would only mean a fine not exceeding £100. Under the provision a man might be fined £1. The Justice would have to decide as to the heinousness of an offence, and he would fix the amount of the penalty according to the enormity of the offence. When the Bill was passing through Committee, we tried to get inserted a provision for the taking of a bond so that nobody could complain against an importer or anybody else unless he had entered into a bond. We ought to have made that provision. In this case, a man might be put up by his employer to make a complaint for the purpose of injuring a competitor in trade. I have not very great faith in the nature of men who are continually

wanting Government assistance. My experience of them is that their intense selfishness will lead them to do anything in order to attain their ends. They will lie, they will take every course that is vile in order to accomplish their purpose. I would do everything I could to prevent these men from seeking to destroy the competition which prevents them from robbing the public, as they now do by law. In this case, severe penalties should be provided for the commission of the offence, otherwise men of straw might be put up to lay the information. I do not think that we should allow the Bill to pass with all its power to prevent men from carrying on an honest business, and to abolish that competition which, at any rate, keeps somewhere within bounds protectionist manufacturers, who would screw the last shilling out of the unfortunate public. Men whom we look upon as being respectable ask for this kind of legislation in order that they may enrich themselves at the expense of the poor. In these circumstances, we should not act as is done in America, but we should allow competition to be as free as possible. And in cases where men make charges against others, the penalty should be extremely severe, so that nobody would make a complaint unless he was absolutely certain he was on the right track. I support the proposal for a recommitment of the clause.

Mr. HUTCHISON (Hindmarsh) [3.40].—I hope that the Minister will agree to a recommitment of the clause. When we were considering the Bill in Committee, I stated that I objected to creating a new offence unless it was intended to punish the offender, but at the same time I said—and I am glad that the Government agreed to the alteration—that we ought to be easy with a first offender. In another part of the Bill we provide for a penalty as high as £500 and imprisonment; but this clause provides a penalty of only £100 in a case where a man has wilfully made a false statement.

Mr. ISAACS.—There is no imprisonment for a first offence under the other part of the Bill.

Mr. HUTCHISON.—That is right. But the reason for that decision was that there was no desire to punish a man who might have committed the offence unwittingly.

Mr. ISAACS.—No; that is a case where he has committed the offence with intent.

Mr. HUTCHISON.—Yes; but the Attorney-General will see that now power is only given by the Bill to take out an

injunction against an offender in the first place.

Mr. ISAACS.—No; he is liable to a fine of £500, but to no imprisonment, although he may have done it with intent.

Mr. HUTCHISON. — For committing the offence with intent, he will be liable to a fine of £500 and to imprisonment.

Mr. ISAACS.—No; there is no imprisonment for a first offence.

Mr. HUTCHISON. — No imprisonment if a man has done the thing with intent?

Mr. ISAACS.—Not for a first offence.

Mr. HUTCHISON.—But if the man were to repeat the offence, he would be liable to fine and imprisonment.

Mr. ISAACS.—Yes; but, in this case, no man could repeat the offence, because the Minister would not take the word of a man who had been convicted of wilfully misleading him.

Mr. HUTCHISON.—At all events, it would be a wilful offence, and I contend that a wilful offender ought to be severely punished. I ask the Minister to look back to the history of his own Department during the last year or two. What do we find? We find that commercial men have robbed the country to the extent of thousands of pounds. What is a paltry penalty of £100 to a man who is making thousands of pounds out of the country?

Mr. ISAACS.—This will not be the case of a man who was making thousands of pounds out of the country, but the case of a man who has given information to the Comptroller-General that somebody else was injuring the public.

Mr. HUTCHISON.—Exactly. If a man makes a false declaration he may injure another man to the extent of many thousands of pounds. In my opinion, any one who would take that course should be very severely punished. The least we can do is to deal with a man who is wilfully guilty of an offence, in exactly the same way as we deal with offenders on a small scale, and that is to place them in the dock. The imposition of monetary penalties is simply absurd. It is high time that we treated one class of offenders precisely as we treat every other class of offenders. For committing a comparatively trivial offence, we put a man in the dock and give him no opportunity of paying a fine. But here, although a man has committed an offence which might seriously injure another man in his business, in fact, might ruin him, yet he is to be subjected to a fine of only £100.

I ask the Minister to agree to a recommitment of the clause, so that the punishment in such a case may be made imprisonment.

Mr. JOHNSON (Lang) [3.44].—I am thoroughly in accord with the remarks which have just fallen from the honorable member for Hindmarsh, and I hope that the Minister will pay some heed to his suggestion. When we read the clause, we are struck with the fact that it refers, not to a person who might perhaps unwittingly commit an offence or unwittingly make a statement not in accordance with facts, but to a person who deliberately intended to misrepresent the facts and mislead the Comptroller-General. Where an offence is wilfully committed, and with the object of injuring another person in trade, I submit that it is a very serious matter, and that the fine proposed is wholly inadequate to the enormity of the offence. It must be remembered that when a person has made a false statement in evidence before a Court in the ordinary way, he is subject to a very heavy penalty. I do not know what the penalty for perjury is in Victoria, but in New South Wales it carries with it a liability to two years' imprisonment. In this case, the clause does not refer to a statement made upon oath—at least, I suppose that it does not, because it reads as follows:—

Any person who wilfully

(a) makes to the Comptroller-General or to any officer of Customs any false statement in relation to any action or proceedings taken or proposed to be taken under this Part of this Act; or

(b) misleads the Comptroller-General in any particular likely to affect the discharge of his duty under this Act

shall be guilty of an offence.

Penalty, £100.

Although nothing is here stated about the making of a false statement on oath, the making of a false statement is itself, under the provisions of the Bill, an offence, and is, therefore, in my opinion, tantamount to the making of a false statement on oath. In any case, the effect upon the object of the false statement is just the same. Certainly, if the Minister takes action, the consequences to the persons injuriously affected will be as serious whether his action is taken upon a false statement made on oath, or upon a false statement not made on oath. We should provide the greatest safeguards against the making of false statements by interested persons to the possible injury of the business of others, by providing for the adequate

punishment of the offence. Not many months ago, Mr. McKay, of the Sunshine Harvester Company, went to the responsible officers of the Customs Department, and made to them a statement, based, not upon evidence which he could substantiate, but upon a copy of a copy of an alleged letter.

Sir WILLIAM LYNE.—The statements proved to be true.

Mr. JOHNSON.—I doubt it. No proof has been furnished to this House. I looked through the papers which were laid on the table in the Library, and could not find the slightest tittle of evidence in support of Mr. McKay's statements. All that was given was the copy of a copy of a letter alleged to exist, but for the existence of which no one in Australia could vouch. In that case, action was taken by the Minister on the reports of his officers seriously injuring the trade of the Massey-Harris Company, which is doing business in Australia. Rash statements made on such flimsy evidence should be punishable by the infliction of a very much more serious penalty than is provided for in the Bill. The statements of interested parties who complain to the Comptroller-General, although not made upon oath, may seriously affect rivals, whose businesses may be held up pending inquiries in connexion with the instituting of proceedings against them, and it will devolve upon them to prove that the allegations of the complainants are without foundation. It is true that those making complaints must substantiate them in certain particulars; but, as the business of the persons complained of may be seriously injured if action is taken on their statements, a bond should be given to secure the payment of compensation in the event of failure to sustain a charge, or to show that reasonable ground existed for making it. Where a complainant fails to prove his case, he should be made to suffer a much heavier penalty than that provided for in the Bill, and should pay compensation to the defendant for the injury done to his business. However, it is of very little use to dwell on this matter, because the Minister in charge of the Bill is not now in the chamber, and the Attorney-General seems to be taking very little interest in it.

Mr. KELLY.—Is it not a question of trusting the Justice? Surely, the Justice will not award imprisonment unless he feels it to be necessary.

Mr. JOHNSON.—I am speaking of the provisions of clause 21. If we turn to clause 11AA, we find that, under it, a person who had committed a far less heinous offence than that of which I have been speaking would be punishable on conviction by a penalty up to £500, or imprisonment for a term not exceeding a year, or both, while the penalty for an offending corporation may reach £1,000.

Mr. ISAACS.—The honorable member seems to wish to make the penalty for a first offence as serious as the penalty for a second offence.

Mr. JOHNSON.—But the one offence is, at the best, only a legal crime, an offence created by this measure; whereas the other is a moral offence, for which the penalty should be much heavier.

Mr. CONROY.—Apparently the Attorney-General thinks that a man should be allowed to make any false statement, so long as he does not swear to it.

Mr. ISAACS.—I did not say so.

Mr. JOHNSON.—I am pointing out that the offence for which a heavy penalty is provided is not a moral crime, but that the offence for which the lower penalty is proposed is a moral offence of a most objectionable character. When a man deliberately makes a false statement with the object of wilfully injuring some person who is carrying on his lawful avocation, he should be heavily punished, and I hope that the Attorney-General's sense of proportion will suggest to him the desirability of revising the penalties.

Mr. ISAACS.—The man whom the honorable member says would not be guilty of a moral crime would be a traitor to his country.

Mr. JOHNSON.—That is only the Attorney-General's opinion. A man with an evenly-balanced mind would require to subject his imagination to a great strain to arrive at such a conclusion. The proposal which has been brought forward is reasonable and equitable, and I trust that the Attorney-General will agree to the recommendation of the clause.

Mr. WILSON (Corangamite) [3.49].—I have listened very carefully to the arguments in what may be described as the case of *Wentworth v. Hume*, and it seems to me that the Attorney-General has conclusively proved the case for the plaintiff, namely, the honorable member for Wentworth. He pointed out that an importer who was proved to be guilty of an offence under clause 4 would be liable to a penalty

not exceeding £500, and he admitted that clause 11a provided that any offence committed by a person who had previously been convicted should be punishable, on conviction, by a penalty not exceeding £500, or by imprisonment for any term not exceeding one year, or both. He, therefore, made it clear that an importer who became an offender within the meaning of clause 4 could commit a second offence, and be liable to fine or imprisonment, or both. He conceded, further, that under clause 21 no man could repeat the offence specified in that clause.

Mr. ISAACS.—The claim made by the honorable member for Wentworth was that imprisonment should be provided for in the case of a first offence.

Mr. WILSON.—And I maintain that the Attorney-General has proved the case for the honorable member for Wentworth. It would be impossible for a man to offend a second time under clause 21, because the Minister would not listen to him, and I contend that where a man commits an offence that is tantamount to perjury, by wilfully making a false statement, which may lead to a serious interference with the business of some persons in Australia, he should be severely punished. It is proposed that such an offender shall be liable to a fine of only £100, and to be mulct in costs. Suppose, however, that those who are interested in making a complaint put forward a man of good address, who can speak well—and there are many such in Melbourne—to lay their case before the Comptroller-General, and that action is taken upon his representation. Suppose, further, that it is afterwards found out that a false statement has been made, and that the offender is fined £100. He has not a penny to bless himself with, and he can neither pay the fine nor any costs that may be awarded against him. In such a case, the law would absolutely fail to accomplish its object. A gross injustice might be perpetrated, and the offender escape scathless. Any person who is guilty of an offence under clause 21 should be liable to be imprisoned for a term not exceeding twelve months. In order that there may be no misconception, I think that we should make it clear that clause 4 would apply equally to the importer and the manufacturer. If the Attorney-General will agree to the reconsideration of clause 21, I shall move for the recommitment of clause 4, so that we may provide that persons committing an offence under that pro-

vision shall be subject to a penalty of £500, or a term of imprisonment.

Mr. ISAACS.—The Committee were entirely against adopting that course.

Mr. CONROY.—The cases are entirely different.

Mr. WILSON.—It is all very well for the honorable and learned member to argue for one side, but I believe in meting out equal treatment to both sides. Any man who commits an offence under clause 4 cannot be innocent, because it must be proved that he has acted with intent. Let us do even-handed justice to all parties. I have endeavoured to look at this matter in a judicial manner. I have weighed the arguments carefully, and I think that the Attorney-General has established the justice of the claim made by the honorable member for Wentworth.

Mr. WILKS (Dalley) [4.4]. — I think that the Attorney-General must yield to the appeals that have been made to him. I trust that he will accept the suggestion of the honorable member for Corangamite, and that clause 4 will be recommitted, so that we can harmonize the penalties provided for in relation to the two classes of offences. I agree with the honorable member for Corangamite that in prescribing penalties we ought not to consider whether an offender is rich or poor. I cannot understand why the rich man should be subjected to a heavy fine for the first offence and to imprisonment for the second, whilst the poor man should merely be liable to a fine. I contend that justice should be no respecter of persons. If the offence with which we are now dealing merits punishment, that punishment should harmonize in both cases.

Mr. ISAACS.—So it does now.

Mr. WILKS.—It does not. Under the clause, the penalty provided for a breach of the law is £100 and costs. But if an individual be a man of straw, how can that amount be recovered from him? The Attorney-General has spoken only of importers in this connexion, but I would remind him that just as many rogues are to be found to the square inch amongst the ranks of the manufacturers. I do not regard members of the manufacturing class as being angels without wings, any more than I do members of the importing section of the community. Both are intent upon making as much money as they can out of their

business. It is all moonshine for the Attorney-General to suggest that an importer is likely to do something which a manufacturer would not do.

Mr. ISAACS.—I said just the reverse. I wish to put both upon the same footing.

Mr. WILKS.—Let us suppose that a manufacturer deemed the competition to which he was being subjected by an importer, to be too keen. What is there to prevent him from making use of the secretary of the union to represent that if such competition continued, he would be compelled to close his factory, with the result that a number of men would be thrown out of employment? The informant in such a case might actually believe the information which he supplied. He might say to the Comptroller-General, "The industry will be ruined if the competition of a certain importer is continued." He would know very well that the penalty prescribed by the Bill for giving false information was £100, and he himself might not be possessed of one hundred pence. Consequently, I say, let us make the penalty £100 or imprisonment, so that if a man be made the instrument of a manufacturer to penalize an importer, he may be punished. I do not desire to see any differentiation between rich and poor. Both classes, if they transgress the law, should suffer alike. The Attorney-General complimented the honorable member for Corangamite upon being logical. I say that he was not only logical, but just. I do hope that the honorable and learned gentleman will consider whether it would not be prudent to recommit the clause, with a view to removing an obvious imperfection in the Bill.

Question—That the words proposed to be added be so added—put. The Committee divided.

Aves ...	...	...	20
Noes ...	...	...	26
Majority ...			6

AYES.

Brown, T.
Conroy, A. H. B.
Cook, J.
Edwards, R.
Fysh, Sir P. O.
Hughes, W. M.
Hutchison, J.
Knox, W.
Liddell, F.
Lonsdale, E.
McCay, J. W.

McDonald, C.
McLean, A.
Poynton, A.
Robinson, A.
Smith, B.
Wilks, W. H.
Wils on, J. C.

Tellers:
Johnson, W. E.
Kelly, W. H.

NOES.

Batchelor, E. L.
Carpenter, W. H.
Chapman, A.
Crouch, R. A.
Culpin, M.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Fowler, J. M.
Frazer, C. E.
Isaacs, I. A.
Kennedy, T.
Lyne, Sir W. J.

Mahon, H.
Maloney, W. R. N.
O'Malley, K.
Page, J.
Ronald, J. B.
Salmon, C. C.
Spence, W. G.
Thomson, D. A.
Tudor, F. G.
Wilkinson, J.

Tellers:
Cook, Hume.
Mauger, S.

PAIRS.

Lee, H. W.
McWilliams, W. J.
Willis, H.
Smith, S.

Chanter, J. M.
Storrer, D.
Watkins, D.
Watson, J. C.

Question so resolved in the negative.

Amendment negatived.

Original question resolved in the affirmative.

In Committee (Second Recommittal):

Clause 3 amended to read as follows, and agreed to:—

In this Act, unless the contrary intention appears—

"Inadequate remuneration for labour" includes inadequate pay or excessive hours or any terms or conditions of labour or employment unduly disadvantageous to workers . . .

Clause 6 amended to read as follows, and agreed to:—

1. For the purposes of the last two preceding sections . . . in the following cases the competition shall be deemed to be unfair unless the contrary is proved:—

(b) if the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry . . .

Clause 10 amended to read as follows, and agreed to:—

1. The Attorney-General . . . may institute proceedings in the High Court to restrain . . . the carrying out of any contract . . . or any combination which—

(b) is destructive or injurious by means of unfair competition to any Australian industry . . .

2. On the conviction of any person for an offence under this part of this Act the Justice . . .

Clause 11 amended to read as follows, and agreed to:—

1. Any person who is injured . . . may, in the High Court before a Justice without a jury, sue for and recover treble damages for the injury . . .

Clause 11B negatived.

Clause 14 consequentially amended, and agreed to.

Clause 17 amended to read as follows:—

2. For the purpose of the proceeding the Justice shall sit in open Court, and shall have all the powers of a Justice in the exercise of the ordinary jurisdiction of the High Court. He may, if he thinks fit, and shall on the application of either party state a case for the opinion of the Full Court upon any question of law arising in the proceeding.

Amendment (by Sir WILLIAM LYNE) proposed—

That the following words be added to sub-clause 2: "and he may, if he thinks fit, at any stage of the proceeding refer the investigation and determination of the matter to the Full Court which shall in that case have all the powers and functions of a Justice under this Part of this Act."

Mr. CONROY (Werriwa) [4.25].—The form of the amendment which I suggested was, I think, rather better than that now submitted by the Minister of Trade and Customs but, under the circumstances, I am willing to accept the latter. The proposal which I submitted would have enabled an appeal to be made in all cases to the Full Court of three Justices; and from that point of view I have not been able to obtain all I desired. I am satisfied that any one of the Justices, in a matter in which his own personal feelings or prejudices were likely to be involved, or when the effects might be so momentous as to paralyze a particular line of trade, would much prefer to be able to refer the case to the Full Court. Under the circumstances, I accept the amendment proposed by the Minister.

Clause 17—

3. The certificate of the Comptroller-General shall be *prima facie* evidence of facts by sub-section 2, of section 15, of this Act required to be specified thereby.

Amendment (by Sir WILLIAM LYNE) agreed to—

That the word "thereby," line 4, be left out, with a view to insert in lieu thereof the word "therein."

Clause, as amended, agreed to.

Clause 18A amended to read as follows, and agreed to:—

The Governor-General may at any time, by proclamation, simultaneously with or subsequently to any prohibition under this part of the Act, rescind in whole, or in part, the prohibition in any condition or restriction or limitation on importation imposed thereby.

Bill reported with further amendments.

Report adopted.

Motion (by Sir WILLIAM LYNE) agreed to—

That the Standing Orders be suspended to allow the Bill to pass through its remaining stages this day.

Motion (by Sir WILLIAM LYNE) proposed—

That the Bill be now read a third time.

Mr. JOSEPH COOK (Parramatta) [4.28].—I desire to make some observations before the Bill finally leaves this Chamber. No more important measure has been before us than that at present under review. I venture to say that no Bill of the kind has been passed so speedily by any legislative body in any part of the world, though, for the matter of that, I am not aware that any Legislature has ever attempted a Bill of this far-reaching character. And the peculiarity of the circumstances surrounding the discussion of this Bill arises from the fact that scarcely at any time during its consideration has there been a quorum of members present in this Chamber. I say that, because I think it is a fact that ought to be pointed out. The public outside ought to know under what conditions Bills of a supremely vital character such as this, affecting the industrial ramifications of the whole community, are considered here.

Mr. CARPENTER.—The honorable member's leader has been absent all the time.

Mr. JOSEPH COOK.—I am aware of that, and the honorable member's leader is absent to-day upon the same business.

Mr. TUDOR.—It is the first time this session that he has been absent.

Mr. JOSEPH COOK.—We might as well be absent from the House altogether for all the good we can do, facing, as we do, a silent, solid, and stolid majority on the opposite side.

Mr. PAGE.—That is all the trouble!

Mr. JOSEPH COOK.—It is, and it is a very serious trouble, when we find honorable members voting on matters on which they know absolutely nothing, trooping in when the division bells ring like the solid party that they boast of being, to record their votes without knowing anything of the reasons which should prompt them in voting. That is a point which I think ought to be made as strongly as possible. The honorable and learned member for Parkes said here a little while ago that this was no longer a deliberative assembly. That, unfortunately, is the case. It is

impossible to get fair, full, and free discussion of matters in this Chamber. Members opposite take so little interest in the detailed consideration of such measures, that I think that the honorable member for Fremantle who just interjected, is the only one in his party, with the exception of the honorable member for Perth, who has even suggested an amendment in this very far-reaching Bill. The rest of the votes have been cast at the whip of the Government. The bell has rung, and the members of the party have trooped into the Chamber and voted—I repeat, many of them without knowing anything of what they were voting upon.

Mr. CARPENTER.—Does not that remark apply to the honorable member's own side as well?

Mr. JOSEPH COOK.—An incident that occurred I am told, the other day, illustrates my point. I am told that had members belonging to the honorable member's party known what they were voting about, they would have voted the other way.

Sir WILLIAM LYNE.—What was that?

Mr. JOSEPH COOK.—I refer to the proposal which attempted to fix prices. I think it my duty to call attention to the circumstances under which the consideration of a Bill like this takes place in the national Parliament of Australia. I should like to suggest very strongly to the Government—without, I fear, the possibility of success—that before a Bill of this kind is finally agreed to, it ought to receive the approval of the country.

Sir WILLIAM LYNE.—Does the honorable member want this Bill to go to a referendum?

Mr. JOSEPH COOK.—I want this Bill to be taken before the people of this country, to get their judgment upon it before it finally becomes the law of the land.

Sir WILLIAM LYNE.—The honorable member declares Parliament to be impotent to deal with the subject?

Mr. JOSEPH COOK.—I do no such thing, but I decline to believe that there are emergent circumstances requiring Parliament to act on its own initiative in this matter—that is, without consulting the people. This is supposed to be a democratic Parliament, and of all parties in this House, the Labour Party is supposed to come here with specific instructions from the electors. And yet, forsooth, during the

currency of this Parliament those members have been engaged in considering matters which have never been considered by the constituencies, and as to which they have no mandate. A Bill of this character finds no place in their programme, or in their pledges to their constituents. Yet these honorable members, who are constantly boasting of their discipline, and of the fact that they are delegates sent here with instructions specific and imperative from outside, are assisting to pass measures before they have been submitted for the consideration of the people.

Mr. CARPENTER.—We cannot please the honorable member anyway.

Mr. JOSEPH COOK.—I am not suggesting just now that the honorable member is trying to please any one—neither he nor his party. It would be a new thing, indeed, for them to rise to the level of their parliamentary responsibilities, and try to please any one in the House, outside their own section. As I have before remarked in this Chamber, all that they need to do in these matters is to be solid. They make their mistakes solidly, just as they make their wiser proposals solidly. Solidly, for good or ill, they act together. I am showing just now how the solidity of their action operates in connexion with this Bill. As it leaves them, and as it will probably leave this Chamber, it is more a Bill to provide for prohibitive protection than to abolish trusts or to eliminate their injurious effects. It is an anti-trust Bill. There is very little of the anti-trust element about it. It has been so riddled by various amendments which have been proposed—all of them necessary, owing to the faulty way in which the Bill was originally introduced, and owing to the fact that it slavishly followed patterns which had no application to the conditions of Australian industrial life—that it emerges from Committee containing very little reference to trusts at all, so far as those references are of a practical character, and are likely to be effective. But it emerges from Committee with all the provisions in it which may lead to the prohibitive protection of Australian manufactures, and the prevention of commerce. And I venture to suggest that, after all, that was its main purpose. I do not believe that Ministers and those behind them were so anxious to hit at any of the great and menacing evils arising from trusts. If they had been they would have set about trying to find some substantial basis for the introduction of this

measure. But time and again the Minister has been challenged, and not a tittle of justification has he shown, either for the dumping clauses or for the more drastic provisions for the suppression of what are called destructive monopolies. No such destructive monopolies have been shown to exist in Australia; and I apprehend that at the bottom of all the considerations which have weighed with Ministers there has been the fact that this Bill will prove to be prohibitive so far as the importation of goods is concerned. It occurs to me that, as the Bill is framed, it will go a long way in the direction which they wish. I fancy that the honorable member for Melbourne Ports blurts out the truth when he says that he desires the passing of this Bill for the protection of the manufacturers of Australia, and in addition to any further modicum of Tariff protection which he can get. What I am concerned in pointing out now is that we are passing a Bill of this description, providing for prohibitive protection for industries in Australia, during a Parliament which, before all else, is pledged to fiscal peace. Again I point out that no cause has been shown for this Bill, either by the Minister of Trade and Customs in his second-reading speech, or in any of the subsequent deliverances of the Attorney-General or of any one else who has spoken in its favour. It occurs to me that we are busily and foolishly apeing the legislation of America in connexion with this Bill, and in connexion with some of our other legislation, more particularly that passed during last session. One has only to consider for a moment to be aware of the wide difference that exists between the conditions of industrial life in America and in Australia. Here we are a few people, numbering 4,000,000 all told, while the United States have 84,000,000 of people, and over 100 years of development in advance of us—a development which we are hoping may be ours, so far as its substantiality and prosperity are concerned, but which, for us, is yet but a dream of the dim and distant future. The United States are 100 years ahead of us in point of population, volume of business, and the development of their industrial life, and yet here, at the very threshold of our industrial life, we are apeing the legislation which has been shown to be necessary there only after 100 years of development. Although such legislation is shown to be necessary there,

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none of it, so far as we know, has proved to be substantially effective. With all their experience behind them, and with all their legislative ability to boot, they have not yet been able to frame legislation which will effectually put down the evils of these trusts as they have developed there. Because these evils have been developed in America, we argue—and it is a rough-and-ready and empirical way of arguing—that therefore similar evils will accrue here, forgetting that trusts have arisen in America because of certain conditions of industrial life in that country. Every writer on the subject has pointed out the peculiar conditions existing in America, which buttress the trusts and lead to their development and maintenance. It seems to me that, instead of looking for the causes which have led to the establishment of trusts in America, and which have led to the development of their evils, and then seeking steadily to avoid the causes which have led to those evils there, we are simply taking it for granted that similar evils exist here, and we are copying their legislation and trying to make it apply to circumstances in Australia which find no parallel at all in the United States. It is well known that the abnormally high protective duties upon many of the imports to the United States have facilitated the development and maintenance of these trusts. More and more the writers on the philosophical side of these corporations point this out, and many writers to-day are suggesting a reduction of the United States Tariff, that there may be a corresponding reduction in the evils of the trusts.

Sir WILLIAM LYNE.—There is no hope of reducing the Tariff in the United States.

Mr. JOSEPH COOK.—It may be so, and I am not questioning that for a moment. I suggest, however, that that is not an answer. Whatever may be done in America is not necessarily right. It would be a strange thing if at the beginning of the twentieth century we had come to the belief that everything which commands a majority is, therefore, right. I am well aware that this is a doctrine which is being set up in Australia, and that it receives great support from the operations of my honorable friends in the Labour corner, who believe that everything that is framed in their conferences must necessarily be right, simply because it commands a majority in those conferences. As a consequence, they come here to support any proposal it is resolved to submit, and

give it the weight of their solid vote, simply because it has received a majority of votes in a conference.

Mr. FISHER.—Simply because they stood as candidates for election on those principles, and will not depart from them.

Mr. JOSEPH COOK.—Does the honorable gentleman say that he stood on an anti-Trust Bill at the last election?

Mr. FISHER.—Yes.

Mr. CONROY.—This is a Trust Bill; not an anti-Trust Bill.

Mr. JOSEPH COOK.—The honorable and learned member is right, of course, but I venture to say that honorable members of the Labour Party are not adopting their usual methods in dealing with this question.

Mr. FISHER.—We stood upon the nationalization of a line of steamers also?

Mr. JOSEPH COOK.—The honorable gentleman did, and on the question of nationalizing monopolies, but this is not the nationalization of monopolies.

Mr. FISHER.—No; I did not do that.

Mr. JOSEPH COOK.—Does the honorable gentleman say that, at the last election, he stood specifically on a Bill to regulate trusts?

Mr. FISHER.—No, not specifically.

Mr. JOSEPH COOK.—That is what the honorable gentleman said just now. I asked him the question whether he stood upon this Bill, and he said "Yes."

Mr. FISHER.—The honorable member asked me whether I was in favour of anti-trust legislation.

Mr. JOSEPH COOK.—No. I ask the honorable gentleman now if he discussed this question at the last election?

Mr. FISHER.—Yes; I did.

Mr. JOSEPH COOK.—And told his electors that he would vote for a Bill regulating trusts?

Mr. FISHER.—I did not say that I would vote for a Bill regulating trusts, but that I would vote against the principle of trusts.

Mr. JOSEPH COOK.—But the Bill we have before us is a Bill to regulate trusts. The platform on which the honorable gentleman stood was one for the nationalization of trusts, and not for their regulation, as is here proposed. I have vet to learn that at the last election the honorable gentleman told his constituents that he would advocate a measure which means prohibitive protection. The honorable gentleman, I apprehend, stood on the same platform as the Government, for an attitude of fiscal peace.

Sir WILLIAM LYNE.—I did not stand for fiscal peace.

Mr. JOSEPH COOK.—The honorable gentleman did, and no man more solidly or unequivocally than he.

Sir WILLIAM LYNE.—The honorable member is wrong.

Mr. JOSEPH COOK.—The honorable gentleman declared time and again that he stood for fiscal peace.

Sir WILLIAM LYNE.—No.

Mr. JOSEPH COOK.—The honorable gentleman said that the Tariff should be allowed to rest. In one of his speeches he said it should be allowed to rest for ten years.

Sir WILLIAM LYNE.—What nonsense! I never said anything of the kind.

Mr. JOSEPH COOK.—The honorable gentleman did say so in his speech at Albury, before the elections.

Mr. CONROY.—The honorable member is in error. The Minister said seven and not ten years.

Sir WILLIAM LYNE.—I did not say seven years.

Mr. JOSEPH COOK.—The honorable gentleman said it should be allowed to rest for either seven or ten years.

Sir WILLIAM LYNE.—I know what I said.

Mr. JOSEPH COOK.—The honorable gentleman said it in a speech which he made at Albury, and if he denies that he said it we shall have to look it up.

Sir WILLIAM LYNE.—The honorable gentleman can look up what he likes; I did not say it.

Mr. JOSEPH COOK.—Am I to understand that the honorable gentleman did not subscribe to the Prime Minister's manifesto? He went up to hear it delivered at Ballarat.

Sir WILLIAM LYNE.—I did.

Mr. JOSEPH COOK.—Then are we to understand that the honorable gentleman did not subscribe to it?

Sir WILLIAM LYNE.—The honorable member is not asking pertinent questions.

Mr. JOSEPH COOK.—I am asking a question which has been provoked by the statement which the honorable gentleman has just now made—that he did not stand for fiscal peace at the last election.

Sir WILLIAM LYNE.—I did not.

Mr. JOSEPH COOK.—Then I say that if the honorable gentleman did not, he had no right to stand at all as a member of the present Government. Because, in

the very forefront of their pronouncement to the country, fiscal peace was placed.

Sir WILLIAM LYNE.—What I said was, "Give the Tariff a trial, and see where its weak points are." That is all I have ever said.

Mr. JOSEPH COOK.—What is the difference?

Sir WILLIAM LYNE.—There is a great deal of difference.

Mr. JOSEPH COOK.—Then I am to understand, from what the Minister says, that he did not agree with his leader on the occasion of the last election?

Sir WILLIAM LYNE.—Never mind about that. The honorable member need not trouble about my leader and myself.

Mr. JOSEPH COOK.—It is not a matter between the honorable member and me.

Sir WILLIAM LYNE.—The honorable member is not my leader.

Mr. JOSEPH COOK.—It is a matter between the honorable gentleman and the people outside. He practically tells us now that he played fast and loose with the programme of the Government at the last election.

Sir WILLIAM LYNE.—I did not do anything of the sort.

Mr. JOSEPH COOK.—The honorable gentleman tells us in plain language that while his leader went on to the platforms of Australia and advocated fiscal peace, he spoke with the reservation that he did not subscribe to it, that he did not believe in it. If he did not, then he had no business in the Government, and no right to go on the platforms with the Prime Minister on that occasion.

Sir WILLIAM LYNE.—Other things have taken place since then.

Mr. JOSEPH COOK.—There is no doubt that other things have taken place.

Mr. FISHER.—Is this a lecture on ethics?

Mr. JOSEPH COOK.—I hope that it is an ethic which the honorable member will always observe. I suspect that he does not play "ducks and drakes" with the solemn pledges which are formulated in the conference, that he does not go on a platform and say something different from what his leader has said when enunciating the platform of the party. Here is the statement of the Minister that he was practically playing the part of a political traitor to his chief.

Sir WILLIAM LYNE.—The honorable member has no right to say that.

Mr. McCOLL.—The Minister is doing that now.

Mr. JOSEPH COOK.—In the forefront of his programme, the Prime Minister put fiscal peace, and here is the Minister of Trade and Customs deliberately stating that he did not go on that plank at all. That was neither more nor less than an act of political treachery to his chief and to the rest of his party.

Sir WILLIAM LYNE.—The traitor is the man who is interjecting.

Mr. JOSEPH COOK.—Let brotherly love prevail. I hope that before the debate is closed, we shall be able to look up one or two of the statements made by the Minister at the last election.

Sir WILLIAM LYNE.—The honorable member may look up anything he likes.

Mr. JOSEPH COOK.—I have a distinct recollection, amounting to an almost overpowering conviction, that on more than one occasion during the contest, the honorable gentleman proclaimed for fiscal peace. However, he says now that he did not, and I must take his word for the time being.

Sir WILLIAM LYNE.—I said, "Give the Tariff a trial," and did not stipulate any time.

Mr. JOSEPH COOK.—The honorable gentleman said distinctly that he did not subscribe to his leader's declaration in favour of fiscal peace.

Sir WILLIAM LYNE.—I did not say anything of the kind.

Mr. JOSEPH COOK.—Again *Hansard* when it is published will be the judge between us. We are too apt to imagine that the evolution of the trusts in America has reached its final stage. I do not think it is at all clear that they have reached their final stage. The system is in the process of evolution, and some years must pass before we can get any definite result from which it will be possible to prognosticate with any certainty what the ultimate effect of the system is to be in America, and the rest of the world.

Mr. FISHER.—Should it be allowed to run riot in the meantime?

Mr. JOSEPH COOK.—What have we to do with America?

Mr. FISHER.—We are not legislating for them.

Mr. JOSEPH COOK.—What have we to do with the trusts in America?

Sir WILLIAM LYNE.—They have a lot to do with us.

Mr. JOSEPH COOK.—I should like the Minister to tell us what they have to do with us?

Mr. THOMAS.—Surely the honorable member does not want to eat rotten food from Chicago.

Mr. ROBINSON.—They do not send us food. That would be like "sending coals to Newcastle."

Mr. THOMAS.—Have we nothing to do with trusts in America?

Mr. JOSEPH COOK.—That is a good protectionist interjection coming from the honorable member for Barrier. We are getting protectionist interjections from that quarter pretty frequently just now. I ask again, what have we to do with American trusts, so far as their internal working is concerned? All we have to do is to take care that they do not damage us. If they have attempted to damage us, the matter ought to be susceptible of proof from the only quarter in which such proof can be obtained, but so far no proof of an authoritative character has come from that quarter. What is the genesis of this Bill in Australia? There is every reason to believe that it is the result of the manipulation of one man, and in the absence of any proof to the contrary, I am bound to say that all the indications point that way. Only when McKay quarrelled with the trust, of which he formed a part, and in which he engaged to keep up prices against the farmers of Australia—in fact, he did keep them up for many years—do we find this movement for a Bill to suppress trusts, and to interfere with them in any way? The Minister has said that the American trusts are hurting us. The only figures we have had so far, show that last year from 5,000 to 6,000 harvester machines were sold in Australia, and that out of that number only 1,300 came from trusts abroad.

Sir WILLIAM LYNE.—That is not correct.

Mr. JOSEPH COOK.—Will the Minister supply the correct figures?

Sir WILLIAM LYNE.—Speaking from memory, I think that the number was 1,700.

Mr. JOSEPH COOK.—Does that look as if the trusts were injuring us in a deadly way? Does it look as if there was anything more than healthy normal foreign competition such as is likely to

make our manufacturers keep up to the requirements of the market in point of productive skill and to afford facilities to purchasers. If the importation had been in the proportion of, say, one-half or two-thirds of the consumption, then I submit that the Minister would have had a very much better case. He would have been able to say that there was a dumping of these machines. Last season when this Bill was under consideration, we were told that certain shipments were afloat, and that harvesters were going to be dumped in Australia by the thousand, but nothing of the kind has occurred. Therefore, we are driven to the conclusion that it is for purposes outside the question of actual dumping that the Bill is introduced. It is introduced for the purpose of its second part, for what is called the preservation of Australian industries, which is only another way of saying for the purpose of enacting prohibitive protection for our manufacturers with regard to certain things. When we have a Federal Parliament which is open to manipulation, indirectly, through the Ministry, by one man, or by a coterie of men even, we have arrived at a very undesirable state of affairs. So far as I know—and my experience extends over many years—the administration of the public departments in Australia, taken as a whole, has been above reproach. Australia has reason to congratulate herself upon the fact that, on the whole, her politicians are clean and incorruptible, and that the administration of her high officers has respect and regard for only the public welfare. But when we are enacting legislation of this kind, and it is found that a Parliament can be manipulated, indirectly, by means of one man, or a few men, we are treading upon ground which might lead to a condition of things which would obviously be inimical to the reputation of Australian public life. We ought to avoid courses which may have such an effect as that. The Bill as it has emerged from the Committee seems to be full of openings for the escape of designing men. It appears to have been contrived rather to entrap the honest than to catch the dishonest trader. Whereas the end and aim of legislation should be to make it difficult to do wrong and easy to do right, the Bill will make it supremely difficult for the honest trader to comply with its provisions, while allowing many ways of escape to the villain and the rogue.

Therefore it is framed on wrong lines, and its passing may lead to very unpleasant consequences. In my opinion, Part II., which purports to punish depredation, is in contradiction to Part III., which seems to have been framed for their encouragement. In Part II. we have set ourselves to punish anything done in restraint of trade to the detriment of the public; but the provisions of Part III. encourage restraint of trade and the doing of things which may result to the detriment of the community as a whole. For instance, in spite of the exertions in Committee of the members of the Opposition, the Bill contains provisions which will have the effect of forcing up prices, and of making goods dearer than they should be, and will prevent the community from taking advantage of the means provided by modern skill, enterprise, and organization for supplying their requirements with the least effort and at the lowest cost. These provisions aim a definite blow at the interests of the public, and operate in restraint of trade. How can trade, in the wider sense of the word, be restrained more than by the prevention of the importation of goods which our people wish to purchase? But, while we are to be allowed to dump our surplus stocks upon markets in distant parts of the world, there is to be no dumping here, no matter what the industrial conditions may be. These provisions certainly run counter to the provisions of Part II. They are clumsy and quixotic in the extreme. The aim of the Bill seems largely to discourage and to punish production by large concerns. I have yet to learn that production in a large way, which means economical production, should be proscribed by legislation. But the Bill indicts a business because of its extensive ramifications, and because, by reason of its enterprises being conducted on a large scale, and with due regard for economy, its production is cheap. That is regarded as predatory business, which is one of the fundamental mistakes of the framers of the measure. Part III. is, to use the words employed by the honorable member for Mernda in the very able speech which he delivered the other day, fantastic in the extreme. It commences by instructing a public servant, the Comptroller-General of Customs, to establish an espionage over imports, to pry, if needs be, into the ramifications of a private concern, and, upon mere suspicion, to act, if he thinks fit, in such a way as may lead to the holding up of an importer's business.

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He has only to satisfy himself that something is taking place which he thinks may ultimately interfere with industrial conditions here to be able to drag a party before a Justice, pending whose inquiry the business concerned may be held up. We instruct him first to formulate, and then to express, a definite political opinion concerning the probable effect of a certain course of action. For instance, he is to satisfy himself that the importation of goods may probably dislocate and disorganize industrial enterprise here. Surely that is a matter of opinion. Honorable members have been arguing during the last four or five years whether the importation of certain goods would prejudicially affect the industrial conditions of Australia. Time and again have we been divided on these important matters. But in future, instead of Parliament dealing with these questions, the Comptroller-General is to exercise that function. He will not be bound to furnish facts and figures in justification of his action. He is only to satisfy himself that certain things are being done to be able to move a Justice to investigate his suspicions. These provisions make him a politician to commence with, because he will not be able to take action such as is provided for unless he possesses definite political opinions. It makes him, in spite of himself, a party politician, and that is the very thing we ought to avoid in the case of the man who has supreme control over our inward and outward commerce. In order to answer the interjections of the Minister in his own language, I must refer to some remarks made by him in this House, since the last election, on the subject of fiscal peace. Speaking of the leader of the Opposition and his supporters, he said—

They won seats upon the issue which the leader of the Opposition described so vividly the other night. Thank heaven that issue is not such a live and rampant thing in the reasonable States of the Commonwealth as it has been in New South Wales under free-trade. I do not wish to enter upon a discussion of the fiscal question, but as honorable members have blamed the Government for attempting to reopen that question, I would point out that it was clearly understood when the Tariff was under discussion that certain action would be taken under Part 6a, and in proposing to introduce a Bill to provide for the granting of bounties for the production of iron we are not raising the fiscal question. The Government, in introducing that Bill, is dealing with a matter with which the States cannot deal, and which must be dealt with by the Commonwealth. There is nothing, however, in our

action contradictory to the statement of the Prime Minister that he went to the country pledged to fiscal peace and preferential trade.

Sir WILLIAM LYNE.—Hear, hear.

Mr. JOSEPH COOK.—The Minister was, presumably, subscribing to that doctrine then. He continued—

The Government do not propose to raise the fiscal issue, but I intend to maintain my principles. At the same time I shall adhere to the statement of the Prime Minister, that fiscal peace is to be preserved.

Thus the Minister pledged himself to fiscal peace.

Sir WILLIAM LYNE.—Not as the honorable member represents it. I was then speaking of the Manufactures Encouragement Bill, and everything I said was in consonance with my ideas.

Mr. JOSEPH COOK.—It is not worth while to bother about the matter any further.

Sir WILLIAM LYNE.—I should think not.

Mr. JOSEPH COOK.—I venture to say that no Minister in this Chamber, or in Australia, has within recent times made such an extraordinary declaration as that which has fallen from the Minister to-day. He deliberately went on the platform with the Prime Minister, and declared himself in favour of fiscal peace, and afterwards came here and stated that he had not subscribed to the doctrine as enunciated by his leader.

Sir WILLIAM LYNE.—I never stated anything of the kind, and the honorable member knows it.

Mr. JOHNSON.—The Minister indorsed it in his speech on the Address-in-Reply.

Mr. JOSEPH COOK.—In setting up a civil servant to make inquiries—to make himself the victim of suspicions, and to form opinions—we are opening up a fine study in probabilities, and, I may add, a fine study in credibilities. We are proposing to launch the Comptroller-General into a series of metaphysical inquiries. We tell him that he is to judge of a man's intent and purpose before any action has taken place. The intention of the importer, so far as the initial stages are concerned, is not to be argued from any act on his part, but we instruct the Comptroller-General to inquire as to the probable effects of a shipment of goods, or the results of certain conditions of employment, not merely in Australia, but in other parts of the world. Trading operations that would tend to dislocate or disorganize our industry are to be judged from

the stand-point of probability only. An inquiry is to be conducted into hypothetical cases, which, if they could be translated into absolute facts, might furnish ground for action. The Comptroller-General is to enter into the metaphysical realm, and to argue from probabilities which have not materialized, and which may never materialize. He is to entertain suspicions, and form opinions, and to drag persons before the law courts at great expense, and to there challenge them to prove that their intentions are honorable. He is directed under the Bill to say in effect, "We suspect you. We believe that you are going to do something to injure us, and you must come to the law courts, prove what your intentions are, and give us pledges as to your future action." Having regard to the structure of the Bill, it may be that the suggestion of the honorable and learned member for Northern Melbourne was a logical one. He suggested that all trading firms should submit the ramifications of their business to the review of the Minister, and obtain from him a licence authorizing them to trade on lines that he could approve of. The Minister might have been strictly logical if he had agreed to a system of initial inquiry and licence in the manner suggested. Under the Bill, we challenge a man to say how or where he picked up a bargain, what he paid for it, and through what agency it came to our shores. This is a kind of Socialism that we have not hitherto had espoused in Australia, and I suppose that in this fact we find the reason why honorable members of the Labour Party have so earnestly supported the measure. No other explanation can be found for the support given to the measure by free-traders of the most pronounced and radical character. They have, apparently, all through, looked at these provisions from the socialistic side. Upon no other supposition can we understand why men like the honorable member for Coolgardie, the honorable and learned member for West Sydney, the honorable member for Canobolas, and the honorable member for Maranoa, and, as to many of these provisions, also the honorable member for Perth, should support the proposals contained in Part III. of the Bill. They may believe that investigations should be made into the ramifications of ordinary business. They may regard it as in accordance with their creed that business men should be compelled to disclose the sources from

which they obtained their goods, and the prices which they gave for them. They would have gone further, and fixed the price for the goods, if they could have secured their own sweet way.

Mr. TUDOR.—The honorable member helped to save the Government.

Mr. JOSEPH COOK.—Yes, because I do not believe in that kind of thing. I have, however, seen the time in this House when I have played irresponsible pranks of that kind, for the purpose of bringing the Government face to face with the logical conclusions of their proposals. The strange feature about it is—so I am given to understand—that three or four members of the Labour Party actually voted against this perfect piece of Socialism, and have been regretting their action ever since. I am assured that had these members, who voted ignorantly with the Government, known what they were voting upon the proposal would have been carried, and the Bill would have emerged from Committee containing not only a provision for forcing up prices and the regulation of the profits to be enjoyed by traders, but a provision for fixing the prices at which goods should be purchasable by the consumer. Only by the merest accident did that proposal not find a place in the Bill. However, the measure still contains the precious provision under which, if a man secures a bargain at all, he is to be challenged as to the place where he picked it up, as to the price which he paid for it, and as to the price at which he marks that bargain here. If that price means that he has secured a bargain in any substantial sense of the word, the goods are open to forfeiture, and he is liable to the penalties prescribed by the Bill.

Sir WILLIAM LYNE.—That is not correct.

Mr. JOSEPH COOK.—That is what the Bill means, and the Minister knows it.

Sir WILLIAM LYNE.—It does not. Was not that clause specially altered at the instance of the Attorney-General?

Mr. JOSEPH COOK.—I am sure that nobody in this House will pay as much attention to my interpretation of the clauses of the measure as they will to that of the Minister of Trade and Customs. He has shown his remarkable cleverness in that direction during the whole time that the Bill has been under consideration. I believe that for a man who does not know anything about a matter to imagine that nobody else does, is merely in accord

with a well-known natural law. At any rate, I interpret the provisions of paragraphs *d* and *e*, of sub-clause 2, of clause 14, as meaning precisely what I say, namely, that all bargain hunting is indicted and tabooed under the Bill. Hitherto, we have been wont to make these trading inquiries under our Customs Act, but only for the legitimate purpose of ascertaining whether or not the taxation imposed upon certain goods was being evaded. That is a perfectly justifiable thing to do. But this is the first occasion upon which it has been proposed to adopt a similar course, not in the interests of the revenue, but in the interests of certain traders in Australia. So far, our Tariff has been the regulative means which has determined the conditions of the competitive plane upon which our industries shall stand in relation to similar competitive enterprises in other countries. But in this Bill we go a step further, and declare that if goods are imported which have been purchased cheaply, and which are in the nature of bargains, they shall be indicted, impugned, and destroyed unless we obtain satisfactory guarantees both as to the prices which shall be charged to the consumer, and as to the way in which their importation will affect our own industrial enterprises. This is a radical socialistic departure from the ordinary rules of commerce, and from the conditions which, I venture to say, have been laid down by any Legislative Assembly in any part of the world. To put it plainly, the Bill means a possible guarantee of profit to unprofitable industries by preventing them from being subjected to the scourge of outside competition, although that competition may arise from perfectly justifiable causes. Of course, we have inserted in the Bill a very good provision, which renders it necessary that, in making these investigations, regard shall be had to the efficiency of the management, machinery, and skill of those who are engaged in similar enterprises here. But, away and beyond that, it is still possible so to manipulate the measure as to prevent importations from any outside agency whatever. It seems that the older our Parliament becomes the more implicitly we seem to believe in the efficacy of Acts of Parliament. Of course, I am aware that this legislation represents a swing away from the condition of things which has obtained during the last 150

years, just as that period itself was characterized by a gradual swing away from the conditions which we are setting up and enacting under this measure. We are moving in cycles, it seems to me, and every one of the conditions which we are setting up—conditions which fetter, limit, and interfere with the ordinary industrial occupations of the people—is a condition which obtained several hundred years ago in every part of the civilized world. What we know to-day as the trend of civilization represents a swing away from that system of espionage, of regulation, of control, and direction to one of individual effort, individual initiative, and individual freedom, so far as the trading operations of the community are concerned. Here, at the beginning of the twentieth century, we are taking a "header" back into many of those evil conditions from which, at great cost and suffering, we have been steadily emerging during the past 100 years or so. We propose in this Bill to attempt to match the machinations and depredations of foreign trusts—the structure of which we cannot control at all, as to the formation of which we have no voice, and from the effects of which we can only protect ourselves. We propose to match ourselves against the skill and ingenuity which operate and manipulate these trusts to-day. So far as I can see, when it is all over, we are very likely to fall into the same ditch into which others have fallen before us. Time and again, legislative assemblies have sought to interfere in these directions. As surely as they have attempted to do so, so surely have they failed, and it remains to be seen whether we in Australia, with no experience of the actual operations of trusts, and suffering from none of their depredations, so far as is disclosed by the figures, can achieve what has been unsuccessfully attempted in the older countries of the world, where these trusts reign and are supreme to-day. This Bill is only a clumsy and amateur attempt to do so. We seem gradually, in our young Australia, to be drawing round ourselves a cordon of legislative enactments. After all that was done last session, and all we are proposing to do this session, there seems to be only one thing necessary, for the purposes of the next general election, and that is to unearth by some means or other a good, round Customs scandal or two. Nothing would tend more to smooth down the course of a Bill of this kind, so far as the people are concerned,

than would a scandal or two such as I have indicated. Nearly all these Customs scandals come to light whilst Parliament is in session; hardly any occur during recess. Maybe, that is because the machinery to facilitate their discovery is more upon the spot whilst we are in session. I do not know what is the reason, but the fact remains that we have had Ministers bringing forward these scandals, in a most heroic and theatrical way, and making personal and political capital out of them. It needs only another exhibition of the kind in connexion with this Bill—just on the eve of an election—to insure a steady and safe course for such legislation as this. The outstanding feature of this Parliament, so far has been the enacting and consideration of measures which have no tittle of urgency, and the deliberate setting aside of all matters that are urgent. Who will say that there is any urgent demand for this Bill? Who will say that there was any urgent demand for the union label clauses of the Trade Marks Bill? None of these proposals have been asked for by the constituencies. They have made no demand for them upon this Parliament, either in connexion with pledges made at the last general election, or by way of representations to the House itself. Where is the demand for this measure? The Minister has been challenged time and again to produce a tittle of proof that dumping is proceeding in Australia, but up to the present all the figures which he has been able to supply have shown that nothing more than ordinary normal competition is occurring. And so, with most of the legislation that has characterized this Parliament, and will stand to its credit or discredit when its close shall come; not one of these measures has been shown to be of an urgent character. On the other hand, matters of urgency and of supreme importance, in their broadest aspect, to Australia, have been quietly shelved, and put back to be dealt with at some more convenient season. In this national Parliament we seem to have swung away from our true legislative orbit. It was thought that when we reached what the honorable and learned member for Parkes described as the "rarer atmosphere of Federation," we should have a better political perspective than we had had during the government of the States as independent Colonies. It was said that our horizon would be broadened—that our perspective

would not be so awry as it was; but somehow or other, instead of the curing of evils which Federation, with its brighter outlook, was supposed to have in contemplation, the very reverse has taken place. To-day, whilst we have these measures for which no one asks—for which there is no urgent demand—the great outstanding requirements of the Federal compact are yet unfulfilled. Our functions are yet undeveloped, and we are betaking ourselves to this constant tinkering with matters which might well have been left to the States to determine for themselves, and for which we have no peculiar mandate in the Constitution of Australia. We seem to be constantly upon the border-line between the powers of the Commonwealth and of the States, engaged in what cannot be better described than as a tug-of-war to decide whether we shall filch from the States functions which they claim to possess—whether we have a right to monopolize, order, and determine certain processes of legislation, or whether they have a right to do so. Meanwhile, matters written down for us in the Constitution are allowed to go by the board; they are still problems to be dealt with when we find ourselves free and fit to deal with them. Meantime, I repeat, we are engaged in occupations which would be far better left alone until the need to enter upon them has been proved, and their urgency shown. In our national legislation we are reversing the old order of things under which it was declared that Parliament should be responsible for giving effect to the matured wishes and the opinions of the people deliberately expressed through the medium of the ballot-box. We are engaged in dealing with matters which have not at any time been submitted to the people of Australia. On the merits of such legislation they have never been asked to pronounce. Ignoring their wishes—treating them with contumely, if not with absolute contempt—we are dealing with legislation of a class character—legislation intended for class purposes, and which has more regard for purposes of political propagandism outside than to the high and ultimate ends of Australian statesmanship within. The strangest feature of all is that the party who claim to have come here with a specific and well-defined mandate from the people to enact legislation on the conception, maturing, and framing of which they have spent many anxious months, are voting solidly upon matters

Mr. Joseph Cook.

which find no place in their platform, and which have no place, so far as we know, in their propaganda. So far as I can see, they are doing this for political purposes; they are adopting this course in order that they may pass safely through the troublous times that are ahead in connexion with the arbitrament to which we must all speedily submit ourselves. At any rate, one would think that with their Federal platform before them, they would insist upon exercising the powers they possess, to push forward some of those projects on their platform which have not yet been realized. But they apparently have thrown their own platform away—sunk it out of sight—and are following mildly the behests of the Ministry in regard to proposals which have absolutely nothing to do with their platform, and which have never yet been submitted for the decision of the people outside. Then, again—and this is the last thing I want to say about the Bill—

Mr. CARPENTER.—Hear, hear.

Mr. JOSEPH COOK.—The little, self-satisfied honorable member from Western Australia says "Hear, hear." About the only word we ever hear the honorable member say in this Chamber is an occasional ironical "Hear, hear."

Mr. CARPENTER.—I am more than satisfied.

Mr. JOSEPH COOK.—I do not object to the honorable member having a good opinion of himself. However, as I said the other day, we are, for the first time in our Imperial development, taking a course which aims a blow at the Empire, particularly at the old country, harder and more severe than that aimed at any of the foreign nations which the Bill purports to affect. The people who will be hit hardest by the Bill are not foreigners, but our own kith and kin. We are indicting Britisher and foreigner alike, and assuming that, if they had the opportunity, they would work their depredations on us, with intent to injure and destroy Australian enterprises. If we legislatively make an assumption like that, why cannot we, as I asked last week, exempt the old country, which makes no such assumption against us? In the framing of their legislation the British people do not treat us as if we were depredators engaged in a vendetta against their enterprises and their industrial occupations. They invite us to send them anything we can, and to be unified with them in the

greatest possible freedom of intercourse and of industrial enterprise. Now, for the first time, I think, in any Colonial Legislature in the Empire, this national Parliament of Australia is assuming an unworthy attitude on the part of Great Britain, and is legislating as if Great Britain were our deadly industrial enemy, instead of the life-long friend she has proved herself to be. I shall say no more, beyond appealing once again to the Ministry to submit this Bill to the people of Australia, and get their *imprimatur*, before it finds a place on our statute-book—to ask the people if they are prepared to make this legislative assumption against Great Britain. If that issue were clearly placed before the people of Australia, I venture to predict that the Bill would find short shrift in that respect, and would meet with the unqualified condemnation of the electors.

Mr. CARPENTER (Fremantle) [5.45].—It is almost too much to hope, perhaps, that the long series of empty, declamatory speeches, to which we have listened during the last week or two, is about to come to an end.

Mr. CONROY.—Not listened to.

Mr. CARPENTER.—I say "listened to" advisedly, because I have on several occasions forced myself into this Chamber in order to ascertain whether the utterances of honorable members on the other side were really worth listening to. Again and again I have had to leave with feelings of disgust, because those who were claiming to criticise the measure were simply indulging in dreary, droning speeches in which there was nothing whatever worth hearing. We have just listened to one of many of that class of speeches. From the very introduction of the Bill, I have watched with keen interest the attitude adopted by honorable members on the other side. At first it appeared that there was to be little or no opposition. It is quite true that the political wire-pullers, to whom honorable members opposite pay so much heed, had not then said anything about the Bill, and honorable members opposite did not know exactly "where they were." Although all through the second-reading debate their speeches showed, at least, a very thinly veiled antagonism, when it came to a question of voting, those honorable members who had been loudest in their denunciations did not dare to raise a voice in opposition.

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Mr. CONROY.—Was there not a majority of seventeen in favour of the second reading?

Mr. CARPENTER.—There was no division on the second reading; honorable members on the Opposition side had not the courage to call for a division. Since then, however, the wire-pullers outside to whom I have referred have drafted a resolution, and had it carried by obedient branches of their organization at meetings of three, four, and five men, who knew nothing at all about the provisions of the measure. This so-called resolution was reported in the Conservative press; and since then the Opposition within this Chamber has been considerably strengthened, and speeches have become more and more antagonistic. There were many divisions in Committee, and I should not be much surprised if there were a division on the motion for the third reading.

Mr. CONROY.—The honorable member forgets the many amendments which were moved by the Government, and which utterly changed the Bill.

Mr. CARPENTER.—I am speaking of the attitude of honorable members on the other side of the House.

Mr. JOSEPH COOK.—The honorable member for Fremantle has not forgotten the amendments by the Government—he knows nothing about them.

Mr. CARPENTER.—Honorable members opposite find their courage increasing as resolutions of the kind to which I refer appear in the press. Their opposition has become a little more intense; and we have had them claiming that they have made drastic amendments in the Bill in Committee. I desire to ask the honorable member for Parramatta to what drastic amendments he refers? With the exception of a proposal which was submitted by the honorable member for North Sydney, and to which I readily agreed—to which, indeed, I believe the Government assented—there has not been a single useful amendment made at the instance of honorable members opposite. Their opposition has been simply a process of electioneering declamation from beginning to end, with the anti-climax that they had not the courage to record a vote against the principle of the measure. Then we had the honorable member for Parkes breaking a silence of some two months.

Mr. JOHNSON.—We have not yet been in session two months.

Mr. CARPENTER.—I do not want to do the honorable member for Parkes an injustice; but I think his average attendance is about once in two months, when he rises in his place and lectures honorable members because—so he says—they do not deliberate sufficiently on the legislation submitted.

Mr. BRUCE SMITH.—It is not deliberation at all.

Mr. CARPENTER.—It is a piece of impertinence for an honorable member to come here, after neglecting his own parliamentary work week after week, and lecture those who have tried to do the business for which they were sent here. Probably the honorable member finds it much easier to deliberate in the comfort of his own home, whilst other members of this House have to neglect their homes and to come here day after day and night after night to do the work which they were elected to do. The honorable member lectures us because he says we are not a deliberative Assembly.

Mr. BRUCE SMITH.—I said that the House is not deliberative at all; that is my statement.

Mr. CARPENTER.—The honorable member may say just what he likes.

Mr. BRUCE SMITH.—The honorable member's caucus binds him as with handcuffs.

Mr. CARPENTER.—The honorable member's attendance in this House is deliberative enough. Indeed, it is a deliberate insult to the constituency which he induced to elect him, to stay away as he has done month after month. Then we have had the acting leader of the Opposition—

Mr. JOSEPH COOK.—Before the honorable member launches his diatribes against me, I should like him to have a quorum of his own friends present. [*Quorum formed.*]

Mr. CARPENTER.—The acting leader of the Opposition has twitted other sections of the House with their absence from the Chamber, while he and his colleagues have been talking. I say, sir, that if the people outside the House knew what an infliction it was to sit here hour after hour and listen to the empty talk that comes from honorable members opposite, they would think that we were justified in absenting ourselves from the Chamber when such a senseless waste of time was taking place. We are told by the honorable member for Parramatta that the Labour corner in particular has sinned in this regard. He challenges us for voting

for a measure to which he says we were not pledged at the last general election. The inference from his speech is that, because we did not pledge ourselves to vote for an Anti-Trust Bill, therefore we are doing something very wrong in supporting the Government in their proposals in this measure. The honorable member has been one of the loudest of those who, at various times, have denounced the Labour Party, because, as he says, we come here pledged to a policy, bound down to a programme, and because, as he alleges, we have sacrificed our individuality. We have been told we have no liberty either of speech or of vote. Yet when we support a measure which is not on our programme, the honorable member denounces us for voting for a Bill about which we have given no pledges. It is impossible to please the honorable member. Whip high or whip low, he is equally dissatisfied. If we vote for something to which we are pledged, he denounces us for pledging ourselves. If we vote for something to which we are not pledged, he denounces us the more. When this sort of empty talk is going on, it is no wonder that honorable members leave the Chamber. Not only the members in the Labour corner, but even the members of the Opposition—the supporters of the honorable member for Parramatta—desert him, and leave him to pour out his soft nothings to empty benches. The honorable member has also denounced and twitted members of the Labour Party who happen to hold free-trade views for running away from their principles in supporting this measure. I do not know how far the Bill may be regarded by some honorable members as being of a fiscal character, but my answer to the honorable member is that it is not connected with fiscalism at all. The Bill is going to do for Australian industries a great deal that cannot be done by means of the Tariff. I am aware that some honorable members upon the Opposition side have come to this House with their heads replete with the thoughts of other men. They have filled their minds with dry-as-dust theories from political text-books, and they find that this measure cuts right across some of the theories which they hold most dear.

Mr. JOHNSON.—The honorable member has never read them.

Mr. CARPENTER.—I have read and forgotten them. The honorable member has read, and cannot get away from them.

Mr. JOHNSON.—Because they are too convincing.

Mr. CARPENTER. — The honorable member talks like a school boy. He comes to this House and gives us a rehash of the theories of early political economists as though they were entirely applicable to our modern conditions. Honorable members opposite find that this Bill cuts right across the theories which they hold most dear, and so they pretend that the Government, in introducing the measure, is running away from some sort of pledge, given or implied, that there should be no interference with Tariff questions this session. I say that there is no necessary connexion between this Bill and the fiscal question. It is a Bill for the preservation of Australian industries, without reference to the Tariff in the least degree.

Mr. JOHNSON.—It is a Bill for establishing prohibitive protection.

Mr. CARPENTER.—Honorable members opposite are only too well aware that there is something like an industrial revival going on, and that it is supported by the public sentiment of Australia. The people of this country are awakening, and have come to a firm resolution that they will protect their own industries at all costs against the outside monopolists who are seeking to capture our market. And it is because honorable members opposite know that the people of Australia have this determination that, though they may rave as they like against this Bill, they have not dared to vote against its principle, and have not had the courage to go outside this House and say, "Here is a Bill brought in to preserve Australian industries against monopolies, and we will vote against it."

Mr. JOHNSON.—Because it would be a lie if they did.

Mr. CARPENTER. — The honorable member for Lang knows as well as any one that what I say is true. He knows that he would have his work cut out to justify himself if he went on to a platform and denounced this Bill. What honorable members opposite call the fiscal question is being put in the back-ground to-day. The people are beginning to realize that the preservation of our industries is of far greater importance than the upholding of wild political theories for which our fathers were content to fight many years ago. We have also been told by the honorable member for Parramatta that we have no monopolies in Australia. Where has the honorable member been? Is it possible that we can

have here a person claiming to be a public man in Australia who can get up in this deliberative assembly—I beg the honorable member for Parkes' pardon—and say that we have no monopolies in Australia—that we are simply frightening ourselves because of certain things which have been done in America? I had the satisfaction of making a slight addition to this Bill, to cover the case of a combination or trust, which to-day is bleeding the people of Australia by means of high shipping rates and charges, and has been doing so for some time past, a combine which, I say, speaking with full knowledge, is watching with great anxiety the passage of this Bill. It is asking very anxiously, "How much are you going to put into that Bill? How far are you going with it? To what extent are you going to put your hands upon us?" Yet we are told that we have no monopolies in Australia! We have the tobacco combine, and surely the honorable member must have heard of it. I am aware that those comprising that combination have been clever and cunning enough to leave out two or three small manufacturers whom they can crush at any time they like by raising their little finger. Because they wish to be able to say that they are not a complete combination, because they wish to be able to throw dust in the eyes of the public by saying that there are other manufacturers in Australia besides themselves, they are graciously pleased to allow these two or three small manufacturers to continue to exist.

Mr. JOHNSON.—The honorable member must be in their confidence.

Mr. CARPENTER.—I know more about them than perhaps the honorable member thinks. They have sufficient control over the Australian tobacco trade to be able to fix prices, and to be able to bleed the poor fellows in New South Wales who are seeking to get a living by growing tobacco leaf. Honorable members may not be aware that as a result of the sittings of the Tobacco Commission, the tobacco combine had to send up a few pounds to square the poor growers for something of which they had robbed them during the previous season.

Sir WILLIAM LYNE.—At Tumut.

Mr. CARPENTER.—Yes, at Tumut. When the Tobacco Commission went there, and threatened to make revelations as to what the combine had been doing to the Tumut growers, in order to save themselves, the combine sent up a round sum

of money to be distributed amongst the tobacco-growers. They knew the growers should receive this money, because it fairly belonged to them. Yet the honorable member for Parramatta says that there is no combine in Australia.

Sir WILLIAM LYNE.—It was to bring the prices up to what the combine promised, but did not pay.

Mr. JOHNSON.—Where is the proof of that statement?

Sir WILLIAM LYNE.—It was given in evidence.

Mr. CARPENTER.—Knowing what we do of trusts and combines, we may depend that unless the tobacco combine had a very good reason for doing it, they would never have sent that money to Tumut for distribution amongst the tobacco-growers there. I do not know whether this Bill will accomplish all that some of its supporters desire. It is quite possible that it will not. We have no reason to suppose that our first attempt in Australia at legislation of this kind is going to be wholly successful. We know from our experience of what has taken place in the United States that it has taken the people of that country some years to bring their anti-trust measures to such a state of perfection as to produce the desired result. The honorable member for Parramatta told us just now that with all their legislation the people of the United States had not been able to touch the combines there. But only two or three weeks ago we saw that they have been imprisoning some, and fining others, and that certain gentlemen in one State have at least taken the precaution to get across the borders of their State into the next, in order to escape prosecution for what they have been doing. Seeing the way in which they have been grappling with the problem we can rest assured that they will persevere until they have been successful. American literature to-day—magazines and newspapers—is full of this fight of the people against the combinations. What the people have suffered in America we wish to prevent in Australia. Why should we wait, as the honorable member for Parramatta has suggested that we should, until the combines have acquired strength, and become dangerous, until we have felt the pinch of their evils, before we set to work to combat them? We shall be doing our duty to our constituents if, seeing what has been done in other countries, what may be done here

and what is threatening us, we say that we will take the precaution of passing this measure. The Government are deserving of all credit for taking time by the forelock in submitting this Bill as a first attempt, which, I hope, may be successful, to prevent in Australia anything like the evils from combinations and trusts to which the people of America have been subjected for so many years. I hope that the result of this legislation will be not to prevent combinations—that I know is impossible—but to enable us to put our hands on the combines, and say—"We do not seek to prevent you from eliminating all unnecessary competition, or from doing everything you may be able to do to cheapen processes, and thus give us cheap products, but when your action becomes inimical to the public interests, we step in on behalf of the people to put a stop to your machinations." It is because I believe that this Bill will have that effect that I have very much pleasure in supporting the third reading.

Mr. JOHNSON (Lang) [6.5].—We have cause for congratulation in the fact that even at this late hour what appears to have been something in the nature of a conspiracy of silence amongst direct Government supporters and the majority of the Labour Party has been broken up by the speech to which we have just listened.

Mr. HUTCHISON.—What nonsense! A number of us have spoken on the measure, and the honorable member knows it.

Mr. JOHNSON.—Very few honorable members on the Ministerial side have spoken upon this Bill. Indeed, very few of them have been in the chamber at any time while the Bill has been under discussion. Even when the Minister of Trade and Customs was explaining the provisions of the Bill, the Ministerial and Labour benches were empty, and the honorable gentleman had to be content with an audience made up of members of the Opposition. That does away with the statement that it is because they do not desire to listen to speeches of members of the Opposition that Ministerial supporters leave the chamber. When the Minister professed to explain the provisions of the Bill—and the more the honorable gentleman tried to do so, the more plainly he showed that he knew very little about them—nearly the whole of the honorable members present were members of the Opposition. We know that Labour members as well as direct Government supporters were conspicuous by their absence.

Sir WILLIAM LYNE.—Where was the honorable member's leader?

Mr. JOHNSON.—During the discussion of this most important measure, which is calculated to affect the lives or liberties of a very large section of the people, they were conspicuous by their absence from the chamber. During the discussion of this measure, there has, at times, been only one lay member present on the Ministerial side, and he has been asleep. It therefore ill becomes the honorable member for Fremantle at this late stage of the proceedings, when he has always been one of those most conspicuous by his absence, to get up as he has done, and deliver a diatribe upon the utterances of the honorable and learned member for Parkes, and twit him with his frequent absences from the Chamber.

Sir WILLIAM LYNE.—It was a very good speech. Where has the honorable member's leader been all the time?

Mr. JOHNSON. — My leader is not idling away his time in amusements, like Ministerial supporters, but is doing some excellent work for the benefit of this country in another place. At any rate, he is not engaged in following his own pleasure in other portions of this building when he should be attending to his public duties here or in the country. Honorable members on the Ministerial side cannot urge the same valid excuse for their absence from the Chamber. They are not engaged in the work of explaining to the country the pernicious character of the legislation proposed to be put on the statute-book of the Commonwealth, a sample of which is before this Parliament at the present time.

Mr. BAMFORD.—The right honorable gentleman has never mentioned it.

Sir WILLIAM LYNE.—The right honorable gentleman is not game to mention it.

Mr. JOHNSON.—Honorable members opposite are not engaged in work of that kind or there would be some excuse for them. They are engaged, as we know, in pursuits of a very different character.

Mr. SPEAKER.—Will the honorable member discuss the Bill?

Mr. JOHNSON.—I propose to discuss the Bill, but I was drawn a little off the track by the Minister's interjection. The honorable member for Fremantle, in his diatribe, said that, in the beginning, the Opposition approached the consideration of this measure in a half-hearted fashion. From the time I saw the Bill in its original form last session I expressed my opposi-

tion to its enactment. At that time I was just as strongly in opposition to it as were the members of the Labour Party, including the honorable member for Fremantle. At no time have I attempted to hide my opposition to the Bill, or to temporize with it.

Mr. WILKS.—What about the honorable member for Perth, the most bitter opponent of the Bill?

Mr. JOHNSON.—Last session all the members of the Labour Party were bitterly opposed to the Bill; but now they are supporting almost to a man a measure which is admittedly more drastic than the one introduced here last session, and which they then opposed.

Sir WILLIAM LYNE.—No.

Mr. JOHNSON.—The Minister himself said it was more drastic when he introduced the Bill. I would remind the honorable member for Fremantle that so clumsy, so imperfect, so full of objectionable features was the Bill as it was introduced last session, that it was not pressed in its then existing form. During the recess the Ministers had time in which to consult one another, and to carefully consider and redraft its original provisions. It was brought in this session by the Minister of Trade and Customs as the perfection of the united wisdom of the Cabinet: but it had not been before the House for three days before the Opposition succeeded in convincing even Ministers themselves that it was necessary to bring down a whole sheaf of amendments.

Sir WILLIAM LYNE.—What does the honorable member know about it?

Mr. JOHNSON.—Honorable members have only to use their eyes to see upon the table the sheaf of amendments which the honorable gentleman brought down, and which practically made a new measure of his pet Bill.

Sir WILLIAM LYNE.—Not at all.

Mr. JOHNSON.—How can the honorable gentleman sit there calmly and say, "Not at all," when copies of the amendments are lying upon the table for any one to see? He will deny anything in the face of the most glaring evidence of the futility of his denial. Will he say that this is anything like the Bill which he introduced this session? Has it not undergone amendment in almost every clause, if not in almost every line? It has no claim to be regarded as the same Bill as that which the honorable gentleman originally introduced.

Mr. WILKS.—The only remaining part of the original Bill is the title.

Mr. JOHNSON.—The title is a misnomer. Instead of being entitled—

A Bill for the preservation of Australian industries, and for the repression of destructive monopolies—

it should be called—

A Bill for the purpose of promoting Australian monopolies, and the repression of commercial enterprise.

When the honorable member for Fremantle says that we, as an Opposition, have come here for the purpose of opposing an Anti-Trust Bill, he makes a charge which is not in accordance with facts. If it were an Anti-Trust Bill, and its purpose were really to prevent the creation of monopolies, and to destroy monopolies, I am perfectly certain that the Minister would have received cordial support from all those who have been so strenuously opposing its passage. But it is an anti-trade Bill pure and simple, as he knows perfectly well.

Sir WILLIAM LYNE.—The honorable member is not representing the views of his constituents.

Mr. JOHNSON.—I wish the honorable gentleman would put his assertion to the test of an appeal to them. My constituents are perfectly in accord with me on this point. I have no fear as to what their verdict will be when I explain to them the provisions of the Bill.

Sir WILLIAM LYNE.—When the honorable member called a meeting the other day, he got only ten persons to attend.

Mr. JOHNSON.—It so happens that I did not call a meeting the other day.

Sir WILLIAM LYNE.—When the honorable member was at a meeting the other day, there were only ten persons present.

Mr. JOHNSON.—I was not at a meeting the other day.

Sir WILLIAM LYNE.—Well, six weeks or two months ago.

Mr. JOHNSON.—Evidently, some person has been pulling the Minister's leg. I have no knowledge of any such meeting. I oppose the third reading of the Bill because, from beginning to end, it is a lie, a sham, a fraud. It simply imposes upon public credulity by pretending to be one thing when it is quite another thing. Under the guise of being an anti-trust Bill, it is simply a Bill for the purpose of bringing in prohibitive protection behind the back of Parliament. Expressed in a few words, that is its character. It is only for that purpose that it was in-

troduced. The existence of trusts in America — because no trusts have been shown to exist in Australia—has been put forward as a flimsy and very transparent excuse for bringing forward this legislation. What I complain of is that it is dishonest on its face, that it pretends to aim at monopolies when its clauses make for the creation of monopolies, and the destruction of trade. Let us glance for a moment at Part II. of the Bill once more. If we refer to clause 4 we see that paragraph *a* of sub-clause 1 purports to deal with persons who try to restrain trade or commerce to the detriment of the public, and that paragraph *b* makes it an offence for persons who try, not to restrain trade or commerce, but to promote trade and commerce. Here, at the beginning of the Bill, we are confronted with two diametrically opposite sets of offences. Clause 4 applies to those who restrain or promote trade internally, clause 5 makes the same offence apply to foreign corporations who try to restrain or promote trade. Whichever way persons proceed, they will commit an offence. Whether they try to restrain or to promote trade, that will be an offence. The clauses are absolutely ridiculous. Here we have ordinary processes of commercial enterprise pounced upon through the agency of a measure of this kind, and persons engaged in trade and commerce treated as if they were criminals, dangerous to the peace and well-being of the community. The cause for this legislation is an alleged desire to suppress trusts which have not been shown to exist in Australia. There has not been a single effort on the other side of the Chamber to show that such a thing as a trust exists in Australia. The only semblance of a trust here is what has been spoken of as the tobacco trust, and even the honorable member for Fremantle had to admit that there is no complete tobacco trust in Australia, because the combination does not embrace all connected with the tobacco industry.

Mr. KELLY.—Where is the honorable member for Fremantle now?

Mr. JOHNSON.—He is, as usual, out of the Chamber, and probably will not speak for a month or two, when, perhaps, he will again feel it necessary to put in an appearance and lecture honorable members on this side of the Chamber upon the iniquity of criticising Government measures. The other day the honorable and learned member for Bendigo, the Chairman

of the Tariff Commission, appealed to the Minister to defer the consideration of this measure until the reports of the Tariff Commission were before us. He pointed out that the reason given for the introduction of the Bill was the allegation that Australian industries are suffering by reason of the dumping which is taking place, but the Commission has not been able to obtain any evidence of the fact that dumping is occurring in Australia. The Minister has not yet given us a single instance of dumping.

Sir WILLIAM LYNE.—The honorable member has already said that about six times.

Mr. JOHNSON.—I think it necessary to repeat it, and to ask the Minister, if he knows of an instance, to acquaint the House with it, even at this late hour.

Mr. HUTCHISON.—Who will be injured by the passing of the Bill, if there is no dumping?

Mr. JOHNSON.—Where is the necessity for the measure if dumping does not exist?

Mr. HUTCHISON.—The Bill will prevent dumping.

Mr. JOHNSON.—Does the honorable member think it necessary to pass legislation to prevent a continuance of something which is not occurring, and of the probable occurrence of which there is no sign?

Mr. WILKS.—It is a Bill for stumping, not for dumping—stumping the electorates.

Mr. JOHNSON.—No doubt it was introduced purely for electioneering purposes.

Sir WILLIAM LYNE.—I have heard these statements so often that the utterance of them is beginning to affect my hearing.

Mr. JOHNSON.—The Minister does not like to hear the truth, but it must be spoken, nevertheless. When he told us that the Bill was being introduced to prevent the injury, and even destruction, of Australian industries by reason of the dumping operations of foreign trusts, he should have given us specific instances of the abuses to which he referred.

Sir WILLIAM LYNE.—If I had done so, the honorable member would have said that my statements were wrong.

Mr. JOHNSON.—The Minister did not bring forward even a colourable imitation of a case of dumping, though, had such a case existed, he would no doubt have seized upon it with avidity, with a view to showing the need for a Bill of this character. The honorable and learned member for Bendigo has pointed out the unfairness of proceeding with the measure before honor-

able members have been able to inform themselves as to the true condition of industrial affairs here, by means of the evidence attached to the reports of the Tariff Commission. As the Minister has not been able to bring forward one instance of dumping, delay in consideration of the measure would not matter. In any case, the reports of the Tariff Commission will be available within three or four weeks, and, when they have been presented, we shall be able to see what foundation, if any, there is for the allegations as to the strangling of industrial industries by foreign competitors. I curtailed my speech on the motion for the second reading of the measure, in deference to the wishes of the Minister.

Sir WILLIAM LYNE.—Will not the honorable member curtail this speech, too?

Mr. JOHNSON.—I am continually making concessions to the Minister; but there are times when it is not right to make them. When the motion for the second reading of the Bill was before the House, we were told that it would be advisable to confine the debate within certain limits, because the Bill could be dealt with fully in Committee, when its clauses could be discussed in detail. But in Committee the Minister again displayed anxiety to avoid criticism. The cry then was, "You had a full opportunity to criticise the principles of the measure when speaking on the motion for the second reading. Why go into these matters now?" On the motion for the third reading, the honorable gentleman is once more desirous—as he has been at previous stages—that there shall be no criticism. The measure, however, is so dangerous and pernicious that, in the interests of the producers, manufacturers, and the public at large, it should be subjected to the most complete criticism. The Bill which it is proposed to read a third time is a very different measure from that first submitted to us. But, although the efforts of the Opposition have removed many objectionable features, its provisions are still a most serious danger to the interests of the public.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. JOHNSON.—Ministers have chosen a singularly unfortunate time at which to introduce a measure of this character. Our newspapers and our statisticians are at considerable pains to show us that the country is enjoying a time of exceptional prosperity, and Ministers have so far acknowledged the correctness of their representations that at the opening of the

session they placed in the mouth of His Excellency the Governor-General the following words:—

I have called you together, I rejoice to say, in a season of general prosperity throughout the Commonwealth, production having increased, prices being favorable, while both trade and finance afford most encouraging evidence of the soundness of business.

Therefore, the excuse for the urgency, or even the need, of such a measure as this put forward by Ministers stands condemned out of their own mouths. We find in the Governor-General's speech a flat contradiction of Ministers' assertions with regard to the slackness of trade, and the discouragement and strangulation of our industries, which they have put forward in justification of their action in introducing this measure. We have been told by legal experts that even if there existed amongst us trusts whose operations were injurious and tended to the strangulation of our industries, the measure would not militate against them. They point out, however, that the Bill would seriously interfere with the ordinary trade, commerce, and industry of the country. I have previously pointed out that, whereas Part II. of the Bill is ostensibly aimed at the repression of monopolies, Part III. will tend to destroy all competition, and thus foster monopolies within the Commonwealth. The measure gives into the hands of those who desire to establish local manufacturing industries, the power to prevent any one from coming into competition with them, either by producing locally, or by importing. I submit that the less we interfere with trade and commerce, the better it will be for all concerned, because as soon as we attempt to check imports, we must injure our export trade. If we are to build up a great nation under the Southern Cross, we must, for many years to come, devote our energies principally to the cultivation and encouragement of the primary industries natural to the country, which do not need legislative interference for their protection or encouragement. In order to attain this end, we must develop our export trade in every possible way, so that we may obtain in exchange the best of manufactured goods from the countries beyond seas with which we trade. If we limit our imports, we must reduce the volume of our exports, because other nations will not trade with us upon any such one-sided plan as is apparently contemplated by the framers of the Bill. It must be

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remembered that imports and exports pay for each other. It is a noteworthy fact that the Bill is aimed principally at those of our own kith and kin. Two-thirds of our import trade is transacted with British Possessions, and, therefore, the Bill would operate mainly against those of our own flesh and blood who speak our own language. The provisions of the Bill are framed upon the supposition that even those who spring from the same stock as ourselves have evil designs upon us, that they desire to crush us and to destroy our trade and commerce. But, despite all these assumptions, not one tittle of evidence has been brought forward to sustain any such imputation. The Bill is of a most insulting character, in that it seeks to treat the people of our own race in a scurvy manner—a manner that we ourselves would be the first to resent if the people of the British nation were to legislate upon similar lines for the exclusion of Australian products from their markets. To enact legislation of this description based upon an imputation of that character, betrays a most unpatriotic spirit. If we intend to prevent trade and commerce with our own kith and kin, we might accomplish our object much more effectively by other means. For instance, if we think it is desirable that we should live isolated, that we should keep Australia for the Australians, and make everything that we require by Australian labour, we might achieve our end much more effectively, and at much less expense by building walls across the mouths of our harbors and rivers, by blocking up the channels, and thus absolutely preventing any ships from coming to our ports. If trade is a bad thing, by all means let us stop it. At the same time, let us stop it effectively, and thus avoid the expense of maintaining an army of Customs and other officials, whom the taxpayers are called upon to support.

Mr. THOMAS.—Would the honorable member do away with all the Customs officers?

Mr. JOHNSON.—If we are to legislate in the direction indicated, they might be employed in some of our local industries, if any were left to survive the experiment of this logical application of a principle indorsed by the Labour Party.

Mr. THOMAS.—We should then have to fall back upon direct taxation.

Mr. JOHNSON.—I have no objection to direct taxation for the purposes of revenue. That, however, is a little outside the scope of the present discussion, and I do not pro-

pose to be side-tracked by the honorable member. If trade is a bad thing, let us dispense with it, but if it is a good thing let us have all that we can get of it. As a free-trader, I maintain that all trade is good. Free-trade is natural trade, and I object to this Bill, because it prevents that freedom of trade which I hold to be absolutely necessary to the well-being of any nation. Free-trade, I repeat, is natural trade, and for the purpose of enabling countries to exchange their commodities one with another, nature has provided us with harbors, ports, and rivers, which we, in our blind ignorance, render practically useless by the imposition of artificial restrictions. I have already shown that two-thirds of our import trade is done with British Possessions. About £7,000,000 worth of that trade consists of metals and machinery chiefly of British origin. In moving the second reading of the Bill, the Minister referred to the practice of dumping. He quoted a list of articles, in regard to which he did not prove that the practice existed. Amongst these were sewing machines and harvesters. He said that the value of the harvesters annually imported into the Commonwealth was £85,000. That is quite true. But I would point out that the value of the harvesters of local manufacture amounted in the same year to £250,000, and further, that the value of the machines exported to other countries was £30,000. In connexion with the allegation of dumping, it is a scathing satire on ourselves that the harvesters which are exported from Australia are sold in foreign countries at a lower price than that at which they can be purchased in the home market by our own farmers. If the sale of these machines in foreign countries at a lower price than that at which they can be purchased locally, constitutes dumping, it is undeniable that the Australian harvester manufacturers are guilty of dumping—the very practice of which they so bitterly complain and a sympathetic Minister so indignantly condemns, when an outside company is alleged to practise it in Australia. I wonder what we should say if the people of foreign countries were to pass similar legislation to that which is contained in this Bill for the purpose of shutting out Australian goods from their markets. We should regard it as an unfriendly act. Yet we are doing the very thing that we condemn, when it is practised by others. If Australian harvesters can be sold in foreign countries—in the Argentine

and elsewhere—at less than they can be purchased locally, we may reasonably assume that they are not sold at a loss. They are not exported by the manufacturers merely for the pleasure of exporting them. The McKay Harvester Company make a profit out of their export trade. If the value of the Australian-made harvester is the price which the foreigner is charged for it after payment of insurance, freight, and transport charges, then the price which the Australian farmer has to pay in excess of that amount is surplus profit, and is an unfair impost. I desire to know how the Minister proposes to protect the consumer, who is one of those mentioned in the Bill as being the special subject of paternal regard at the hands of the Government. We have knowledge of the fact that the Australian farmer here is charged an immensely higher price for the Australian-made article than the farmer outside has to pay for the same machine. That being so, the local consumer has a right to be considered. What provision is there in the Bill to protect his interests? None whatever. When an effort was made by the Opposition to amend the Bill, in order to give him some measure of protection against unfairly high charges, the Ministry, and those allied with them, opposed the proposition, and yet I suppose that they will have the unblushing audacity to go before the country and claim to have legislated in the interests of the consumers. I should like to know what the farming constituents of the Minister of Trade and Customs will think of his action when they understand its true significance. He may rest assured that they will not be kept in ignorance of it between now and the next general election. The action of Australian manufacturers of harvesters, in selling their goods abroad at a lower price than they charge in the local market is typical of what all protected manufacturers do. The practice is not peculiar to manufacturers of harvesters. In connexion with all local industries, the home consumer is charged the highest price that the Tariff will permit; and we may be sure that advantage will be taken of any measure of this kind for the same purpose, whilst the price obtained outside is always regulated by the competition with which they meet. We know that it is not the practice of Australian manufacturers any more than it is that of manufacturers abroad to carry on their work year in and year out solely to sell at a loss. When they sell abroad at

a lower price than they do at home, it is sometimes because of a desire to get rid of accumulated surplus stock. In such circumstances it may happen occasionally that they sell, perhaps, at a trifling loss, or at all events, at a very small margin of profit. Speaking generally, exporters aim at making a fair profit out of their trade; otherwise it would not be worth their while to continue in it. And yet we find that the practice prevails amongst manufacturers, both here and elsewhere, of charging a much higher price in the local market than is charged outside in respect of the same goods. This Bill seeks to exclude imports, among other grounds, on the score of their cheapness. The effect of the measure will be to prevent goods coming in here which can be sold at less than the locally-manufactured articles. Whence come many of these articles, the cheapness of which is the subject of complaint? Generally speaking, the article made by low-priced or pauper labour come from continental protected countries. Here we have evidence of the fact that the imported cheap goods are the product of heavily-protected labour. That labour may be protected, not by means of legislation of the kind now before us, but by legislation which has for its object a similar aim—the shutting out of imports, and the encouragement in that way of the local producer. It is singular that this low-priced labour, which is so often condemned in the House, is invariably very highly protected. That shows clearly that the effect of restrictions upon trade, whatever their effect may be on the profits of the manufacturers, is not to raise but to lower the wages of labour. This Bill has received the condemnation of all the public bodies representative of the producing and commercial classes that have given it consideration. I have not yet seen a report of a meeting of an association of importers, manufacturers, or farmers at which it has not been condemned. I propose now to refer to a meeting of the Yannathan branch of the Farmers, Property Owners, and Producers' Association held on the 6th inst., at which a condemnatory resolution was passed showing that a great many of the primary industries of Australia will materially suffer from the operation of this Bill. The resolution, which was reported in the *Argus*, was as follows:—

“That this branch of the Farmers', Property-owners', and Producers' Association is of opinion that the Australian Preservation of Industries and Repression of Destructive Mono-

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polies Bill now before the House of Representatives will be injurious to the best interests of the public, more especially the producers, as the prohibition put on certain imports, the restraint on trade, and the restriction of the rights of traders to purchase their goods in the cheapest and best markets, must result in enhancing the price of commodities; that necessities like wool-packs, cornsacks, manures, implements, &c., absolutely necessary to producers will be only purchasable at excess prices, and therefore greatly increase the cost of production, whereas the products from the soil will still have to be sold in the markets of the world in competition with sellers not hampered with such restrictions; that producers are entirely opposed to destructive monopolies, and in favour of local industries, but do not consider a bill of this nature will facilitate either one or the other, the reverse being more likely to take place, viz., the destruction of industries and the encouragement of local monopolies.”

That resolution was passed by a branch of an association which is very influential, and which cannot be accused of not knowing where its own interests lie. The branch having met and considered this measure, which its authors assert is intended to assist the farming and producing, in common with other industries, has not a good word to say for its provisions, but, on the contrary, condemns it in very severe terms, and points out that it will greatly enhance the prices of a number of articles, the obtaining of which at a cheap rate is an essential factor in the success of the primary producing industries. Yet even an appeal of this character from an association of farmers, whom the Minister of Trade and Customs is supposed to largely represent, seems to carry absolutely no weight with the honorable gentleman. Notwithstanding that farmers' associations have condemned the Bill all round, we find the Minister impervious to any suggestions or criticisms, even when the provisions to which exception is taken affect that particular section of the electors who form so large a portion of his constituents. I venture to say that the Minister of Trade and Customs, when before the electors, will have to answer a great number of questions, but no doubt, with his usual adroitness, he will be able to fence some of the points raised, and to throw dust in the eyes of the farmers as to the real character of the measure. I find that meetings of the association were also held at Gormandale, Hamilton, and Geelong, amongst other places, and that similar resolutions to that which I have already read were there carried. Wherever meetings have been held throughout Australia for the purpose of considering the matter, the Bill has been absolutely condemned; and it must be

evident to the Minister of Trade and Customs that there is a great deal of dissatisfaction, even amongst the people in whose interests the measure is supposed to have been framed. To show that there is no urgency for a Bill of the kind, on the ground of slackness of trade or injury to our industries, I have only to quote some official statistical information recently placed at our command by the authorities. The total value of the imports into Australia for the year 1905 was £38,346,731, of which £25,524,802, or about 66.5 per cent., represented imports from British Possessions. It will thus be seen that the operation of the Bill will mainly affect British imports; and I have already pointed out that about £7,000,000 worth of our imports represents metal and machinery imported from Great Britain. During the past three years, there has not been any great increase in the imports; and although the protectionist section of the community seem to regard any increase as a very great evil, I view the matter in a very different light. The value of the imports for 1904 and 1905 was less than the value of the imports for 1903. The imports for 1903 amounted in value to £38,835,682; and the difference between the value of the imports for that year and the value of the imports for 1905 is represented by nearly half-a-million, or, to give the exact figures, £488,951. Let us now look for a moment at the exports for the same period. The exports from Australia for 1903 amounted in value to £49,809,998, while the exports for 1905 amounted in value to £56,841,035, showing an increase for the latter year of £7,031,037. As I have already shown, the total imports for 1905 were valued at £38,346,731; on the other hand, the total exports were valued at £56,841,035, showing an increase of exports over imports of £18,494,304. From the point of view of those who favour restriction of trade, and who place a good deal of value on the excess of our export trade over our import trade, these figures are very encouraging. I do not pretend to regard these figures with unmixed satisfaction myself, but protectionists should find them gratifying. In regard to the increased export trade, the statistics so far furnished indicate a record.

Mr. SPEAKER.—Does the honorable member think that that has anything to do with the Bill?

Mr. JOHNSON.—Yes, Mr. Speaker. The main reason advanced for introducing

the Bill is that our trade and industries are languishing, and being ruined by the importation of goods from overseas. It is contended that the local export trade is being ruined from the same cause; and the object of the Bill is to place restrictions in the way of overseas trade, and in the way of overseas competition with our existing industries. The Bill in its operation will affect both our imports and our exports; and my object is to point out that our trade from imports has not shown any abnormal development, but, on the contrary, has diminished, while our export trade, far from being injured, is really in a more flourishing condition than it has been for a long time past, and that, therefore, the principal reason alleged for the introduction of the Bill is not founded on fact—is non-existent. However, Mr. Speaker, if you think it undesirable that I should not go into figures, it is not absolutely necessary for my purpose that I shall do so; and I shall content myself with simply relating the facts as they are. Without going into details, I may state that there has been a great increase in our exports of gold as compared with previous years. Our wool exports have increased, and the value of wool has largely increased.

Mr. SPEAKER.—Those details have nothing to do with the Bill.

Mr. JOHNSON.—I shall not pursue them. Generally speaking, they prove that our industries are in a flourishing condition. At any rate, I may be allowed to refer to the value of the productions of our manufacturing industries, which have to do with this Bill, and I shall do that very briefly. I shall not refer to the statistics for Victoria, as I dealt with them recently. Some figures which have come to hand show that the value of the productions of the manufacturing industries of New South Wales—that is, the value added to the cost of the raw materials in the process of manufacture—amounted last year to £10,580,000, or £7 3s. 1d. per head of the population. The increase was general in all branches of industry, but chiefly in the metals and smelting industries. Last year more factories were being worked than in the previous year, and the number of men employed was 4,139 more than in the previous year. These figures go to show that, instead of our industries being in a declining condition, and requiring to be bolstered up by legislation of this character, they are more prosperous to-day than they have been for a considerable time past. I

will leave that phase of the subject, and proceed to another. It will be remembered that a certain section of this House, known as the Labour Party, strenuously opposed this Bill when it was first introduced. It was on account of the opposition of that party that the Bill was dropped last year.

Sir WILLIAM LYNE.—I do not think that is so.

Mr. JOHNSON.—If the Minister will look up *Hansard* he will see that strenuous opposition was threatened to this Bill at that time, and it was not proceeded with. It has been brought up in the present session in an amended, and admittedly a more drastic, form. Yet we find that the very same section which last session was so strongly antipathetic to it, now almost to a man supports it. Nevertheless, the most influential organ of the Labour Party in Queensland, *The Worker*, refers to the Bill in terms of anything but approbation. Perhaps I may be permitted to quote an extract from an article which appeared in the *Queensland Worker* of 30th June in regard to the anti-trust legislation of this Parliament. The article describes it as useless, and then goes on to say—

They have a drastic law on the subject in America, and the trusts wax fat and laugh at it. Its one effect has been to elevate evasion into a science, and make politics a synonym for bribery and corruption. The greatest trust in the world is the Beef Trust, and it has grown up under the shadow of anti-trust legislation! America groans under its extortions, yet so cunningly is it done that in law the Trust has actually no existence. It levies tribute upon every American home, yet you may hunt the States up and down, and turn a lantern into every hole and corner, and find no trace of a Beef Trust to convince a Judge or jury. It has no offices, no books, no board of directors. Legal evidence that such a thing exists there is absolutely none. Yet it holds the great American Republic at its mercy, and reduces to a comic song its Declaration of Independence. It is more powerful than Parliaments and Presidents. It is superior to the Constitution. It makes a mock of justice, and under its baneful influence public life has degenerated into the vilest form of prostitution. Injunctions have at various times been taken out against its component firms, but for some mysterious reason they are never enforced. The law becomes afflicted with corns on its feet, and cannot move. It mislays its glasses, and cannot see. The "strong arm" that grips the petty thief and flings him into gaol is seized suddenly with paralysis, and the Trust continues to do with impunity the thing which it has been "prohibited" from doing.

That is a most scathing denunciation of this legislation; and it shows that, whilst the members of the Labour Party in this House are almost to a man supporters of

the Bill, the most influential official organ of their party in Australia, speaks of all such legislation in terms of the strongest condemnation and ridicule. Of course, I know that criticism, no matter whence it comes, falls upon deaf ears so far as this Ministry is concerned. I have very little hope that anything that I can say will induce the Minister of Trade and Customs to see the error of his ways. But if he thinks that he has the people behind him; if he thinks that the electors will indorse this legislation, and that they resent the criticism which has been levelled at it by the Opposition, surely we may ask him to put his professions to a practical test. Let him for the moment refrain from proceeding further with the Bill. Let him wait until we have the reports of the Tariff Commission before us, so that we can see what the evidence is, and what the recommendations of the Commission disclose. If the Minister has so much confidence in the necessity for the Bill, and in the existence of the conditions which he alleges do exist, and if he is really sincere in his professions, he cannot have much reasonable objection to delay the passage of the measure for a few short weeks. If he believes that the Bill is really one which will commend itself to the constituencies, the best thing for him to do, seeing that it has met with so much hostile criticism at the hands of the Opposition, is to submit it to the electors for their approval. If the Minister really believed that they would approve of it, I have not the slightest doubt that he would not hesitate for a single moment to adopt that course. But I feel as sure as that I am standing here that the Minister knows perfectly well that the consensus of public opinion is with the Opposition. Public opinion certainly condemns the Bill so far as any expression of public opinion has been given in the newspapers and elsewhere. We have not seen one single word in its praise. From quotations which I have given, and from a number of others which I might have given, had it been necessary, it is quite evident that wherever the Bill has been considered, wherever meetings have been held for the purpose of discussing it, only terms of the strongest condemnation have been applied to it. If the Minister is really sincere in his protestations, let him submit the Bill to the country for the approval of the electors. I have no fear of their verdict, because I am satisfied that it will show, so far as this measure is concerned, ample

justification for the attitude which the Opposition have taken up in regard to it.

Mr. KNOX (Kooyong) [8.21].—I do not intend to say more than a few words, but I cannot allow the third reading of the Bill to pass without expressing my regret that the Minister and the Government have not agreed to allow it to be postponed for a week or a fortnight, in order that in its amended form it might be submitted to public criticism and comment. I ventured, when speaking on the second reading, to express the opinion that the measure would be torn to pieces during its passage through Committee, and that has so far been proved to be the case that I do not suppose any honorable member who gave close attention to it in its original form would recognise it now. I, therefore, think that the Ministry would be dealing more fairly with the large interests involved if, instead of proceeding with the third reading at the present time, they allowed the Bill, as amended, to be circulated, in order that public consideration might be given to it. In common with other honorable members, I received a copy of the Bill as reported from Committee, only this morning.

Mr. BRUCE SMITH.—It has been altered since.

Mr. KNOX.—As the honorable and learned member interjects, it has been altered even since that time. But I have been referring rather to the large number of amendments made during the Committee stage.

Sir WILLIAM LYNE.—Only one important amendment was made to-day.

Mr. KNOX.—I do not say much as to the verbal amendments which may have been made to-day, but there have been some very important amendments made in the Bill as originally introduced. I must admit that they have considerably improved it, being all in the direction of making it less drastic. I have risen not to make any analytical criticism of the measure at this stage, but because I feel that I should be failing in my duty as a member of this House if I did not enter my protest against what I regard as an attempt to rush this very important measure through. I again repeat that the Attorney-General, in his illuminating speech on the second reading, in which he gave us a considerable grasp of its purposes, indicated very clearly that he regarded this Bill as one dealing with extraordinary conditions. That justified our expectation that the Government and Par-

liament would have the advantage of public criticism of the measure before it was allowed to pass from the control of this House. I, therefore, consider that it was only a reasonable request to make to the Minister that the third reading of the Bill should be postponed until a copy of it as amended in Committee could reach Sydney, Adelaide, or even the more distant parts of the Commonwealth.

Mr. CARPENTER.—It has to go through the Senate yet.

Mr. KNOX.—Whatever the Senate may do, I am concerned with our obligations in this House. I suppose that no other measure introduced here has become so transformed in its language and construction as this Bill has, and I therefore think that the Minister of Trade and Customs might, in fairness to all the large interests concerned, have postponed the third reading to some later stage, when the Government would have the benefit and advantage of the public criticism, which would certainly be brought to bear upon it.

Mr. CONROY (Werriwa) [8.27].—When it was proposed that this Bill should be read a third time to-day, I objected to it, because, in the first place, I do not believe that such legislation is so immediately necessary that the forms of the House should be suspended to permit its being passed more expeditiously. Agreeable to a promise which it appears the acting leader of the Opposition gave, I withdrew my objection to the third reading being taken to-day; but I quite agree with the honorable member for Kooyong when he says that a plain copy of the Bill, as amended, was presented to us only this morning, and we are therefore not quite in a position to indicate all our objections to the measure as now framed. My objection to it begins with the very title, which, in my opinion, is utterly and entirely a misnomer. We call this a Bill for the preservation of Australian industries, and yet we have never once defined what an Australian industry is.

Mr. WILKS.—The lawyers.

Mr. CONROY.—Quite so; an industry that has to live on other people. This is certainly a Bill to preserve industries that must live on other people. My definition of an industry is any work in which people are engaged, and in which the result of their labours is a greater benefit than is caused by the expenditure of their own work. If the product of their work is not equal to the expenditure upon it, it cannot

be an industry, otherwise we might as well say that the people who, in some of our pauper institutions, by growing vegetables, contribute 10 per cent. or 20 per cent. of the cost of their keep, are engaged in an industry, although the balance of 80 per cent. has to be made up by contributions taken from the pockets of other people. So far as this Bill goes, the industries with which it attempts to deal are what are called the secondary industries. It is true that the great bulk of our secondary industries do not rely upon other people. Only a very small section of them do; but that small section seems to be unable to get along without extraneous help—that is to say, without being allowed by law to collect something from other people. The employers who are engaged in these so-called industries are chiefly the class of people whom this Bill is framed to assist. So that clearly it is entirely what I call sectional legislation. In fact, it is so entirely framed in the interests of a few persons that it might be called—I really forget what title the Government have given the Bill; I am sure that they do not know, and I doubt if any one else does.

Mr. BRUCE SMITH.—A Bill for the Preservation of Australian Industries.

Mr. CONROY.—That is the nominal title, but the true title is a Bill for the Creation of Trusts, because, if it is anything at all, it is a measure for the creation of trusts in certain lines.

Mr. BRUCE SMITH.—No; it is a Bill to milk the public for the benefit of the workers and the manufacturers.

Mr. CONROY.—It is a Bill for the benefit of the manufacturers.

Mr. BRUCE SMITH.—It is a Bill to milk the consumers.

Mr. CONROY.—It is a Bill to milk the consumers, and for the benefit of a section of the manufacturers. When it was proposed to put in a clause for the benefit of workers only, providing for fixing the price of an article at such a rate that the manufacturer should not be able to sell above it, the members of the Ministry, even although they had the Labour Party at their backs, refused to support it. It is true that certain members of the Labour Party did come across and vote for the proposal, because they saw that if a monopoly was to be granted, at least the benefit should, as far as possible, be extended over a large section of the workmen engaged in the production of that

particular line of goods. Of course, to my mind, that would only have minimized the evil. As it would have been purely sectional and in the interests of a particular class only as against the interests of the great mass of the people, I could not accord it any direct support, except on the ground mentioned, because I hold that we, as parliamentarians, if we properly understand our duties, are only in the light of trustees for beneficiaries. It ought to be our duty to take care that no one set of beneficiaries—who are the public citizens—get any rights at the expense of the other beneficiaries. But we are departing entirely from that principle, and in measures of this sort we seem to be advocating the idea that he is the beneficiary mostly to be favoured who can make his representations in the most powerful manner to the Ministerial ear. If in fact, a man is able to interview the Minister, and is of such standing in the manufacturing world that his representations are likely to be attended to, then, and then only, can the provisions of this Bill be put in force, because for him only could they be so used that benefit would accrue. Under these circumstances, it is only right and proper that those of us who take that view should oppose the Bill as we have done. Where are the industries that are threatened? So long ago as November last, when the Bill was first introduced, we asked the Minister to name them. A period of seven or eight months has elapsed, and he now comes forward and tells us that the manufacturers of sewing machines are threatened. Of course, we know that he did not want to mention the real name, and therefore he said that the manufacturers of sewing machines are threatened. I find that in Australia there is only one man who practically holds himself out as a manufacturer of sewing machines. So that when the Minister said that a great industry was being threatened, he meant that one manufacturer was threatened with competition—a competition which I am thankful to say still exists, and which I hope will long continue to exist. He meant further that this manufacturer might not be able to get quite the same rate of profit as he had previously been enjoying, and that if the Bill were passed in its entirety he, himself, knowing that manufacturer, would be able to put an end to all competition, and to allow him to raise the price of his machines at his own sweet will.

Mr. BRUCE SMITH.—And what proportion of the parts does he import?

Mr. CONROY.—I believe that he imports the bulk of the parts.

Mr. BRUCE SMITH.—He is a joiner, not a manufacturer.

Mr. CONROY.—Exactly. I do not wish to deal with that aspect, but to point out that the provisions of the Bill are so framed that they would apply to that particular individual only, that while he might be able to get the whole of the benefit which would result from the Tariff being made practically prohibitive, as, of course, it would be in that case, not one atom of the benefit would be allowed to accrue to any of the workmen, and that the Ministry also voted against such a clause being introduced when some of us, prompted by a desire to seek to minimise the evils that must result from its operation, determined that at all events the manufacturer would not have altogether his own way. I know of no other country in which, when it has been sought to put down trusts, Parliament has not always determined that the Tariff should be lowered, and not increased. Under those circumstances, why do we not seek to provide for lowering the duty on an article whenever a local trust is likely to be formed? I would remind honorable members that in any previous Bill it has always been sought to lower the duties. Surely the first Minister of Trade and Customs, the right honorable member for Adelaide, was a sincere opponent of trusts! If there was a man who was strict and earnest in his endeavours to do away with trusts, it was he. In the first session of the first Parliament he introduced a Bill, but so far from seeking to make the duties prohibitive, as this Bill does, it contained a clause to the effect that Parliament might sweep them away. That was an attempt to grapple with the evil; and a recognition of what has caused trusts in America—the Tariff. I think that it was Mr. Havemeyer, the president of the Sugar Trust, who, when examined before the Tariff Commission, said—"The Tariff is the mother of trusts. It is the Government that plunders the people with the Tariff, and the trusts are merely the machinery which enables the people to be plundered." These were very wise and uncommonly true statements. Because we see that in every country where very high duties exist, especially where they have become practi-

cally prohibitive—and in this case they could become absolutely prohibitive—trusts always flourish to an extent unknown in other lands. It was a recognition of that fact which caused the right honorable member for Adelaide, when he brought in his Bill for prohibiting trusts, to adopt a policy exactly opposite to that suggested here. His policy was to lower the duties to vanishing point, so that competition could be brought in, and it was reserved for the present Minister of Trade and Customs to bring in a Bill to make the duties absolutely prohibitive; in fact, to prohibit the importation of the goods, and then to turn round and say, "Still, my Bill is an Anti-Trust Bill." One or other of them must be absolutely wrong. The Minister of Trade and Customs has the boldness—I will not use a stronger word—to term this an anti-Trust Bill, but those who have studied it know that its effect will be to create trusts. That knowledge must be in the minds of most of the members of the Labour Party, because, with the exception of a few who are opposed to the measure, they have carefully absented themselves from these debates, so that they may not have to listen to speeches against provisions which, in their inmost hearts, they know to be opposed to the interests of the class which they represent. What I have said of that part of the Bill which deals with dumping applies equally to that part which deals with the repression of monopolies. The measure is really one to create monopolies, because its effect will be to destroy competition, and only in the absence of competition can there be monopolies. It is a wonderful thing that the House should agree to legislation of this kind, and pass a Bill, ostensibly to do one thing, which it is known will accomplish the contrary. This is an age when there is a mania for legislating, it being thought that everything can be done or remedied by the mere passing of Acts of Parliament. It is time that a halt was called. If we go on piling up Statutes, the people will insist upon an alteration of the Constitution, and we shall have imposed upon us a restriction similar to that in vogue in America, where the Parliaments of thirty-nine out of the forty-five States of the Union are allowed to sit once only every two years, thirty-seven of them being allowed a maximum session of ninety days, or about three months, the minimum session being forty days, or about six weeks.

Mr. POYNTON.—They would not do much work if they had many members like the honorable and learned gentleman.

Mr. CONROY.—There would be fewer interfering measures on the statute-book—less legislative interference and less taxation, two very good principles on which to appeal to the electors. I am sure that the honorable member would support at least the second. We should recognise the signs of the times, and cease from our continual interference. The effect of a meddling Act is that other meddling Acts have to be passed to remedy the evils which it creates. Every interfering measure leads, in the nature of things, to subsequent legislation of the same kind. It is only by ceasing from interference, and by trusting as much as possible to the spirit of freedom prevailing among our people, that we shall make true progress. The whole wisdom of the community is not embodied in its parliamentary representatives. Many members of Parliament, indeed, are not competent to manage properly their own affairs. Why, then, should the Legislature attempt to lay down rules for the conduct of every branch of business? The less we interfere in these matters the better it will be for the Commonwealth. We have too much the idea that we are heaven-born legislators. But even if we had the necessary knowledge—and the bulk of us have not—we have not the time to properly regulate all human transactions, and the people have not the inclination to comply with our conditions. By adding to the bulk of the Statutes we are creating a contempt for law. Every new Act increases the cost of administration, and subsequently leads to the imposition of fresh taxation. As we all know, the taxes are paid by the productive members of the community, because the unproductive members cannot contribute, and to the extent to which we decrease the wealth of the people we lessen their capacity to employ others. If we continue as we are doing, a section of the community will be taxed to support another section almost as large, engaged in supervision rendered necessary by our meddling legislation. We are coddling the people, and are preventing the growth of that spirit of independence which alone can create a nation. It is not by continual interference that we can make our people a nation worthy of the name. In private life it is often seen when a man of very strong character never allows his children to have

a voice in the determination of affairs, that they grow to manhood not worth a rap. Their wills never having been called into play, they readily succumb to temptations which the children of less strong-willed and less interfering fathers often escape. Very often a man who is regarded as very wise has sons who turn out no good. The man may be very big, but not wise enough, because he has prevented his children from exercising their will-power whilst in his presence, and has prevented the growth of that spirit of independence, the exercise of which alone can insure success in the battle of life. By measures of this kind we are seeking to destroy that spirit. Above all things, we should aim at the formation of character, and we cannot build up character in the nation when by repeated acts of interference we seek to destroy it. The Bill has been assented to by a very unwilling House. I am sure that if the majority of honorable members had been free to express their views, and if time had permitted of the formation of another Ministry, without the fear of bringing about a dissolution, the Labour Party would have withheld their support from the Government. The measure has been pushed through solely owing to the tenacity of the Minister of Trade and Customs, upon whom all the blame attaching to such legislation should fall.

Mr. DAVID THOMSON.—Does the honorable and learned member think that the Minister has hypnotized us?

Mr. CONROY.—I do not say that. Honorable members in the Labour corner are not alone in regarding it as very undesirable that there should be an immediate dissolution. In any case it would be very difficult to hold a general election before the middle of November, because the rolls are not prepared. Consequently, the Government must be permitted to carry on in some way or other. It is unfortunate, however, that Ministers should have taken advantage of the situation to force through a Bill of this kind, because I do not think that it will redound to the credit of any of those who have supported it. I would ask honorable members to look at clause 21, which members of the Opposition desired to have recommitted. Under that clause a man may give information which may cause the whole course of trade to be interrupted, and may put a competitor to a great deal of expense, and yet, though he may have made a wilfully false statement, no punishment beyond the infliction of a fine of £100 is to be meted out to

him. The Minister seemed to be very anxious with regard to this matter, possibly because he may intend to act on the declaration of some manufacturer whom he knows. If a wilfully false statement were made by a manufacturer no penalty other than a fine of £100 would be inflicted merely because the statement had not been made on oath. Possibly, he would be willing to pay such an amount in order to put a rival to an expense of perhaps £1,000. The Minister evidently thinks that some one he knows may swear an information, and be able to protect himself under a provision of this kind by saying, "Even if I have sworn an information, what has that to do with it. The penalty provided for is £100, and that is all the punishment that can be inflicted upon me." I thought at first that a mistake had been made, and that the Minister would have allowed the clause to be recommitted. But now that he has refused to adopt that course, honorable members are entitled to predict the very worse consequences from such legislation. If a mistake had been made it could easily have been corrected. If a man merely makes a false statement that is misleading in any particular, a penalty of £100 fine may be sufficient, but if he wilfully makes a false statement he should be much more heavily punished. The fine of £100 would be a mere fleabite compared with the heavy expense to which the informant might put a competitor, and we are justified in saying that it appears very much as if some informant was likely to come forward who would be unwilling to make a statement on oath, and who would still be able to induce the Minister to exercise all the terrible powers granted to him by the Bill. No other measure that has been brought forward has proposed to intrust so much power to the Minister. When we were dealing with importers who might be trying to sell goods cheaply because they had bought them cheaply, we were told that a second offence should render the offender liable to a punishment of twelve months' imprisonment. Afterwards, however, when the case of manufacturers came before us, it was urged that, even though a man might make a wilfully false statement, he should not receive more than nominal punishment. The Attorney-General actually told us that, so long as a man did not make a statement on oath, no matter how he might mislead the Minister or Comptroller, or how much expense and trouble he might cause to others, or how

much he might abuse the forms of the Court, he should not be treated as a guilty person. We ought to have insisted that the declarations of informants under clause 21 should be made on oath, and ought to have made it clear that, if a manufacturer desired his information to be acted upon, he should at least take the full responsibility attaching to a sworn declaration. This provision, in conjunction with others in the Bill which are absolutely tyrannical, and are framed solely in the interests of certain individuals, affords proof to me that this Parliament has practically outlived its usefulness. Whilst the electors send here such men as they do, we should do our best to insure that Parliament should not meet more than once in two years, and then only for five or six weeks at a time, so that its opportunities for working mischief to the community might be restricted. It is terrible to contemplate that the time may come when a measure of that sort will be regarded with approval by the large mass of our citizens. But we are steadily drifting in that direction by reason of our meddlesome legislation. We are destroying the confidence of all citizens in sound and honest administration by perpetually handing over, under Bills of this character, power to the Minister to do just what he pleases. By thus acting we must inevitably bring about, not only the corruption of the Minister to whom such powers are intrusted, but the corruption of Parliament itself. If proof of my statement be needed, it is only necessary to recollect that it was by reason of the extraordinary powers vested in the Minister of Lands in New South Wales that a corrupt Minister arose. The Department became corrupt, and it is asserted that a large section of the officials became corrupt. At any rate, it is manifest that there were some individuals who—whether they were corrupt or not—did not properly discharge their duties, and it is everywhere declared that the Ministers themselves became corrupt. As a matter of fact, before any charges were brought forward, one Minister absolutely resigned his office and left the State, and there is another ex-Minister against whom charges are now pending. These charges would never have been made had it not been for the fact that the extensive powers vested in the hands of the Minister of the day under various Acts enabled him to do corrupt things. Parliament placed him above the law, and, having done so, a Minister

was soon found who was prepared to improperly exercise the power reposed in him. I maintain that by vesting in the Minister the extraordinary powers contained in this Bill, the temptation to do wrong will be too great. We are bound to see an evil result flow from our action in the near future. When I was glancing hurriedly through the Bill this afternoon, I did not notice that in clause 11 a sub-clause has been inserted, which provides that no person shall be excused from answering any question upon the ground that the answer may criminate, or tend to criminate, him. That is a bad plan to adopt, and it is one which is contrary to the law in regard to all other matters. The clause goes further, and declares that his answer shall not be admissible against him in any criminal proceedings other than a prosecution for perjury. Let honorable members think of what the effect of that may be. In New South Wales the Legislature hastily passed a clause of the very same description, and, subsequently, because of evidence which was given before a Royal Commission, that very provision permitted a man who, upon this testimony, could have been proved guilty, to escape. That fact serves to illustrate the effect of hasty legislation. In this connexion, I specially refer to sub-clause 2 of clause 11, and to clause 21. No full or proper consideration has been given to the Bill, with the result that at the third-reading stage I am able to point out its absolutely imperfect nature. Even if the measure, in other respects, had been correctly drawn, even if it had been so framed that it would have accomplished the purpose which it has in view in its title, I should not have been able to support it, because of the provisions to which I have referred. But, seeing that those clauses constitute a danger, that they represent a departure from sound legislation, and that the Bill itself is an absolute travesty upon what it purports to be, it will be my duty to vote against its third reading. I regret that the opponents of the measure have not sufficient numbers to accomplish their purpose, but I shall include the honorable member for Melbourne, amongst those who, in the near future, will realize the truth of my predictions.

Mr. MALONEY.—I believe in Australia; I am not against Australia.

Mr. CONROY.—But unfortunately the honorable member in voting for this Bill is for an individual. I am not aware that

anybody has ever questioned the sincerity of the honorable member's motives.

Mr. MALONEY.—Let the honorable and learned member insist upon a division, and we shall then see who are the anti-Australians.

Mr. CONROY.—Apparently the honorable member supposes that he is the only Australian, and that he represents all the wisdom of Australia. That is a matter upon which I so entirely differ from him that I do not intend to argue it. He must indeed be a very happy man if he is conscious of occupying that position. I must confess that when I was a boy of fifteen or sixteen years of age, I did think that I possessed all the wisdom of the world. Since then, however, I have learned a little more, and I regret that the honorable member has not similarly progressed.

Mr. WILKS (Dalley) [9.7].—The honorable and learned member for Werriwa expressed regret that the Opposition had not sufficient numbers to successfully oppose the third reading of the Bill. I presume that if we had the requisite numbers this measure, which will not affect the purpose at which it aims, would be destroyed. Usually, the motion for the third reading of a Bill is regarded as a purely formal matter, and, consequently, there must be some reason for the debate which is now proceeding.

Sir WILLIAM LYNE.—I am not departing from the usual custom at all, it is honorable members opposite.

Mr. WILKS.—The Minister should be the last to object to the attitude assumed by members of the Opposition. Undoubtedly this Bill has been improved during its progress through Committee, as the result of their efforts.

Sir WILLIAM LYNE.—The honorable member knows that we could have defeated every amendment that was submitted if we had chosen to do so, though I accepted a great many of them.

Mr. WILKS.—Then either every amendment which was carried at the instance of members of the Opposition was good, or else the Minister neglected his duty by accepting them simply because he did not desire to resist them.

Sir WILLIAM LYNE.—I accepted them because I did not think they could do any harm.

Mr. WILKS.—Then the Minister admits that they were good amendments, and that he has received valuable assistance

from the members of the Opposition. However, I have no desire to place the honorable gentleman under more torture. During the present session, I have had the pleasure of addressing the House as the honorable member for Dalley. But before the departure from our shores of another honorable member who has been obliged to visit England on account of his health, he did me the honour to appoint me his deputy, and, consequently, I am now speaking in the capacity of the honorable member for South Sydney. That honorable member is able to bring to bear on commercial questions one of the best trained intellects in this House—an intellect in keeping with that of the honorable member for North Sydney, who has been instrumental in introducing in this measure many amendments of a far-reaching character. I am sure that if the honorable member for South Sydney had been present he would have helped to clarify the Bill. It remains for us to emphasize the peculiar history of the Bill since the motion for the second reading was submitted. With the exception of the Minister of Trade and Customs and the Attorney-General, not two honorable members heartily supported it. The leader of the Labour Party gave it his support in a most apologetic manner, and others who spoke in favour of it said that it had a very attractive title, but they did not believe it would effect the object for which it had been launched. It seems to me that the Ministry and others are satisfied as long as they can put before the people a Bill possessing an attractive title. This measure has certainly an attractive title, but a man engaged in trade would be disgusted and irritated on examining it. The subjects with which it deals should have been embodied in two separate Bills. The repression of monopolies is one matter, and the preservation of Australian industries is another. No honorable member would give the Ministry more support than I should do in the repression of monopolies of a destructive character, but in the second part of the Bill, which deals with dumping, free-traders find provisions the object of which is to get round the Tariff. Instead of endeavouring to raise the Tariff issue in a way that would allow of a straight-out fight, the Ministry will be able by exercising these provisions, to secure the same results as would be possible by the passing of an amending

Tariff Bill. The dumping provisions are intended only for "stumping" purposes. Ministers will go to the electors and declare that they have carried a Bill which will prevent the existence of destructive monopolies such as are known in America; but whilst those who have read up this question must agree that sooner or later Australia will have to deal with destructive monopolies, we have no information on the subject from the Minister of Trade and Customs. The honorable gentleman has simply said, in effect, "If there are destructive monopolies they ought to be repressed." We have asked for evidence as to the existence of such monopolies here, but he has given us nothing more than a general statement. I moved that the second reading of the Bill be deferred until the Minister had supplied us with information, either as to alleged cases of dumping, or as to the existence of destructive monopolies, but no such information has yet been supplied. Two members of the Tariff Commission—the honorable member for Perth, and the honorable and learned member for Illawarra—as well as the Chairman of the Commission, the honorable and learned member for Bendigo, a straight-out Ministerial supporter, pleaded that the passing of the Bill should be delayed, pending the presentation of the Tariff Commission's reports, which would give us the necessary information as to dumping. The objections of these honorable members, however, were overruled by the Government. I have no wish to beat the air, but I certainly regret that the honorable member for South Sydney, who has varied industries in his electorate, is unable to be present. The Attorney-General says that the Government have considered, not only the consumers, but the workers. Apparently no consideration has been given to the consumer, although the employer, in the shape of the manufacturer, has been considered, and also, in certain respects, the employé. Those who interject, "We shall soon see who are the Australians and who are the anti-Australians," are uttering an absurdity. The candidate who is foolish enough, when before the electors, to endeavour to discuss a measure, seldom receives much credit for his effort. The electors are a busy people, and do not wish candidates to be drawn into a discussion of details. I suppose that the literary knowledge of the Prime Minister came to the assistance of the Ministry in the choice

of a title for this Bill. Such a reader has doubtless taken to heart the lesson of Isaac Disraeli, who said that if a politician desired to carry a measure he should give it a seductive title, or, failing that, should brand the Opposition for the time being with a good nickname. This advice of something like eighty years ago holds good in Australian politics to-day. It is due, not to the Minister of Trade and Customs, who has blundered through with it, but rather to the acumen and keenness of the Attorney-General and the Prime Minister that the Bill has reached its present stage. Doubtless the Minister of Trade and Customs will take credit for having been in charge of one of the most intricate pieces of legislation that has ever been passed; but I wish to emphasize what will become an historical fact that as soon as the motion for the second reading had been passed the Minister brought forward six pages of printed amendments. He practically threw aside the Bill, the second reading of which had been agreed to, and, adhering only to the title, introduced many amendments which were amended in turn on the motion of the Opposition, who also introduced other amendments. The result is that we now have a Bill that would puzzle a Philadelphia lawyer. Instead of being a Bill for the preservation of Australian industries, it is a Bill for the preservation of one industry, namely, that of the legal fraternity. If ever that fraternity had a present, they have one now in the guise of radical and democratic legislation—thrown out to them, like a bone for dogs to quarrel over. The commercial classes will naturally try to protect their own interests; and the manufacturers are just as keen for the main chance as are importers. Neither class requires assistance at the hands of this Parliament in order to obtain twenty shillings in the £1; but both will fight with the Department over the provisions of this Bill, which, certainly, is as fine a Christmas box as ever Parliament presented to the lawyers. The legal gentlemen, we know, have a monopoly which it is not sought to repress; and, in view of this legislation, they must be in a very happy frame of mind. We have found the legal members of the Chamber differing as to the interpretation of the clauses, and lay members with commercial training have been similarly engaged, and the two combined have succeeded in riddling and scarfing the measure. Those who do not believe in the Bill need have no fear

Mr. Wilks.

that it will injure the importers, who can look after themselves, and the manufacturers will endeavour to secure what ought to have been obtained by a Tariff measure. I could understand a robust protectionist, who came to this House with a mandate for increased duties, contending that the Tariff had been evaded by dumping; and, although I am a free-trader, and did what I could to weaken the Tariff, I should be the first, if a concrete case of Customs evasion could be shown, to see that the Tariff Act was respected. But I do not wish to be led blindfold, simply because a specious cry has been raised. My contention is that this legislation should have been introduced in two sections, the first being directed to the repression of monopolies. I trust sincerely that I shall always adhere to my radical instincts, which lead me to support legislation for the benefit of the weakest members of the community. I admit that in many cases the people are over legislated for; but any one who has read the work, *Bossism and Capitalism*, and who knows the history of trusts in the United States, naturally turns his attention to a consideration of the necessity for measures of this character. Although I think the first portion of the Bill really anticipates evils, I can readily support it; but I decline to be dragged, on a cry of dumping to take a *volte face* in fiscalism. I have already admitted that the public are in many directions over legislated for—that the amount of legislation in the Federal and States Parliaments is likely to break the backs of the people—but if the Ministry declared that this Bill was introduced for the purpose of preventing the nationalization of industries, I could understand the position. If the Prime Minister, in an esoteric manner, were, by means of this Bill, withstanding the advance of the socialistic section of the Labour Party, I could appreciate the motive underlying the introduction of the Bill. Here we have an admission that Parliament can control and regulate monopolies, or can interfere in certain matters as between the individual elector and the community at large. I cannot, however, understand why the Labour Party accept this Bill, and lose sight of what is in the forefront of their programme, namely, the nationalization of monopolies.

Mr. DAVID THOMSON.—We cannot get the nationalization of monopolies.

Mr. WILKS.—And nationalization never will be attained if this Bill is effective, because, then, according to the Prime

Minister and the Minister of Trade and Customs, the evils of monopolies will be reduced to a minimum. This Bill is intended to repress and take the sting out of destructive monopolies; and if that intention be carried out, the Labour Party will never be successful in their cry for nationalization, seeing that the destructive character of monopolies will no longer exist. I cannot understand the attitude of the Labour Party, unless their protectionist proclivities are stronger than their desire for the nationalization of monopolies. If that be the position, then let it be known to the public that the Labour Party, while proclaiming—

Mr. HUTCHISON.—We can defend ourselves; the honorable member need not worry.

Mr. WILKS.—The honorable member for Hindmarsh does not like these facts to be emphasized. One month the Labour Party declare for the nationalization of monopolies, and the next month they vote for the repression of monopolies by means of legislation of this kind.

Mr. JOSEPH COOK.—To-morrow the Labour Party will be firing off socialistic blank cartridges at the shipping monopolies.

Mr. WILKS.—It will be a sham fight.

Sir WILLIAM LYNE.—Is it true that the honorable member is going to move that the mail ships shall be built in Australia?

Mr. WILKS.—I do not desire to anticipate the discussion on the mail contract. I only hope that I shall be able to get the Ministry into trouble over that matter; but one little squabble at a time is sufficient. In the past I have publicly advocated the control and regulation of monopolies; and because I did so the leader of the Labour Party attempted to ridicule me on the public platform. Yet six weeks afterwards he votes for the very process of regulation and control which I advocated.

Mr. JOSEPH COOK.—And at the same time says that the legislation is no good.

Mr. WILKS.—If this legislation is no good, let the Labour Party join with the Opposition in an attempt to throw the Bill under the table. The Bill is only useful as a splendid present to the lawyers of Australia, whose industry will never flag so long as we continue to pass measures of this kind. If ever there was a measure that was calculated to cause litigation it is this. I have no particular concern for the interests of the commercial classes, whether manufacturers, merchant princes, or plutocrats of

any description. I have no cause to fight their battles. But I have no desire to go before the public and say that I have taken part in passing a measure which has no good features apart from its title. This afternoon the honorable member for Fremantle addressed a lecture to the House concerning the sins of the Opposition in relation to this Bill. The brilliant intellect of the honorable member has been displayed to such an extent in this Parliament that he has never ventured to try to improve a Bill in Committee. The Opposition has paid great attention to the measure throughout, and the honorable member's own colleague, the honorable member for Perth, has done his best to make it perfect. Why should the honorable member criticise the Opposition as he did, seeing that the Minister in charge, as soon as he got the second reading through, tabled six pages of amendments? The honorable member for Perth has been one of the most powerful opponents of the Bill.

Mr. FOWLER.—The honorable member for Fremantle has tried to improve it in common with some of us.

Mr. CARPENTER.—I got an amendment in.

Mr. WILKS.—Yes, the honorable member secured an amendment for the benefit of Fremantle, which is a shipping port. He has such broad, Federal ideas that, so long as he can secure amendments benefiting his own constituency, he thinks that the Bill is good for the whole Commonwealth. But it does not lie in his mouth to take to task the members of the Opposition, seeing that the most powerful critic of the Bill in Committee has been the honorable member for North Sydney, whose commercial knowledge and experience are beyond the criticism of any member in this Chamber.

Mr. CARPENTER.—I complimented him.

Mr. WILKS.—And he deserved the honorable member's compliment. The acting leader of the Opposition came from the same walk of life as did the honorable member for Fremantle, but instead of admiring the ability which has conducted him to the position which he now occupies, the honorable member has done as much as possible to cry him down. Fortunately, however, the acting leader of the Opposition is well able to defend himself; and where he cannot do so I am very pleased to lend a hand in defending him. Although the honorable member for Fremantle has supported this Bill, he professes to be in

favour of the nationalization of monopolies. What does he believe in now?

Mr. CARPENTER.—Both.

Mr. WILKS.—But if this Bill be effective there will be no room for "nationalization of monopolies" as a plank in the labour platform. If the policy of nationalizing monopolies is in the interests of workers and consumers this Bill is not in their interests, because it makes that policy impossible. I wish the honorable member for South Sydney were present to take part in this debate. Unfortunately, he has had to go to the motherland on account of ill-health, and he has done me the honour of appointing me as his representative in his absence. I can imagine the eloquent manner in which he would have discussed this Bill. He would have simply scarified the Labour members who support it.

Sir WILLIAM LYNE.—He would have supported the Bill.

Mr. WILKS.—I believe that he would have tried to make it effectual for the suppression of monopolies, because he is a robust radical; but he would not have supported the measure in its present form. The Minister of Trade and Customs will no doubt claim the credit of putting the Bill upon the statute-book, but it will be of no use to any one. I did hope, when this Parliament came into existence, that it would pass legislation that would be an example to our States Parliaments. But, instead of doing that, we rush Bills through that are not of the slightest use to the country. No one knows whether this and cognate measures are constitutional or not. Some day we shall find that such a Bill will go before the High Court, and be ruled unconstitutional. Then we shall be in the miserable position of having to back down. I do not oppose the Bill merely because I sit in Opposition. I should willingly support a useful Bill introduced by the Government. I have no personal grudge against the Minister, nor do I object to his occupying his present position—except that he occupies it so continuously! But I do urge upon him that we ought not to pass Bills which will simply be a cause of litigation. Instead of passing a large number of imperfect measures, which will have to be improved in succeeding sessions, I would sooner see this Parliament pass one or two good measures in a session. I am satisfied that before this Bill can carry out the intentions of

the Government, it will have to be further amended.

Sir WILLIAM LYNE.—There has not been trouble over the measures which we have passed previously.

Mr. WILKS.—But they have never been put into operation. If we take the Arbitration Act, we shall find that no one has registered under it yet.

Mr. TUDOR.—Yes, they have.

Mr. WILKS.—So it is with other measures. If there is an ardent protectionist in Australia, I suppose it is the Minister of Trade and Customs, and I am a little sceptical as to the statement that the third part of this Bill has not been introduced for the purpose of securing more prohibitive protection than could be obtained in any other way.

Sir WILLIAM LYNE.—I am not artful.

Mr. WILKS.—The honorable gentleman is at least too artful to admit that he is artful. We who have had a long experience of the honorable gentleman are aware that, in a political sense, there is no foxier old chap that he is. I believe that his idea in introducing the dumping clauses of the Bill has been to obtain a prohibitive protection, which he could not have secured in a straight-out fight on the public platform or in this House. For the reasons I have given, if the third reading of the measure should go to a division, I shall not vote against it. I say that openly. I defended the repression of destructive monopolies on the second reading of the Bill, and I defend that course now; but I say that this measure will not carry out what Ministers desire, and is only so much waste paper. Still, I am not prepared in connexion with it to vote in such a way that it might be said that I am in favour of the preservation of monopolies. I do not believe in destructive monopolies. I believe in controlling them in the public interest, but that control should be for the benefit, not of either the manufacturer or the importer, but for the benefit alike of worker, consumer, manufacturer, and importer. I am further utterly opposed to the nationalization of industries, and would prefer a measure of this character to that. The honorable and learned member for Northern Melbourne, who, like myself, is a strong radical, read a lecture to the Labour Party upon this very measure. No one questions the honorable and learned gentleman's desire to repress destructive monopolies, but he several times expressed a doubt as to the efficacy of this

measure. When a strong supporter of the Government like the honorable and learned gentleman, not from New South Wales, but from Victoria, has spoken in such a way it is not unreasonable that we should occupy some little time in emphasizing the blemishes of the measure which it is now sought to pass through the House.

Sir WILLIAM LYNE.—No, no.

Mr. WILKS.—I am aware that the Minister is naturally attracted to his own bantling. I never heard of any decent father who would disown his own child, and the Minister cannot be expected to disown this bantling, for it is only a bantling, from the legislative point of view, and later on will have to be amended. I believe that in dealing with such measures the proper course for the Opposition to pursue would be to vote on the second reading, and to refrain from speaking on it at all in Committee. The Ministry should be allowed to take all the responsibility for it, and it should go to the public with all its imperfections and blemishes, in order that the public might feel its real sting, and might exercise their powers in dealing with the Ministry. Here, however, honorable members in Opposition talk on the second reading of a measure; they show that it will be hurtful and inimical to the public interests, and then they start to work like Trojans to improve it in Committee. Who takes the credit for the improvement? Not the Opposition. We find honorable members like the honorable member for Fremantle saying that the Opposition have been wasting time—that the Labour Party and Ministerialists have between them passed this beautiful measure for the benefit of the people of Australia—though we know that the members of the Opposition have devoted their talents and their energies to the improvement of the measure. I think that the proper tactics for the Opposition to adopt in such a case is to assist in the despatch of such a measure through Parliament, with all its imperfections, and then on the public platform to denounce it, and show its imperfections, which are due to the slovenly, if not ignorant, work of the Ministry of the day. I have no desire to cast any aspersion upon the Minister of Trade and Customs. He could not have expected to pass a measure such as this, full of legal intricacies, had it not been for the excellent work, from his point of view, of the Attorney-General. The Bill has required the careful nursing of two Ministers for a

fortnight, and the assistance of the legal acumen of the Attorney-General. I hope that in dealing with any such measure in the future the Opposition will adopt the course which I have suggested, and refrain from exercising their talents in its improvement, when they know that they must receive more cuffs than ha'pence for their work.

Sir WILLIAM LYNE.—I get all the cuffs.

Mr. WILKS.—The honorable gentleman gets all the ha'pence also, and I do not begrudge them to him. I do not wish the public to suppose that this measure has been opposed by the Opposition for opposition's sake only. Some honorable members on this side believe in the principles of the Bill and some do not. That is the case also with honorable members opposite, but we on this side are at one in the view that the Bill will not do what is claimed for it.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [9.47].—I shall not detain the House many minutes, nor shall I reply to all the statements made during this debate. There is no doubt that the Bill has been amended in several particulars. Some suggestions from the Opposition have been accepted, and honorable members opposite should not complain of that. Perhaps the Bill has been improved by the amendments made, and I think that in some respects it has. The amendments have certainly not made it more stringent. There are only one or two matters to which I wish to refer, because, at this hour, it is not necessary to detain the House long. Statements have been made in reference to the various monopolies that exist in other parts of the world, and to-night one honorable member stated that we had nothing to do with the American trusts. I say that we have everything to do with the American trusts, because their offshoots are very likely to affect us.

Mr. JOSEPH COOK.—We have nothing to do with them, except in respect to their effects upon our industry, and those should be susceptible of proof. That is what I said.

Sir WILLIAM LYNE.—That is the whole thing. There is the Tobacco Trust, for instance. I have not seen the statement myself, but I have been informed to-night that the Supreme Court of the United States has ordered an investigation of the books and accounts of the Tobacco Trust, the causes of its gigantic strides, and the effect it has had in monopolizing

all the smaller industries of the kind in the United States. That is a very serious action on the part of the Supreme Court. A statement was made by the honorable member for Fremantle to-night in reference to the evidence given before our Commission on the Tobacco industry at Tumut, where certain arrangements made with the growers of tobacco had not been fulfilled. It was stated that in consequence of what took place, the representative of the Australian branch of this particular trust sent up money to quieten the authors of the allegations made. I say unhesitatingly that in that part of Australia, with which I am well acquainted as it is in my own electorate, the action of the trust up to the present time has been practically to destroy the industry of tobacco-growing. That I regard as a very serious injury.

Mr. KELLY.—Did they not bring out men specially from America to teach the local growers how to grow their leaf?

Sir WILLIAM LYNE. — I do not know whether they did or not; but I can speak as to what the effect has been, and that is all I am concerned about. I was a little astonished at the honorable and learned member for Parkes interjecting this evening that this Bill is in the interests of the workers and the manufacturers. I agree with him, though he might have gone further, and said that it is in the interests of the whole community. It is intended to be in the interests of the workers as well as the manufacturers and the consumers. The honorable and learned gentleman generally takes the very opposite view to that I hold, and the Bill must be very marked in its principles when he makes such a statement as that to which I have referred. There is one other matter which I think should be referred to, because it has been harped upon a great deal to-night, and that is paragraph *d* of sub-clause 2 of clause 14. It has been stated over and over again to-night that once this Bill had been passed, no person could go and buy in another part of the world a cheap line of goods, bring them here and sell them. Previously I have referred to this contention. If honorable members will read the sub-clause, they will see what its real purpose is. When the Bill was introduced it was not worded as it is now. It reads—

If the imported goods have been purchased abroad by or for the importer from the manufacturer or some person acting for or in com-

bination with him or accounting to him, at prices greatly below their ordinary cost of production where produced or market price where purchased—

the competition shall be deemed unfair unless the contrary is proved. If a person went abroad and purchased from a manufacturer a cheap line of goods, the Act would not interfere with him, unless he had a deliberate intention to sell below the ordinary market price to the injury of the local manufacturer, and of the workers. It must be remembered that in every case arising under the Act intent must be proved. That, to my mind, is a very material principle of this legislation.

Mr. KELLY.—How can intent be proved?

Sir WILLIAM LYNE.—Never mind. That has been argued so fully that I only wish now to emphasize to the public the fact that underlying the whole scheme of the Bill is the necessity to prove intent. In consequence of what some honorable members have said, a few importers and business men have got frightened; but when they come to understand the measure thoroughly there will be no fear entertained. I venture to say that it will do a great deal of good in our business relations with trusts, either inside or outside Australia. Stress has been laid upon clause 21, in which it was proposed this afternoon to introduce an amendment providing for imprisonment, as well as for the imposition of a fine and costs. As the Bill was introduced, it did not contain the provision referred to. But, after consultation with the Attorney-General, we thought it wise that it should be inserted, with a view to checking the possibility of some irresponsible person going to the Comptroller-General in a bogus way to make statements which he could not prove. I believe that the penalty will act as a great deterrent.

Mr. KELLY.—Does the Minister only intend to hear complaints from the manufacturers—that is, persons of substance?

Sir WILLIAM LYNE. — The departmental working of the provision will not be confined to any particular channel, and the surrounding circumstances will always be taken into consideration.

Mr. KELLY.—If a man of straw made a false and malicious statement, which compelled the Minister to take action, no remedy could be had against him.

Sir WILLIAM LYNE.—The honorable member will not forget that in such a case there is a provision for referring the complaint to the individual concerned before

any serious action is taken, so that he may be able to give his version. It must not be supposed for a moment that the Department would take action unless it thought that there was a very clear case, and if an individual made an improper representation, an attempt would be made to punish him. We have substituted a Justice of the High Court for the Board, and, moreover, I have accepted an amendment to enable the Justice, if he so desired, at any stage of the inquiry to refer the matter to the Full Court. I have done—and so has the Attorney-General—all I possibly could in a reasonable way, to meet the objections which have been raised to the Bill.

Mr. KELLY.—That is what made us hope that the Minister would, perhaps, accept the amendment to provide for a penalty, because it is an extremely good one.

Sir WILLIAM LYNE.—I do not think that the amendment is necessary. At this late hour, I do not intend to detain honorable members longer. As there is no fresh business to be taken to-night, I shall refrain from going into details, because, if necessary, I can refer to them at some future time.

Question resolved in the affirmative.

Bill read a third time.

House adjourned at 9.58 p.m.

Senate.

Wednesday, 18 July, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

PAPERS.

MINISTERS laid upon the table the following papers:—

Amendments of Public Service Regulations 102, 104, and 149; Statutory Rules, 1906, No. 46.

Repeal of Money Order regulation 4, and substitution of new regulation; Statutory Rules, 1906, No. 40.

Paper relating to the steam service to British New Guinea.

Telegraphic correspondence, dated 7th and 9th July, relating to the canned meat trade.

Treasury regulations; Statutory Rules, 1906, No. 19.

Transfers in connexion with accounts of the financial year 1905-6, dated 26th June.

Amendment of paragraph 49 of the financial and allowance regulations for the Naval Forces of the Commonwealth; Statutory Rules, 1906, No. 45.

[19]

Addition to paragraph 98 of the financial and allowance regulations, for the Military Forces of the Commonwealth; Statutory Rules, 1906, No. 47.

Regulations governing (a) the landing of foreign troops and crews of warships; (b) the use of search lights on board foreign warships; and (c) the surveying of shoreline by boats from foreign ships (Statutory Rules, 1905, No. 80), Statutory Rules, 1906, No. 48.

The CLERK laid upon the table—

Returns to orders of the Senate, dated 15th June, relating to a proposed building for military purposes, Centennial Park, Sydney; and an agreement between the Commonwealth and the Railways Commissioners of New South Wales for the conveyance of members of the Parliament.

Returns to orders of the Senate, dated 21st June, relating to the rentals of Federal offices in Melbourne; the case of Mr. J. R. Craig and the New Guinea Government; and a claim of Major-General Hutton in respect to a cable message.

COINAGE OF SILVER.

Senator PEARCE.—I desire to ask the Minister of Defence, without notice, whether he will have prepared and lay upon the table of the Senate a *précis* of the correspondence, if any, between the Governments of the United Kingdom and the Commonwealth of Australia on the subject of the coinage of silver in Australia?

Senator PLAYFORD.—Yes.

GOVERNOR-GENERAL'S SPEECH. ADDRESS-IN-REPLY.

Senator GUTHRIE.—I desire to ask the leader of the Senate, without notice, if he does not consider that it is an act of discourtesy to the Governor-General to proceed with public business before the Address-in-Reply has been presented to His Excellency?

Senator PLAYFORD.—I am not aware that there is any standing order which prevents us from proceeding with business until the Address-in-Reply to the Governor-General's Speech has been presented.

Senator GUTHRIE.—I did not ask if there was a standing order to that effect, but whether in the opinion of the leader of the Senate it is not an act of discourtesy to the Governor-General to proceed with public business before the Address-in-Reply has been presented to His Excellency.

Senator Sir JOSIAH SYMON. — For how long would the honorable senator like us to adjourn?

Senator GUTHRIE.—I do not care. In my opinion—

The PRESIDENT.—The honorable senator must not argue the matter.

Senator GUTHRIE.—I shall not argue it, sir. Possibly the leader of the Senate will say that the Governor-General is not here. That is not a matter which we have to consider. His Excellency ought to be here.

Senator PLAYFORD.—I do not think that any discourtesy is shown to the Governor-General in proceeding with business. I feel quite certain that His Excellency will not think so.

Senator GUTHRIE.—In future we can proceed with public business even when the Address-in-Reply has not been agreed to?

Senator PLAYFORD.—No.

Senator GUTHRIE.—Why?

Senator PLAYFORD.—Because there is a standing order which will prevent that from being done.

At a later stage,

Senator PLAYFORD.—Under standing order 12, I beg to give just notice of my intention to move to-morrow the following motion:—

That the Address-in-Reply to the Governor-General's Opening Speech be presented to His Excellency by the President and such Senators as may desire to accompany him.

Senator GUTHRIE.—I desire to ask the leader of the Senate to state when it is intended to present the Address-in-Reply to the Governor-General's Speech?

Senator PLAYFORD.—I have just given notice of a motion, under standing order 12, which reads as follows:—

A motion will then be made that the Address be presented to His Excellency the Governor-General by the President and such senators as may desire to accompany him.

I understand, sir, that when that motion is carried it will be for you to communicate with His Excellency as to the most convenient place where he will receive the Address-in-Reply from the Senate.

Senator Sir JOSIAH SYMON.—May I ask the Minister of Defence whether there is any reason why that motion should not have been made four or five weeks ago? Had that been done no suggestion could have been made as to an act of discourtesy to or the absence of the Governor-General.

Senator PLAYFORD.—I do not know that there is any reason why the motion was not moved. My attention was not called to the matter until lately.

PENNY POSTAGE: ADELAIDE.

Senator Sir JOSIAH SYMON.—I desire to ask the Minister representing the Postmaster-General whether there is any reason why the city of Adelaide and its suburbs should not have penny postage as it exists in, I think, every other State capital; and, if there is no reason, will he inquire as to the possibility of bringing it about at an early date?

Senator KEATING.—Personally, I see no reason why the city of Adelaide and suburbs should stand in a different position from other capital cities in the Commonwealth. The whole question of an approximation to more uniform rates of postage has been under the consideration of the Cabinet for some time, and very shortly I shall be able to bring the result of our deliberations before the Parliament and the public.

Senator Sir JOSIAH SYMON.—Will the Minister make a special point of inquiring as to the desirability of giving, at an early date, if possible, this concession to Adelaide in common with the other capital cities?

Senator KEATING.—Certainly.

QUEENSCLIFF MILITARY CANTEN.

Senator STYLES.—I desire to ask the Minister of Defence, without notice, whether the following statement, which appeared in the *Age* on Saturday last, is correct:—

The following statement was issued yesterday by the Minister of Defence on the question of the prices charged to officers and men at the Queenscliff military canteen.

Then follow certain remarks upon the minority report, which I had the honour to present to the Minister. I desire to know whether he indorses the statement as it appeared in the press.

Senator GUTHRIE.—Which newspaper?

Senator STYLES.—I mentioned the *Age*; but the same statement, although not headed in exactly the same way, appeared in the *Argus*, too.

Senator PLAYFORD.—This statement was drawn up by officers connected with the Commandant of Victoria. I cannot indorse it. I only know that it was mentioned to me that the statements therein contained are accurate. I shall make further inquiry into the matter. I should imagine, however, that the head of the Department in Victoria would not have put

forward the statement unless he knew that it was substantially accurate. I cannot say whether it is true or untrue.

Senator STYLES.—What I wanted to know was whether this announcement is true—

The following statement was issued yesterday by the Minister of Defence.

Senator PLAYFORD.—I issued the statement upon the information supplied to me by the head of the Department in Victoria. I cannot say that I endorse it any further than that.

SUPPLY BILL (No. 1).

Assent reported.

DEATH OF MR. SEDDON.

Senator PLAYFORD (South Australia — Minister of Defence) [2.41].—I beg to lay upon the table letters from Mrs. Seddon and the Acting Prime Minister of New Zealand, in reply to letters forwarded to them by the Prime Minister, transmitting memorial copies of the report of the debates of the Commonwealth Parliament in passing resolutions of regret at the death of the Right Honorable Richard J. Seddon, and to ask that they be read by the Clerk.

Letters read by the CLERK (*vide* page 1294).

FEDERAL CAPITAL SITE.

Senator PLAYFORD (South Australia — Minister of Defence) [2.43].—I beg to lay upon the table—

A letter to the Prime Minister from the Premier of New South Wales, dated 4th July, inviting members of the Federal Parliament to visit certain proposed Federal Capital Sites.

Perhaps it would be well, sir, if the letter were read by the Clerk, although I dare say that it has come under the notice of honorable senators in the press. The Minister of Home Affairs has the matter in hand, and if honorable senators will communicate with him he will be able to give them information about the time when the proposed visit is to take place.

Letter read by the CLERK as follows:—

Sydney, 4th July.

Sir,

With reference to the Federal Capital question, I have the honour to suggest that members of the Federal Parliament be given another opportunity of inspecting suitable sites in the Yass-Lake George district, and also the Dalgety site, before any further steps are taken with regard to the matter. From reports that have been

furnished by State officers, it would appear that Mahkoolind, near Yass, possesses great natural advantages as a site for a city, and it would, I think, be advisable to give Federal members an opportunity of seeing the country in that locality.

I have, therefore, much pleasure in extending an invitation to the Commonwealth Parliament to visit Mahkoolind and other desirable areas in the Yass-Lake George district, at such time as may be found convenient.

If the suggestion commends itself to you, it may perhaps be possible to arrange a tour, embracing the Mahkoolind, Hall, Canberred, Lake George, Molonglo, and Dalgety sites, but if the exigencies of Parliament will not permit of a special adjournment, arrangements could doubtless be made to carry out two week-end tours, one to the sites in the vicinity of Yass and one to the Queanbeyan district, and to Dalgety. Mahkoolind is distant some 29 miles from the town of Yass, and it may be necessary to provide camps under canvas in the neighbouring valley for the accommodation of visitors, but the climate is mild, and no inconvenience would be entailed.

With regard to the expense incidental to the proposed inspections, the State Government, on further consideration, has decided to bear the whole cost; and Federal members will be asked to become the guests of the State.

I would, therefore, be glad if you would give the matter your favorable consideration, and advise me as to the time that could be made available for the purpose, the dates that would best suit the convenience of members, and the probable number of visitors for whom accommodation and means of transit will be required.

I have, &c.,

J. H. CARRUTHERS.

GOVERNOR-GENERAL'S RESIDENCES BILL.

Bill received from the House of Representatives, and (on motion by Senator PLAYFORD) read a first time.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

Bill received from the House of Representatives, and (on motion by Senator PLAYFORD) read a first time.

EMINENT DOMAIN BILL.

SECOND READING.

Senator KEATING (Tasmania — Honorary Minister) [2.50].—I move—

That the Bill be now read a second time.

In moving that this Bill be now read a second time, I wish to draw the attention of honorable senators to the fact that it is, shortly stated, in the main, a re-statement of the principles that Parliament affirmed in the first session, when we provided legislation by which the Commonwealth was enabled to acquire property for any of the

purposes in respect of which it had power to legislate. It was, I think, fairly early in the session of 1901-2 that a Bill to provide for the acquisition of property for public purposes was introduced in the Senate. After a considerable amount of discussion, it was passed on to another place, and eventually became law. Since then the Commonwealth has been working under the provisions of that Act. It was drawn with the experience of the different States to guide the draftsmen. Those experiences were crystallized in legislative form in the statute-books of the different States, in the shape of Acts founded on precedents adopted from Great Britain. As many honorable senators are doubtless aware, about the twenty-ninth year of the reign of her late Majesty, a very important Statute found its place upon the Imperial Statute-book. It is known as the Lands Clauses Consolidation Act. By means of its provisions, private corporations and others carrying out undertakings that necessitated their requiring the property of individuals, were empowered, after fulfilling certain formalities, to acquire from individuals the properties required for such corporate undertakings. In giving such a large power to private corporations, it was absolutely essential that the private individual who must sacrifice some of his property rights to them should be most amply and fully safeguarded. He should be protected from any aggressive action on the part of corporations, and he should also be assured of receiving from them a very liberal compensation when they do acquire his property for the actual property transferred to them. In addition to that, he should also be assured, by legislation, of receiving substantial compensation for any incidental damage that might be occasioned to the remainder of his property, either by the severance caused by the acquisition by the corporation, or incidentally in any other way through the corporation carrying out its works. To that end, the Legislature of the United Kingdom amply protected the individual in every instance. We recognise the same principle in Australia; and, although many undertakings that properly fall within the domain of private enterprise in the United Kingdom are carried out in Australia by public bodies—either by the Government of the State itself or by municipal corporations—still, it has always been recognised that the private individual whose interest and whose pro-

Senator Keating.

perty rights must, in many instances, be subordinated to these great public enterprises, should be amply compensated for any land of which he may be deprived, or for any property which may be taken from him, and should also be liberally compensated for any damage which may be occasioned to him. In all the States, therefore, we have had legislation enabling the different States Governments to acquire property for public purposes. In my own State of Tasmania we operated, to a very great extent—at any rate, for the construction of railways—under the Lands Clauses Consolidation Acts. We also had, auxiliary to that, important provisions which specifically dealt with railway construction; and for other purposes we had other Acts, such as The Lands Vesting and Lands Resumption Acts, which enabled the State, by virtue of a proclamation published in the *Gazette*, to resume land for different purposes.

Senator GUTHRIE. — What is meant by "public purposes"?

Senator KEATING.—The term is defined in this Bill.

Senator GUTHRIE.—What is meant by the term in Tasmania?

Senator KEATING.—They were analogous to the "public purposes" defined here. In this Bill they are specifically defined, always securing to the individual that full measure of compensation to which he is entitled for being dispossessed of land, or for any incidental damage that may be occasioned by the dispossession. When the draftsmen originally attempted to provide a corresponding Bill for the Commonwealth in the early days of the first session of this Parliament, he naturally drew, to a very large extent, upon the existing State enactments, and some of those enactments, as I have said, were based upon precedents which are a good many years old. Though, of course, I do not mean to suggest that they lack any virtue by reason of their antiquity, yet the drafting in itself is totally different from the style or system of drafting to which we have been accustomed in more recent years, at least in connexion with our Commonwealth legislation. That newer style of drafting, I think honorable senators will admit, permits of a more ready perception on the part of the ordinary reader of the principles that are embodied in the different sections; and, apart altogether from the fact that the drafting of the Property for Public Purposes Acquisition Act was not

what we may call up-to-date, and did not permit the ordinary reader to grasp the principles of the measure as readily as we should like, it has been found in actual practice that the working of the Act has effected very many inconveniences. It was the intention of the Government, therefore, in the light of the experience that they and previous Governments have had in the working of the Property for Public Purposes Acquisition Act, to introduce into this Parliament a Bill which, whilst not radically departing from any of the principles of that measure, will supplement those principles by new provisions of which experience has dictated the necessity. Honorable senators who were not present in the first session of the Federal Parliament, when we passed our Property for Public Purposes Acquisition Act, have doubtless made themselves familiar with it, if not before the introduction of this Bill, at any rate since the Bill has been before the Senate. For their benefit, I should like to indicate in a few words, without going into details, what are the main provisions of that Act. In the Property for Public Purposes Acquisition Act we provided that the States might dispose by sale or lease to the Commonwealth of any State lands for the public purposes of the Commonwealth. We provided also that an individual who had the title to lands might likewise sell them or lease them to the Commonwealth for public purposes. Very often an individual holds lands under a title which casts upon him certain obligations, or certain trusts, on behalf of particular persons. It may be that lands are held on behalf of an infant, or of a married woman, or of some other person who is under certain legal disabilities in connexion with the disposition of lands. Our Act accordingly provided that such a person having the legal title to land, would be enabled to dispose of it to the Commonwealth, under the provisions of the Act, for the public purposes of the Commonwealth. Provision was also made with regard to the purchase money paid in cases such as those of which I have given illustration. It should be applied in such a way that those who were properly entitled to the interest in the land should receive that purchase money. Then there were provisions, not extensive, but sufficient, to enable the Commonwealth to acquire lands. Power was given to acquire land for public purposes, either from an individual or from a State,

and we inserted provisions enabling those lands to be acquired either by private agreement or by compulsory process. So far as the former method is concerned, when the Commonwealth did enter into a private agreement with a State or an individual for the acquisition of land, the Act was practically no longer needed, because all the details as to compensation—when and to whom compensation had to be paid, and everything of that kind—would naturally form part of the agreement that the Commonwealth and the other party entered into. But so far as compulsory purchase or compulsory acquisition was concerned, provision was made, and the system established by the Bill was that the Commonwealth should acquire the lands on publishing a notice in the *Gazette* and in a newspaper circulating in the district where the lands were situated. Further, it was provided, if I remember rightly, by an amendment introduced in the Senate, that the owner himself, immediately after the publication of the proclamation in the *Gazette*, should receive a notice directing his attention to the fact that the Commonwealth was about to acquire the land. Provision was also made to enable Parliament, in the next succeeding session after any such acquisition, to avoid the acquisition within a certain period—that is, to declare that the acquisition should not take place, when, of course, the land would go back to the person from whom it had been sought to acquire it. The ordinary provisions were made for registering any such acquisition, so that the Commonwealth should get the title registered in its name, like any ordinary purchaser in the case of conveyance or transfer. Provision was made enabling the Commonwealth, in connexion with the compulsory powers of purchase, to enter on land to inspect, and to ascertain if it was suitable for the purpose under consideration at the time. The Commonwealth was also empowered to take materials from the land under certain circumstances, always subject to a provision that the owner should be compensated by way of rent for such temporary occupation, and also directly for the materials removed. There was a chapter in the Act in which the whole question of compensation was dealt with very extensively. Provision was made for the person who was entitled to compensation to forward his claim to the Minister of the particular Department acquiring the land,

and also to the Attorney-General. Then, if the Commonwealth did not acquiesce in the amount claimed, provision was made for the determination of the question. We decided, after considerable discussion, that the tribunal should be a Judge, without a jury or assessors. It is needless for me to enter into all the reasons which animated honorable senators on that occasion in providing that a Judge of the High Court, or, until the High Court was established, a Justice of a Supreme Court should be the tribunal. It is sufficient for me to say that, after the little experience I have had in such matters, it was a decision which had, at any rate, my hearty concurrence. We also made provision for the payment of compensation when determined, and for the investment or the deposit of compensation in the Treasury, when it had not been taken up by the claimant, and for the right of the claimant to the interest that would accrue on the amount determined in his favour and unpaid.

Senator MILLEN.—I see that the time limit within which the compensation had to be paid is absent from the Bill, although provided for in the original Act.

Senator KEATING.—I think I shall be able, in Committee, to explain that to the satisfaction of the honorable senator, who, I think, will see that the Bill as it stands is much preferable to the provision of a time limit. We also placed in the Act the necessary provisions as to the claimant executing all necessary conveyances and transfers, the costs in connexion with the same being charged to the Commonwealth. A chapter in the Act dealt with the different interests that would arise in cases where the lands transferred were subject to mortgage, lease, or any incumbrance. Those, in general terms, are the particular matters with which the existing Act deals. Honorable senators, who have had the Bill in their hands for some time, are naturally anxious to know to what extent this Bill affects the existing Act. At the outset, I may say that in the main the Bill is a re-draft or re-casting of the existing Act. The Bill is, I think, drafted in better form, making the law more easily understood by all who may have recourse to it. It is well for us to remember that this legislation does not merely concern the Departments of the Commonwealth, but may affect at different times quite a large number of persons of all ranks and classes in the community. The Bill empowers the Common-

wealth, under certain circumstances, when it requires property for public purposes, to acquire that property, and therefore the Bill is one to which recourse may not improbably be very often had by quite a number of private individuals. It is essential that, complicated as the subject may be, the law should be as easily understandable as possible by every one. The Bill, therefore, is to a large extent a re-cast of the original Act. There has been no radical interference with the principles of the Act, but, as I said before, some supplementary provisions have been included, which the experience of the different Departments of the Commonwealth have shown to be necessary. There have been some amendments of the existing provisions; and I propose now to point out what these amendments are, and to indicate shortly some of the reasons why they have been introduced. If I take that course it may possibly bring more directly home to the minds of honorable senators what is, in effect, the alteration in the law that the Bill proposes to bring about.

Senator MULCAHY.—Under the Bill, is there a right to enter on and survey land it may be desired to acquire?

Senator KEATING.—Yes.

Senator MULCAHY.—Is there that right under existing legislation?

Senator KEATING.—Yes; and we have the power to remove certain materials under the existing legislation. But we shall have to deal with all these matters in Committee, when I shall be very pleased to help honorable senators as far as I possibly can to a proper understanding of the differences which exist between the clauses of the Bill and the sections of the present Act. A few alterations have been made in the definition clause, and amongst these is a re-definition of "Crown lands." Previously we had a definition of "Crown lands," which excluded from its scope land in respect to which what might be called a bargain was going on between the Crown and a private individual. By the definition of "Crown lands" in the Bill we mean any land, the property of a State, whether reserved or dedicated for any public purpose or not. Previously if there were negotiations going on for the purchase of the land, and an individual in the community had some interest or modified title in it, the land ceased to be under the Statute Crown land. Under the Act, the Commonwealth could not deal with the

State as proprietor, but was compelled to enter into arrangements with the person who had a modified interest in the land, and also with the State. Under this Bill, the Commonwealth will deal directly with the State in respect of such lands; and the relations of the State and the individual, who may have what might be called an inchoate title, will be determined as between those parties themselves.

Senator MILLEN.—That is nice for the conditional purchasers of New South Wales!

Senator KEATING. — I am perfectly satisfied that the conditional purchasers of New South Wales, or of any other State, can very well trust to the State with whom they are dealing, and with whom they find themselves in contractual relation. But hitherto the experience of the Commonwealth is that in such cases negotiations have been considerably hampered through the Commonwealth having to deal with two parties. It is obviously to our advantage to narrow down our negotiations to as few as possible. I am now indicating what is the nature and scope of the amendments. We have in the Bill a definition of "land" which does not appear in the original Act. There is a definition of "land" in the Acts Interpretation Act, but that is intended to cover a wide variety of Statutes, and it is not a comprehensive definition. This Bill deals peculiarly, and, I might say, almost exclusively, with land, and it is essential that there should be a much more comprehensive definition than the ordinary bald definition in the Acts Interpretation Act, which, though very suitable for general purposes, is scarcely applicable to a measure which deals specifically with land. Clause 6 is a new provision, the object of which is to make it abundantly clear that when the Governor of a State on behalf of the State exercises the power of disposing of the lands of that State to the Commonwealth for public purposes, he exercises that power directly under the authority of this Act. As honorable senators know, our legislation on all these subjects within our legitimate domain is supreme. If there is any repugnance between our legislation and that of a State on a subject in the common domain of both State and Commonwealth, the legislation of the State is void to the extent of the repugnance. Under the existing legislation, there is some doubt in the minds, at any rate of some persons in the States,

whether, when the Governor exercises the power of alienation to the Commonwealth, he does so subject to the limitations of the State law. I have been assured that there is no doubt that a State Governor is not, in such cases, subject to the limitations of the State law. But to set at rest any such doubts, the new clause 6 provides that the Governor of a State, when acting, does so "by force of the Act, notwithstanding anything to the contrary in the law of any State."

Senator CLEMONS.—Is that the whole difference?

Senator KEATING.—That is the whole substantial difference, though I do not say it is the whole verbal difference.

Senator CLEMONS.—I mean the whole substantial difference. The original Act gives the Governor power to execute conveyance, whereas the Bill seems to give him power to sell, and that surely is a wide difference.

Senator KEATING.—I think the honorable senator will find that there is no difference.

Senator Sir JOSIAH SYMON.—The only power under the original Act was to enable the Governor of a State to execute an instrument, whereas the Bill enables the Governor of a State by Executive act to repeal the laws of a State.

Senator KEATING.—I can assure honorable senators opposite that I am indicating to the fullest extent the object of the different alterations. There is no intention on the part of the Government of the Commonwealth, or, so far as I now, of the States, to alter the procedure at present in vogue on the point indicated. The idea is to rest the authority of the Governor of a State, in whatever he does, entirely on this Bill, so that there shall be no doubt as to whether, in the exercise of the powers thus vested in him, he is limited by any State legislation. That is the only object of the clause. I am particularizing these amendments so that I may indicate what their object is; I do not particularize them now for the purpose of entering into any discussion, which would only be anticipating, so to speak, our deliberations in Committee.

Senator Lt.-Col. GOULD.—I presume the Minister will not simply indicate the alterations, but will give some reasons for their having been made?

Senator KEATING.—That is what I purpose doing, and the course I am taking

will, I think, simplify the matter for all honorable senators. If by any chance any clause goes further, or does not go as far as the particular object intended, honorable senators will have an opportunity, if they agree with the object, to bring that fact under consideration in Committee. A corresponding addition is made in clause 8 of this Bill. Honorable senators will see in that clause certain words included within parenthesis which are introduced from the original English legislation upon the subject, and do not find a place in the existing Act. They will serve to rest the authority of a private individual disposing of land under this Bill purely on this Bill, and he will not be hampered in any way by any consideration of State legislation. Such a person as an executor or administrator, a lessee for life, or for a number of years, a guardian, or committee for a lunatic or idiot, and other persons referred to in the paragraphs of the clause, in exercising the power given by this Bill will have their authority resting upon this Bill alone, and not subject to the limitations of any State law. That is the object of the inclusion of the words referred to.

Senator Sir JOSIAH SYMON.—Is there not the same power under the existing Act?

Senator KEATING.—There may be. I am not certain as to that, but this is to make it abundantly clear. Questions have arisen with regard to the point, and different views have been taken of it by different persons, and, I understand, in different States.

Senator Sir JOSIAH SYMON.—Will the honorable and learned senator mention some of the views which render this amendment necessary?

Senator KEATING.—I have not the details, but I have been informed by the Department that persons have raised the question whether they can, under the authority of the existing Act, execute transfers, assignments, or sales, seeing that they are limited, by reason of State legislation, on account of the peculiar position in which they stand with regard to the land. It is eminently desirable that every scintilla of doubt in the matter should be removed in order that the Commonwealth may as expeditiously and as reasonably as possible effect the acquisition of any land which may be required for public purposes. In different parts of the Bill, honorable senators will find references made to the Supreme Court. Generally speaking, when in the existing Act reference is made to

the Court, it is the High Court of the Commonwealth, or a Justice thereof, or, pending the establishment of the High Court, the Supreme Court, or a Justice of the Supreme Court of a State that is meant. In many instances, since the establishment of the High Court, it has been found that work in connexion with the acquisition of land for public purposes has had to be taken to the High Court, which might much more easily and equally advantageously to all concerned, and with much more expedition, have been dealt with by the Supreme Court of a State, or a Justice of the Supreme Court of a State. Consequently, honorable senators will find in more than one place in this Bill that the Supreme Court of a State is invested with co-ordinate powers with the High Court in connexion with various matters affecting the acquisition of land for public purposes. For instance, in clause 11, dealing with the application of the purchase money when paid to persons having partial interest, it is provided in paragraph *d* that it shall be applied—

In such a manner as the High Court or the Supreme Court directs.

At present, and since the establishment of the High Court, the Supreme Court of a State has no jurisdiction to make such a direction. Again, there is a corresponding re-introduction of the Supreme Court in the first line of clause 12, dealing with the power of the Court to make orders as to purchase money, and it is provided that—

The High Court or the Supreme Court may, on the application of any person interested, order that any purchase money—

and so on. Later on, in clause 38, which deals with actions for compensation, it is provided that—

An action for compensation may be instituted by the claimant against the Commonwealth in the High Court, or in any State Court of competent jurisdiction.

Under the existing law, the High Court alone can entertain suits of this character. In some instances where the amount of compensation is very small, the claimant can, though honorable senators may think it somewhat strange, practically hold the High Court, so to speak, over the Commonwealth, and force the hands of the Commonwealth. The provisions as to the payment of costs in connexion with these compensation cases, as honorable senators are aware, are in our existing legislation, as well as in most corresponding legislation elsewhere, very favorable indeed to

claimants. It is only in very special instances that costs are awarded against them. Therefore, where a claimant has a very small claim, he knows that if the Commonwealth authorities do not come to terms with him, he can take them to the High Court, and he may do so in a case in which the costs would be altogether disproportionate to the amount of compensation to which he is entitled. As a consequence, claimants, recognising this, have not been slow, in some instances, to take advantage of the situation, and to refuse to come to terms with the Commonwealth. They have been able to say, "If you do not come to terms with us quickly, we will have to institute an action, which must be heard in the High Court, and the odds are that you will have to pay your own costs and ours as well."

Senator Sir JOSIAH SYMON. — That is not effectively met in this Bill, because it gives the alternative of a State Supreme Court or the High Court.

Senator KEATING. — But there is, later on, a provision that the Court may, in its discretion, award costs against the party claiming, if it be thought that the action should have been brought in another Court of competent jurisdiction.

Senator Sir JOSIAH SYMON. — That might be so under the existing Act, because costs under that Act are in the discretion of the Court.

Senator KEATING. — I think not. I think that costs are differently provided for. If the honorable and learned senator can strengthen the provision here sought to be made, without doing injustice to the Commonwealth or the individual claimant, his efforts in that direction will be welcomed.

Senator CLEMONS. — Has the honorable and learned senator passed clause 15 in his consideration of the Bill?

Senator KEATING. — I have not yet referred to it. We have made an amendment in clause 13, the marginal note to which reads—"Person in possession to be deemed the owner." Previously, that provision was limited to cases where compensation was actually paid or deposited. Under this Bill the provision applies to all cases where compensation is merely payable, and, further, it is not necessary that a person should make out what is called a *prima facie* title before he shall be deemed to be the owner. That provision in the corresponding section of the existing Act is practically inoperative, because the effect

of it is that a person shall be deemed to be the owner who is *prima facie* proved to be the owner. There have not been many alterations made in Part II. of the Bill, which deals with the acquisition of land. The provisions of the existing Act have been re-arranged, and I think honorable senators will find that they have been made more clear to the intelligence as well as to the eye. The clauses in this part of the Bill set out succinctly and in small paragraphs the effect of what is contained in very lengthy and cumbersome sections of the existing law.

Senator CLEMONS. — Why are the words "required for public purposes" omitted after the word "land" in sub-clause 1 of clause 15? These words appear in section 3 of the existing Act.

Senator KEATING. — The only object is to shorten the drafting of the clause.

Senator Sir JOSIAH SYMON. — But as the clause stands it does not limit the acquisition to public purposes.

Senator KEATING. — The Bill itself does that.

Senator Sir JOSIAH SYMON. — No. Where?

Senator KEATING. — It is a Bill for an Act relating to the acquisition by the Commonwealth of land required for public purposes.

Senator CLEMONS. — Does the honorable and learned senator rely entirely upon the title?

Senator KEATING. — Yes. The omission of the words referred to is merely to shorten the section of the existing Act—there is no other design in it.

Senator Lt.-Col. GOULD. — It would be much safer to have the words in.

Senator CLEMONS. — The existing Act has practically the same title, but it repeats these words in section 3.

Senator KEATING. — Many of the superfluous words in the drafting of the existing Act have been omitted in the drafting of this Bill. As no doubt Senator Clemons has noticed more than once, the existing Act in many of its sections has been drafted on what might be called the old system of conveyancing. Many of the old conveyancers were abundantly cautious, and very often unnecessarily extended the clauses of documents drafted by them. There is no object in the omission of the words referred to in clause 15 other than that of shortening the section.

Senator Lt.-Col. GOULD. — Brevity is sometimes dangerous.

Senator KEATING.—Quite so; but I think that honorable senators will find that certainty has not been subordinated to brevity in this case. It has been possible to reduce the verbiage of the sections of the original Act. The corresponding clause in the existing Act reads—

The Governor-General may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State—

and so on. In the definitions in the Bill before honorable senators the word "land" will include the Crown land of a State, and a reference to the Crown land of a State in the various clauses becomes unnecessary. This enables us to considerably reduce the verbiage of sub-clause 1 of clause 15 in comparison with that of section 3 of the existing Act.

Senator CLEMONS.—That reduction is arrived at by the definitions, but I have referred to what is a very significant omission.

Senator KEATING.—In the same part of the Bill dealing with the acquisition by compulsory process we take advantage again of the fact that the word "owner" under this Bill includes a State by providing in sub-clause 1 of clause 16 that—

The Governor-General may direct that any land may be acquired by the Commonwealth from the owner by compulsory process.

In sub-clause 2 of this clause there is an alteration. According to the existing law, it was necessary that the notification should only be published in the *Gazette*, but that it should also be published in a newspaper published or circulated in the State or part of the Commonwealth wherein the land is situated. That portion of the original provision has been eliminated, and the publication under this Bill would only appear in the *Gazette*. If I recollect rightly, when the Property for Public Purposes Acquisition Bill was first introduced in the early part of the first session, the notification was required to be published in the *Gazette*, and by advertisement in a newspaper in or circulated in the State or district. Subsequently to that, I think on the motion or suggestion of Senator Symon, additional provision was made for notice, and we find that in a subsequent section of the existing Act the obligation is thrown upon the Commonwealth of sending notice to the person whose land is to be acquired. At any rate, we have, in addition to the *Gazette* notice, provision

that the person concerned must receive notice if he is reasonably get-at-able. Later on, we shall come to a clause in which an amendment has been made in regard to that matter, and which provides for still further precaution in the case of an owner of land who may be absent from the Commonwealth. The next amendment of any consequence is contained in sub-clause 2 of clause 17. It really makes provision as to the effect of the notification of resumption or acquisition in the case of Crown lands. It deals with the effect of it, so far as the dedication or reservation is concerned. Clause 19 deals with the subject of giving notice directly to the owner of the intention to acquire his land. Sub-clause 2 says—

If the owner cannot after diligent inquiry be found, a copy of the notification, together with a plan of the land, shall be left with the occupier of the land, or if there is no occupier, shall be affixed upon some conspicuous part of the land.

Senator Sir JOSIAH SYMON.—Substantially, it is the same as sub-section 1 of section 13 of the present Act.

Senator KEATING.—The effect of the alteration is that if the owner is out of the Commonwealth, we still must serve him, or send him a notice. Under the existing Act it is not necessary to send him a notice; a copy need only be left with the occupier of the land. So far when owners are out of the Commonwealth that apparently is the only procedure adopted. Under the proposed amendment, if the owner is out of the Commonwealth it will still be necessary to send him a notice by registered letter. But if it is not get-at-able by post or otherwise, then and then only can recourse be had to the method of serving the occupier with a notice, or posting it upon a conspicuous part of the land. In clause 27 we find a corollary to the definition of Crown land, which, as I said before, results in placing the Commonwealth in this position, that in connexion with these lands it will deal with one party only, and that is the State. There are no other substantial amendments of the existing law until we come to Division 2 of this part of the Bill, headed "Claims for Compensation." Clause 33 deals with the question of claims being served upon the Minister. As I said previously, a claimant will no longer be under the necessity of serving a duplicate notice of his claim, that is to say, one

upon the Minister affected by the acquisition, and another upon the Attorney-General. A claim to the Attorney-General will be absolutely unnecessary. Then provision is made in the clause for prescribing the forms in which claims shall be sent in. At present there is a lengthy provision dealing with the question of claims, which is somewhat complicated, and not very readily intelligible, at any rate, to the lay mind. In clause 34 we have effected a substantial alteration, which is rendered necessary through what must have been an oversight in the drafting of the present Act. In paragraph *b* we provide that in a claim for damage suffered by reason of the exercise of any powers under Part III., the notice of the claim shall be given within 120 days after the completion of the acts in respect of which compensation is claimed. In the corresponding section of the present Act we placed together, and dealt with jointly in this connexion, a claim for compensation for the land itself, and a claim for incidental damage. We provided that in each case the claim should be forwarded within 120 days after the acquisition, or after the notification. Obviously the matters of incidental damage and compensation for land actually acquired need not necessarily date from the same moment. The lands may have been gazetted as acquired; they may have been entered upon 100 days afterwards, and on the tenth day after they had been entered upon the incidental damage may have been occasioned. Under the present law, the claim for that damage will have to be served upon the Minister within 120 days from the acquisition. By this Bill it is made 120 days from the acts complained of occasioning the damage. It puts these cases of compensation not upon the same but upon an exactly parallel plane to a case of compensation for land actually acquired. Sub-clause 2 of this clause enables the Minister to extend the time for putting in a claim. At present the time may be extended, but in order to get an extension the claimant has to apply to the High Court. In clause 35 we re-enact, in effect, the existing legislation; but we do not tie the Minister down to any particular time within which he must forward the claim on for report, nor do we tie down the officers to whom he sends for a report to any particular time within which they may furnish it. It makes the existing

provision much more elastic. In future, after the Minister has obtained a report as to the valuation which the Commonwealth should set upon the land, he will not be bound to communicate it to the claimant.

Senator Lt.-Col. GOULD.—But will the claimant be able to get compensation if the Minister does not want to give him any?

Senator KEATING.—There is a time within which the claimant may sue the Minister after the notification of the acquisition. Sub-clause 3 of clause 35 is a new and very important provision. It casts upon the claimant the onus of accepting or rejecting by notice in writing the offer that the Minister may make to him to compensate him. There is no similar provision in the present law, and the consequence is that, when the Minister has the claim examined, he may obtain a valuation which is utterly disproportionate to the amount of the claim. He may notify the claimant of that fact, and of how much he is going to pay him, and the claimant can simply sit idly back and do nothing. He, so to speak, is upon velvet. The Minister cannot force him to take the money, and the claimant need not take it.

Senator Sir JOSIAH SYMON.—As the Minister has the land, why need he bother?

Senator KEATING. — The claimant knows that his money is bearing interest all the time. Practically, he can hang the matter up. I am sure that my honorable and learned friend would not like to have a lot of moneys in connexion with different lands hung up.

Senator Sir JOSIAH SYMON.—They are not the Minister's moneys. He pays in the smallest sum which he is advised to pay in respect of the land. That belongs to the owner of the land, and why should he not leave the money there at interest, if he likes?

Senator KEATING. — Quite so. No Minister wants to have the public accounts hampered by a number of accounts such as these, which require a certain amount of attention and watching. Under this provision, it is proposed that the claimant shall, within sixty days, notify his acceptance or rejection of the offer.

Senator Sir JOSIAH SYMON. — But the money can remain there, all the same?

Senator KEATING.—Quite so.

Senator Sir JOSIAH SYMON.—It is not proposed that, if the claimant should not

notify within sixty days, the Minister shall take out the money, and the land-owner forfeit it?

Senator KEATING. — Certainly not. In a later part of the Bill there are provisions dealing with money so left with the Government, and other steps are taken to induce a claimant to lift his money as speedily as possible. In Division 3 of Part IV. of the Bill, provision is made for the methods by which any dispute or difference as to compensation shall be determined—agreement, action for compensation, or by a proceeding in the Federal or a State Court on the application of the Minister. Paragraph *c* of clause 37 is entirely new. The Departments have found that sometimes a claim has been put in, the Minister has notified the amount which he will pay to the claimant, and the claim is one in dispute. The onus now is upon the claimant to take an action for compensation, and unless he does, the matter remains absolutely hung up. In order that it shall be expedited, if the claimant shows an indisposition to take proceedings in a Court, we now empower the Minister to initiate proceedings to prevent the whole matter from being hung up indefinitely. That, I repeat, is a new provision. I have already made a reference to clause 38, which gives to the States' Courts jurisdiction, or enables them to share jurisdiction, which at present is exclusively enjoyed by the High Court. In paragraph *c*, Senator Symon will see more particularly the matter to which I referred, when he raised the question as to the alternative still being open to a claimant to go to the High Court, or to any other Court. It says—

If the Court is of opinion that the action might have been brought in a lower Court, costs, if awarded to the claimant, shall only be allowed on the scale applicable to costs in the lower Court, unless the Court certifies that special circumstances existed which made it proper to institute the action in the higher Court.

That is a provision which I have no doubt has its analogy in the legislation in many of the States. In Tasmania we have a similar provision in connexion with actions which are maintainable both in the Supreme Court and in inferior Courts of statutory jurisdiction.

Senator Sir JOSIAH SYMON.—Is there any definition or indication of the proceeding which the Minister may take, under paragraph *c* of clause 37?

Senator KEATING.—Yes, in later provisions, to which I shall refer

presently. Clause 39 is another provision which is designed as far as possible to prevent matters from being hung up as they have been in many instances. That is, if within six months the claim has not been determined, and no proceeding has been taken, then the Minister may apply to the High Court, or to a State Court, in which an action for compensation may be instituted, to determine the claim, and the Court shall, after notice to such persons as it directs, hear the application and determine the amount of compensation. It is also provided that the determination of the Court shall be final and conclusive, and that the Court may make such an order for costs as it thinks fit. That is a provision which enables the Minister to invoke the jurisdiction of the Court in such cases. As I have said, the object of this is to prevent matters being hung up. I understand that some of the Departments have been considerably hampered, under existing legislation, by reason of the indisposition of claimants to pursue their claims. In other instances where money has been determined upon as the compensation to be paid to claimants, that money has not been taken up by them. The ultimate responsibility to hand it over to the claimants, and to guard it in the meantime, rests with the Government, and the Government does not welcome any responsibility other than that which it owes generally to the public. Consequently, this legislation is designed to induce claimants, when their compensation has been fixed, to lift it as early as possible.

Senator Lt.-Col. GOULD.—They get no interest after it has been paid into the Treasury.

Senator KEATING.—We have a provision as to when payment of interest shall cease. That is contained in clause 41 of this Bill. Clause 40 is analogous, in some respects, to the preceding clause. But, whereas the latter provides that where the party does not go on with his proceedings for compensation, this is to deal with a case where no application for compensation is made at all—where the acquisition has taken place, where the owner, so far as was possible, has been notified, and where no claim has been put forward. I may mention here a matter that I overlooked in dealing with another part of the Bill—that this measure abolishes the right at present enjoyed by claimants in respect of claims not exceeding £1,000, to have recourse to

arbitration. Under the existing legislation—I think it is embodied in section 18, subsection 1, of the Act—the claimant has the option, without the consent of the other party, of having the matter determined by arbitration. This Bill abolishes that right.

Senator MULCAHY.—Why take away the power to arbitrate in small cases?

Senator KEATING.—The reasons why arbitration was dispensed with in the larger cases over £1,000 apply, we think, equally to cases in which the amount involved is less than that amount. I have no doubt that my honorable friend has had some experience of arbitration proceedings, and I think that, with all due deference to those who generally take part in those proceedings, it must be admitted that the superiority of the tribunal that is proposed by this Bill—namely, a Judge—is very considerable.

Senator MULCAHY.—But why abolish the right in small cases?

Senator KEATING.—I do not care to pit my own personal opinion against the judgment of my honorable friend, who has been the administrator of the Lands Department of one of the States, but, so far as I have seen, in cases where arbitration has been the method of determining disputed amounts, it has been peculiarly inappropriate, more especially where the Government had to pay the costs in every instance where the claimant received more than the amount which he claimed. We know, for instance, that such cases as the following have occurred where there have been many small properties to be acquired. A person who is a claimant appoints his arbitrator. Does he go round looking for a man of a judicial turn of mind? No. He naturally selects his best friend. His best friend in such cases often happens to be his next-door neighbour, who, indeed, himself happens very often to be closely interested in the transaction. It may be that next day the next-door neighbour himself will be a claimant. So that Mr. A., the claimant of to-day, appoints Mr. B., his next-door neighbour, who may be a claimant to-morrow, as his arbitrator; and when Mr. B. claims against the Government he appoints Mr. A. to arbitrate for him. That is by no means a hypothetical case.

Senator Lt.-Col. GOULD.—Then the Government appoints its own man, and the two arbitrators appoint an umpire.

Senator KEATING.—In many instances the great battle takes place over the appointment of the umpire. Each arbitrator

naturally endeavours to secure the appointment of one who will take his own view of things. I do not think that arbitration, especially in small matters, is the best method of procedure. As a matter of fact, a man who is appointed an arbitrator can very rarely escape the knowledge of nearly all the evidence relating to the transaction long before it is officially brought before him.

Senator FRASER.—And arbitration is not very cheap either.

Senator KEATING.—No; in small matters the costs of arbitration are usually disproportionate to the results. In clause 41 provision is made with the object of discouraging the indisposition on the part of claimants to terminate their transactions with the Government. Where the compensation is not more than the amount offered by the Government in satisfaction of the claim it is provided that the claimant shall only receive interest up to the date when the offer of the Minister was made. Under the existing law the interest runs from the time of the acquisition until the payment of the money to the claimant, or until the deposit of the compensation in the Treasury. A claimant claims from the Government, say, £1,500 for certain land which has been acquired for defence purposes, or for the Post Office, or for a Customs building. Say that he is granted or offered £850. He declines to take that sum. When he finds that he has to take it, he lets it lie, and gets 3 per cent. interest on it from the time when the land was acquired—not from the time when the amount was awarded to him—until the amount is paid over to him. He says, "I am not going to take it away; let it lie with the Government, who will pay me 3 per cent. interest upon it." The transaction is completed, so far as the Government is concerned, and why should the Government be compelled to keep accounts for people who want investments for their money, or who cannot find a better means of investing it? They want the Government to take the responsibility of holding their money for them, and to pay it over to them whenever it suits their convenience to take it. Of course, that interest would cease if the amount were deposited in the Treasury; but under this provision, where the claimant gets less money when the compensation is determined than he was offered by the Minister, the interest is only to run from the time of the acquisition of

the land until the time when the money was actually offered to him. In clause 43 there is an alteration, to which Senator Millen has referred. It also belongs to the time limit provision, and it says—

Any claimant or person entitled to any compensation shall, upon application to the Minister and upon making out, to the satisfaction of the Attorney-General, a title to the land in respect of which the compensation is payable, and upon executing such conveyances or assurances as the Attorney-General directs, be entitled to receive payment of the compensation.

The section of the Act which that clause amends is, I think, section 20. The reason why the time in which to pay is proposed to be abolished is because it is provided that the claimant shall be entitled to his payment forthwith.

Senator MILLEN.—But we know what "forthwith" means in the eyes of a public Department when it has to pay money.

Senator KEATING.—The provision as to payment within one month was more directory than anything else.

Senator MILLEN.—If it is only directory there is no objection to retaining it.

Senator KEATING.—The whole object of this Bill is to insure expedition in disposing of claims of this character. The Government wants to get these matters out of hand as quickly as possible.

Senator Sir JOSIAH SYMON.—Does not the Minister think that an effectual means of doing that is to stop the claimant's interest? He will pretty quickly take his money when his land is gone.

Senator KEATING.—If he succeeds in getting by way of compensation more than the Minister offered to him, of course his interest does not cease to run. His interest runs from the time of acquisition to the time of the deposit of the money in the Treasury; and this Bill would enable the Treasurer to invest such deposits in the Government securities of any State.

Senator MILLEN.—Where a man's land has been acquired by the Crown, and his claim has been adjusted, and he is entitled to a certain sum, the existing Act says that that sum shall be paid within the month. This Bill leaves it optional for the Minister to hang on to it for twelve months.

Senator KEATING.—The Act has not been altered with the view to enable the Government to hang on to the money.

Senator MILLEN.—There seem to be so many provisions which increase the power

of the Government as against the owners of property that I am a little bit suspicious.

Senator KEATING.—No alterations are made in the original Act, except such as are justifiable in the public interest. Although I have explained that many claimants have not taken the compensation awarded to them, yet this Bill is not put forward in any spirit of revenge, but simply to enable the Departments in future to get these bothering claims out of the way as speedily as possible. There are some honorable senators present who have been Ministers of the Crown in various States, and I am sure that they will agree with me that the determination and dealing with these claims takes up a considerable amount of the Minister's time, especially in connexion with the acquisition of lands for public purposes. Under clause 44 it is provided that the amount awarded as compensation is to be deposited in the Treasury, and that the Minister shall also deposit in the Treasury a memorandum setting out the proceedings in connexion with which the money has been deposited. That is a new provision. Under clause 45 the Treasurer is empowered to invest the compensation deposited in the Treasury in the Government securities of any State. One condition is that the investment is at the risk of the person entitled to the compensation, and another is the power to make a small charge for the supervision of the account. Honorable senators will observe that once the compensation has been awarded, it becomes in effect the property of the claimant. If he does not take it up, the Minister may deposit the amount in the Treasury; and if the Government choose to invest the compensation in Government securities for the benefit of the claimant, it should be at his risk—the compensation is waiting there, and the Government do not wish it to remain—and there should be a small charge for supervision.

Senator FRASER.—Will the Commonwealth keep the security in which they invest the money?

Senator KEATING.—The Commonwealth will invest the money, and hold the security until the claimant takes the compensation.

Senator MILLEN.—What possible risk can there be in the Commonwealth, on behalf of the claimant, investing in Commonwealth security?

Senator KEATING.—I do not know that there would be any risk; but at present there are no Commonwealth securities.

Senator MILLEN.—The Minister does not mean to reflect on the States securities?

Senator KEATING.—Certainly not; but it is a trouble and an annoyance to have to look after such accounts. If a number of people take advantage of the law providing that the money may be paid into the Treasury, and of the fact that the Minister may invest the money in State securities, and that, I think, is highly desirable, then the persons who will ultimately receive the interest ought to pay something for supervision. A claimant ought to be prepared to incur some risk, and pay a small charge for a desirable investment, in which both principal and interest are looked after.

Senator Sir JOSIAH SYMON.—That only applies to a case where a claimant is entitled to interest.

Senator KEATING.—Yes.

Senator Sir JOSIAH SYMON.—The Commonwealth say, "We will pay the interest, but as we have so much money, it is only fair we should have leave to invest."

Senator KEATING.—Quite so.

Senator Sir JOSIAH SYMON.—Why should the risk be taken by a person to whom the Commonwealth is liable?

Senator KEATING.—The claimant is at liberty to take the money and invest it for himself.

Senator TRENWITH.—A claimant has no right to force a loan on the Commonwealth.

Senator KEATING.—A claimant has no right to force money on the Commonwealth.

Senator Sir JOSIAH SYMON.—But the Commonwealth will have the claimant's land. Does the Minister think that many will leave their money in the Treasury?

Senator KEATING.—We are not liable to pay the claimant interest after the amount is deposited in the Treasury; but, if the money is lying there, and he is not likely to take it up for two years or, possibly, twenty years, is it not as well that it should be invested in the Government securities of the States?

Senator Sir JOSIAH SYMON.—But why at the claimant's risk? The claimant is not entitled to interest, and the Commonwealth is under no obligation to invest. Why not avoid risk by not investing the money?

Senator KEATING.—This is the power for which the Treasurer asks, though he

does not say he is going to exercise it. If the optional course of investing the money is taken, it is quite right that those who will reap the benefit should take the risk and pay a small charge. By clause 46 we, for the first time, provide for a certificate from the Attorney-General to the effect that the claimant has executed all the necessary conveyances, transfers, and other documents before being entitled to compensation. By clause 50, we enable a mortgagee to have his interest represented, and his amount of compensation determined in cases of compulsory acquisition. There is no similar provision in the existing legislation. The clause enables the mortgagee to join with the mortgagor, or to make an independent claim; or if the mortgagee is generous enough, or the circumstances warrant it, he is enabled to waive his rights altogether to any compensation. There are only two other important amendments of the law made by the Bill. One amendment is dealt with in clause 63, which is entirely new, and the other is dealt with in clause 66. The latter is a small clause, which, in some circumstances, might or might not be important. It simply empowers persons dealing with the Minister to serve notices on him by sending them through the post. The Minister already has power to deal in that way with persons who are affected by the compulsory acquisition of land; and the clause gives a corresponding right to the other parties. Clause 63, which is more important, enables the Governor-General to authorize the grant of mining leases and licences, and provides as to the law which shall operate in connexion with the exercise of any rights so conferred. I shall give some concrete illustrations of the necessity for this clause. The Commonwealth, in various States, possesses, in and around mining districts, properties occupied for rifle ranges, post-offices, and so forth. In some instances, it has been found that the mining operations bring those engaged right up against what may be called the boundary line between Commonwealth and State; and the question has arisen, if those mining operations are continued, and extend over the Commonwealth boundary, what particular law is applicable. Applications have been made to the Commonwealth Government for the right to mine under rifle ranges in different parts of the Commonwealth; and, seeing that the Commonwealth has jurisdiction over its

territory independently of any State authority, the question arises what law shall operate in relation to such mining. To get over that difficulty, provision is made in clause 63 that, subject to the regulations, the laws of the States in which the land is situated, relating to mining, shall, as far as applicable, apply to leases and licences granted under the clause.

Senator MILLEN.—Is it proposed to start a Mines Department under the Commonwealth?

Senator KEATING.—Certainly not; we propose to take full advantage of the laws relating to the several States Departments of Mines. It is simply provided that if a mining lease or licence be granted by the Governor-General to carry on mining on Commonwealth property, say, in Victoria, the mining laws of Victoria shall apply.

Senator Sir JOSIAH SYMON.—But preliminary to that you take away from the States, and hand over to the Commonwealth, the mining rights under the surface. Supposing that in York Peninsula an area is devoted to a drill ground, then all the mining rights vested in any company pass to the Commonwealth, and the Governor-General has to grant them anew.

Senator KEATING.—The Commonwealth will own the whole of the land, and all the mining rights, amongst other rights.

Senator Sir JOSIAH SYMON.—By the first paragraph of the clause all these rights are taken away from the States.

Senator KEATING.—They are not taken away from the States.

Senator Sir JOSIAH SYMON.—Yes, because the lease must be granted by the Commonwealth.

Senator KEATING.—But at present the State cannot grant a lease in respect of the land.

Senator Sir JOSIAH SYMON.—The State can do so for mining, because the Commonwealth only wants the surface.

Senator KEATING.—When the Commonwealth acquires land, it does not simply acquire the surface right.

Senator Sir JOSIAH SYMON.—That may or may not be.

Senator KEATING.—That is one of the questions which arose between the States and the Commonwealth, and which is determined by section 6 of the Act.

Senator Sir JOSIAH SYMON.—It is a question, is it not, of what is acquired? If the Commonwealth simply acquires an area

for a drill ground, the existing mining rights will not pass without some express arrangement.

Senator KEATING.—That may or may not be, but, in most of the cases, property comes to the Commonwealth direct from the Crown in the States. There was no reservation, as against the Commonwealth, when the properties were transferred; they came over bodily by operation of the Constitution.

Senator Sir JOSIAH SYMON.—Some of them.

Senator KEATING.—The great majority of them, in connexion with which difficulty has arisen.

Senator Lt.-Col. GOULD.—Other lands may be acquired by the Commonwealth in the future.

Senator KEATING.—Quite so, and from a private individual, who has already acquired the land from the Crown in the State subject to a reservation. That reservation in those other cases might still be operative against the Commonwealth.

Senator Sir JOSIAH SYMON.—In some places there always is, or was, a reservation in regard to mining.

Senator KEATING.—That is the case in Tasmania.

Senator MULCAHY.—And it is most desirable that there should be the reservation in the other States.

Senator KEATING.—That is so, and the clause to which I am referring clears up the whole question.

Senator MILLEN.—Does it?

Senator KEATING.—It does.

Senator Sir JOSIAH SYMON.—The States ought to be consulted.

Senator KEATING.—I know some cases in which the States have declined to deal in any way in relation to mining on properties that have been transferred to the Commonwealth. I think honorable senators will find that this clause solves the difficulty; and there is no intention on the part of the Commonwealth to establish a Mines Department. Let us take, for instance, the barracks reserves throughout the Commonwealth, which, at the time of Federation, were transferred from the States to the Commonwealth. These reserves, from the surface right down to the centre of the earth, so to speak, were transferred—there was no reservation as against the States as to a higher authority in relation to mining rights. These properties, exactly as they stood, were bodily

transferred to the Commonwealth by the operation of the Constitution.

Senator Lt.-Col. GOULD.—Were they? They were not all occupied by the Crown for public purposes.

Senator KEATING.—I am speaking of lands that were exclusively used in connexion with the transferred Departments.

Senator Lt.-Col. GOULD.—The transfer of a drill ground does not mean the transfer of the minerals.

Senator KEATING.—But I am pointing out that there are many properties in the Commonwealth formerly exclusively used by the States in connexion with the transferred Departments, and these were handed over.

Senator Lt.-Col. GOULD.—The surface rights.

Senator KEATING.—More than the surface rights.

Senator MULCAHY.—Does not the fee-simple of a rifle range become the property of the Commonwealth?

Senator Sir JOSIAH SYMON.—That may or may not be; there may be only the right to shoot over a strip.

Senator Lt.-Col. GOULD.—In all grants the minerals are reserved.

Senator KEATING.—In many instances, those properties had not been dedicated, but were held without any express proclamation. To solve the difficulty, it is proposed that the Governor-General may authorize the granting of licences or leases to mine in respect of such lands. I know one instance in which an application was made by a person for a quarrying licence in connexion with property that had come over to the Commonwealth under the Constitution. The Mines Department of the particular State declared that it had no jurisdiction; and the applicant then came to the Commonwealth Government, which was naturally very loth to grant, under any terms, a quarrying right. For some time it was considered what course should be followed—whether the applicant should be allowed to enter into a private arrangement with the Commonwealth to exercise a quarrying right, or whether the Commonwealth should notify that it would grant such a right to any successful tenderer. Eventually, the matter was hung up, it being concluded that nothing should be done until some uniform practice, sanctioned by Parliament, had been adopted. To that end, this clause has been introduced; and it is a fair and reasonable proposal, to which I invite

the consideration of honorable senators. I think I have finished outlining all the provisions in this Bill which affect the existing law. I may have departed to some extent from the traditional second-reading speech, but it has been with the object of bringing clearly to the minds of all honorable senators the important bearings of the new provisions which we invite them to pass. This Bill deals with a subject which in many respects is complicated and intricate, and rather than indicate in a general fashion what is the proposed alteration of the law, I thought it would be better for honorable senators if I dealt *seriatim*, and as they occur in the Bill, with the different amendments of the existing law which the Government are asking honorable senators to consider. I trust that, with the explanation I have given of those amendments, as complete an explanation as I could possibly give, honorable senators will be enabled to approach the consideration of the Bill with perhaps a little more advantageous attention than if they had had to study it through clause by clause with the existing legislation. As I said at the outset, it is a recast, so to speak, of our existing law, but a recast, as I anticipate honorable senators will agree, in a far better form for Parliament, the public, and all who will be directly or indirectly affected by the law. The new provisions, the reasons for which I have sought to indicate as clearly as I could at this stage, have been decided upon only after four or five years' experience of the working of the existing law. While they will enable the Commonwealth Government to carry on its functions, and to acquire property which may be required for the discharge of those functions as expeditiously as possible, it will, I think, be found that there is in them no derogation from the rights of the individual. The individual will be amply protected by the provisions of this Bill, and will have insured to him the fullest measure of compensation for whatever sacrifices he may be called upon to make to the Commonwealth. He will also be liberally compensated for any incidental damage that may be occasioned to him. In these circumstances, I have very much pleasure in submitting to the kindly and generous consideration of honorable senators the Bill the second reading of which I have moved.

Debate (on motion by Senator Sir JOSIAH SYMON) adjourned.

**PAPUA ACT: PROCLAMATION:
APPOINTMENT OF LT.-GOVERNOR.**

Senator HIGGS (Queensland) [4.20].—I ask leave of the Senate to add a paragraph to my motion, and I move—

1. That in the opinion of the Senate, it is desirable, in the interests of good government and the effective development of British New Guinea, a proclamation should be at once issued bringing the Papua Act into force.

2. That an Australian citizen in touch with the aspirations of the Commonwealth should, without delay, be appointed Lieutenant-Governor of the Territory.

3. That the foregoing resolutions be communicated to the House of Representatives with a request for their concurrence therein.

I am in hope that this motion will have the sympathy, and perhaps the cordial support, of most honorable senators. The first portion of it is rendered necessary by the unaccountable delay on the part of our friends in the Government in issuing the proclamation bringing the Papua Act into force. The second part is due to the action of some member of the Government in casting about outside Australia for an Administrator for the Possession. The legislation embodied in the Papua Act, which we passed last year, found a place in the Governor-General's Speech issued by almost every Federal Cabinet. It was, I think, brought before Parliament during each session that had, up to the time of its passing, been held. It was delayed because we endeavoured to amend certain provisions affecting the liquor and land questions. Finally we arrived at a compromise, and, with all its faults, I think that the measure as passed is a very good one for the Possession. The Government were to bring the Act into force by a proclamation, which for some reason has not been issued, though it is nine months or more since the Act was passed. What has been the state of affairs for several years, and in fact ever since we talked of taking over the Territory? I suppose it would be impossible to point to a single publication, article, or letter, including private correspondence, having reference to British New Guinea, that has not been in disparagement of the administration. Every year we have had complaints about the administration in regard to the lands of the Territory, and as to the manner in which the white miners have been treated. Every one is agreed that the condition of affairs in New Guinea

was, and is, chaotic. A great deal of the trouble has been placed at the door of the Federal Parliament, because it was said that we had neglected to pass the Papua Act to meet the requirements of the Territory. I am in hopes that the leader of the Government in the Senate will be able to give us some reason why there has been so much delay in proclaiming the Act. The honorable senator may tell us, as we have been informed in the press, that the proclamation has been delayed because certain new ordinances are in course of preparation, and that when these have been adopted the Act will be proclaimed. It would appear to be a very unbusinesslike way of proceeding to ask the gentleman or gentlemen who are responsible for the mismanagement of New Guinea to draw up new ordinances. Surely it would have been better to proclaim the Papua Act, to appoint a new Administrator, and a Legislative Council, and to ask the Legislative Council to draw up the ordinances under which the Territory is to be governed? We are informed by the press that an endeavour is being made to obtain the services of Sir William McGregor, who was at one time Administrator of the Possession.

Senator WALKER.—A good man.

Senator HIGGS.—I should be one of the last to say a word against Sir William McGregor, except on the ground that he does not happen to be an Australian.

Senator WALKER.—Poor fellow!

Senator HIGGS.—He did very good work in New Guinea, as we all know; but Senator Walker, who ironically cheers my remarks, will remember that when Sir William McGregor first went to New Guinea he was about forty-one years of age, and is now approaching sixty years of age.

Senator WALKER.—The prime of life.

Senator HIGGS.—In these days, when we take a great deal more care of our physical bodies than our forefathers used to do, I am not prepared to say that a man who is sixty years of age is not eminently fitted to carry out most of the duties of life. I do not propose for a moment to disparage Sir William McGregor on the score of his age. But he is now Governor of Newfoundland.

Senator PLAYFORD.—A rather cold country.

Senator HIGGS.—It is a very cold country, and it would seem to be cruelty to Sir William McGregor to bring him back from

those icebound regions and place him in the tropics, where there is a very great deal of work to be done—work which was neglected from the moment he left the Possession and accepted a position elsewhere. He is now Governor of Newfoundland, and is in receipt of a salary of £2,000 a year. The salary proposed for the Administrator of the Territory under the Papua Act is £1,250 a year, and it is very unlikely that Sir William McGregor would accept the position of Administrator of New Guinea at a salary lower than that which he is now receiving. If he is to accept the position, no doubt the Government will come forward in this Parliament with some proposition to increase the salary of the Administrator of New Guinea. I take the view that the Government will have some difficulty in passing through this Parliament any proposal to increase the salary of the position for anybody who is not an Australian. Even if an Australian should be appointed, I think the Administrator, whoever he may be, should try to make the Possession self-supporting before any increase in the salary of the office is asked for. The Commonwealth is at the present time contributing some £20,000 per annum towards the expenses of the administration of the Territory. Although Sir William McGregor may be perfectly competent to fill the position of Governor of Newfoundland, it is a question whether he is physically able to perform the work required of the Administrator of New Guinea. In the last annual report of British New Guinea, I saw that the Administrator in carrying out his duties had to leave a place called Bailala, and go out to meet a vessel in a whale-boat. On board the whale-boat were the Lieutenant-Governor, the Judge, and several of the police. In crossing the bar, it was upset, and another whale-boat put off from the steamer, and arrived just in time to save the Lieutenant-Governor and the Judge from being drowned. The Administrator of Papua has to travel about the islands in severe weather, and to undergo a very trying experience—one which I very much doubt whether Sir William McGregor, at his age, would be able to undergo. The man who goes to Papua as Administrator will need to be of about the same age as Sir William McGregor was when he first went there. In my opinion, he ought to be an Australian. I cannot understand why the Government have delayed for eight or

nine months making a selection, and have gone outside the Commonwealth for a man, considering that the present Treasurer proposed to the Federal Convention, which sat in Melbourne in 1898, that the Governors of the States should be Australians, and that he quoted with approval Senator Symon as having said—

I understand that we are creating a nation which is to be self-contained and self-sufficing in every possible respect.

This quotation was taken from a speech of the honorable and learned senator as to the High Court.

Senator Sir JOSIAH SYMON.—Did Sir John Forrest quote that with approval or with disapproval?

Senator HIGGS.—Sir John Forrest quoted the remark with approval. He said that he was hoping to get the support of the honorable and learned senator for his proposal that the Governors of the States should be appointed by the Federal Government, and should be Australians.

Senator Sir JOSIAH SYMON.—Suppose that we begin here before we start with New Guinea?

Senator HIGGS.—I agree with Huxley, who says, in effect, "You want to do the duty which lies nearest at hand." This is the duty which lies nearest to the hand of the Federal Government in that respect. I find that when a vote was taken, Sir John Forrest was supported in his view by Mr. Deakin.

Senator Sir JOSIAH SYMON.—That was to bring our Constitution into line with the Canadian Constitution, which provides for the appointment of the Lieutenant-Governors by the Governor-General.

Senator HIGGS.—With one exception, the members of the Ministry are native-born Australians, and that exception is Senator Playford, who arrived here, I believe, when he was six years of age. The duties of the members of the Federal Ministry are more onerous and responsible in many respects than will be the duties of the Administrator of Papua. What an amount of ridicule would be heaped upon the members of the Cabinet if they were to seek outside Australia for a person to fill a vacancy! When we come to deal with the Judiciary Bill, which provides for the appointment of two additional Justices, will there be a proposal made to bring a Justice from outside Australia. We shall get an idea then as to what are the opinions of the members of the Federal Parliament in regard to all these positions being open to

Australians. I believe that our friends on the other side of the Chamber, though they might object to the passage of a Bill creating two additional Justiceships, would object to a selection being made outside Australia. Already the Government have appointed an Australian to a very important position in Papua. The Chief Judicial Officer—Judge Murray—is an Australian native. If it was necessary to go outside Australia for an Administrator, why did not the Government seek elsewhere for a man to fill the position of Chief Judicial Officer in the Possession?

Senator WALKER.—Can the honorable senator mention any Australian who, in his opinion, is qualified for the position of Administrator?

Senator HIGGS.—I do not intend to follow the example which the honorable senator set us the other day, when he named various persons who in his opinion are suitable for the position of High Commissioner. I cannot fall in with the view of the Government that an outside person should be selected for this post. Look at the men who are at the head of a number of the commercial enterprises in Australia—our captains of industry. Look at the Australian Mutual Provident Society, of which Senator Walker is such an ornament. That institution, which I suppose is equal, perhaps superior, to most of the insurance companies throughout the world, is run by Australians.

Senator WALKER.—The second officer on the staff is an Irishman.

Senator HIGGS.—Right throughout the gamut of industry in Australia we find Australians at the head of affairs, and they show themselves to be men of considerable capacity. I have been informed by the Postmaster-General that on his visit to London he found that Australians were competing successfully in intellect with British residents.

Senator MULCAHY.—A long way ahead of them!

Senator HIGGS.—That is a sarcastic observation which may suit the honorable senator, who, perhaps, supports Mr. Reid in his view that the cry of "Australia for the Australians" is unpatriotic.

Senator Sir JOSIAH SYMON.—Nobody says that the Australian brain is not a good one.

Senator HIGGS.—If my honorable friends take that view, why do they not support this motion?

Senator MULCAHY.—How does the honorable senator know what we are going to do?

Senator HIGGS.—I should be very glad to go to a vote at once, but I have a kind of intuition that honorable senators will not support the motion. The Lieutenant-Governor, who is appointed under the Papua Act, will not only have the assistance of the Chief Judicial Officer, the Chief Land Surveyor, and sixteen or seventeen resident and assistant resident Magistrates; but any ordinance which he consents to, or which the Governor-General consents to, must be placed, as soon as may be, before both Houses of the Federal Parliament. If at any time a Lieutenant-Governor issues a regulation with regard to administration which is unwise or unjust, it will be within the power of this Parliament to remedy it by way of resolution. I cannot understand the action of the Government, nor can I understand the action of the Prime Minister, who very recently said, in Sydney—

The one watchword which naturally belongs to those who sympathise with us is "Australia for the Australians." The three most potent nations among the young nations are America, Germany, and Japan. The genesis of their greatness was their adoption of a national policy. . . . We have material in Australia to-day, fine material for soldiers as well as sailors, men and officers as good as any in the world.

If in Australia we have men who are as good as any men in the world to take charge of our military system, to have the care of the lives and properties of the people, surely, in our population of 4,000,000, we can find a man who is fitted to govern Papua! I sincerely hope that honorable senators will vote for the motion. It may meet with the same fate as a number of motions which we have passed here with the object of giving expression to our views. It may be ignored by the Government; but I am in hopes that, if it will have no effect upon them, it will have some effect upon the electors, who in time may endeavour to bring pressure upon members of the Federal Parliament to see that all these positions are thrown open to the citizens of the Commonwealth.

Senator PEARCE (Western Australia) [4.42].—I second the motion with pleasure, because I consider that to do otherwise than is suggested in its second part would be to express a want of confidence in the ability of Australians, who are fitted, not only for this particular post, but for higher posts. I am certainly surprised

that a Government which professes to be representative of the Australian Party, and which is forming branches of an organization under that name throughout Australia, should, in the case of a very secondary position such as this, say that in Australia there is no person in whom they have sufficient confidence, and that therefore they must go, not only outside Australia, but to the Northern Hemisphere, to find a man who is fitted to fill the position.

Senator MULCAHY.—Surely there is no one who is saying that now?

Senator PEARCE.—Practically, that is what is being said. The appointment of Sir William McGregor indicates that point of view, if it indicates anything.

Senator MILLEN.—It does not say that there is no one here suited for the post, but that elsewhere there is a man who stands out with particular qualifications for the post.

Senator PEARCE.—If the Ministry admit that in Australia there are men suitable for the position, why do they go outside to make the appointment? Is it because they have a want of confidence in Australians? Is it because they are afraid that, if an Australian were placed in the position, he would fail, and that his administration would be fatal to the progress of Papua? If that is not so, then Ministers stand absolutely without a defence. They place themselves in a hypocritical position, and their battle-cry, "Australia for the Australians," is so much political hypocrisy—an empty phrase. If it means anything, it means that Australians should have a preference in regard to appointments for which they are suited. The Government say that we should give a preference to Australian manufacturers, not only over foreign manufacturers, but over British manufacturers. If that is their view, then, in making any appointments, we should give a preference to Australian citizens, even over British citizens. That seems to be only logical. I admit that special qualifications are required for the position of Lieutenant-Governor of Papua. I admit that we need to be very careful in the appointment of an individual, because he will be practically an autocrat. The occupant of the office will need to possess special qualifications, but I believe that within the Commonwealth there are many Australians who possess such qualifications as, for instance, sober judgment and a knowledge of the treatment of

coloured races. Many Australians have been brought into touch with the coloured races, and have shown their ability to deal successfully with them. Furthermore, there are many Australians who have that knowledge of tropical conditions which is necessary for this post. I think that, as Senator Higgs has said, the Government would strongly oppose any proposal to go outside Australia to make appointments to the High Court Bench. Yet it might be said that we have not in Australia lawyers who possess the necessary knowledge for dealing with the class of cases that formerly went to the Privy Council. It might, therefore, be argued that we should go to England to get the benefit of the decisions of the Privy Council, composed of lawyers who have been specially trained to deal with this class of work.

Senator MILLEN.—Sir William McGregor has been specially trained, and has administered the Possession of Papua with a great deal of ability.

Senator PEARCE.—So have some of the lawyers on the Privy Council been specially trained to deal with Australian cases. They dealt with them for many years.

Senator Sir JOSIAH SYMON.—In some cases not satisfactorily.

Senator MILLEN.—Who are likely to be the best judges of Australian cases, those who are living here, and are dealing with Australian cases every day, or those who only deal with them occasionally?

Senator PEARCE.—We hear much about Sir William McGregor's experience.

Senator PLAYFORD.—There is no man in Australia who possesses the experience that Sir William McGregor has had, or the recognised ability which he has for the work.

Senator MCGREGOR.—And there never will be an Australian with that experience unless the Government give our own people a chance.

Senator PEARCE.—Until Sir William McGregor dies, it appears we shall never have any one with his experience of Papua; and when he dies we shall be in the same position as we are to-day—that is to say, we shall then have to appoint an Australian and that Australian will have had no previous experience in governing Papua. We shall be no better off when Sir William McGregor dies, or retires, than we are to-day. Why then, does not the Government tackle the question now? It is said that Sir William

McGregor has all the necessary qualifications for the post. He was for some time Administrator of the Territory; and, so far as concerns methods of dealing with the natives, and keeping them peaceful and in order, my reading teaches me that he was a thorough success. But so far as concerns the development of the Territory, I am not sure that we can say that Sir William McGregor was an unqualified success. I have yet to learn that during his term of office there was any great development of the Territory.

Senator MILLEN.—The honorable senator will admit that he was not allowed to carry out the suggestions which he made.

Senator PEARCE.—I am not in a position to say that.

Senator MILLEN.—The public records show that he was not allowed to give effect to many of his recommendations.

Senator PEARCE.—I do know that during the same period the Possessions of foreign powers and the Malay States, under British rule, progressed, and were developed to a considerable degree, whereas the Territory of Papua showed no such development. Seeing that Sir William McGregor was under the control of the same Government as controlled the Malay States, it seems to me to be singular that he was not able to show some development at any rate. Furthermore, I have seen during the last week a letter from one of the principal storekeepers in Papua, in which reference is made in the most hostile terms to the suggested appointment of Sir William McGregor. He and others protest against the appointment.

Senator WALKER.—On what grounds?

Senator PEARCE.—They give the grounds of general dissatisfaction—because of Sir William McGregor's treatment of them, and his dealings with the white population generally. They express the hope that he will not receive the appointment. This letter is from a firm which has the principal storekeeping business in the most important settlements in Papua.

Senator MILLEN.—I suppose that the honorable senator has a very fair suspicion of the reason for their protest.

Senator PEARCE.—I have no suspicion. I only know what they say in their letter—that they are not satisfied with Sir William McGregor's treatment of them, and hope that he will not be reappointed. That is the statement which I have seen, and I repeat it for what it is worth.

Senator Sir JOSIAH SYMON.—Has the letter been published?

Senator PEARCE.—No; it has not. I believe that there is a number of Australians who, with that adaptability which most Australians have, and with the knowledge of tropical cultivation which some Australians possess, would be a thorough success in this position. There is a feeling that a democracy cannot carry on the work of colonization—that to have successful colonization you must have control by an autocracy, or some form of government very nearly approaching it. There is a tendency to sneer at the efforts of a democracy to deal with the coloured races, and with the work of expansion. What will be said of Australia—this young democracy—if, the first time she has the opportunity to follow in the footsteps of the mother country, she has not the confidence which the mother country has always had in her sons? Men have been sent from the cold climate of England, with an absolute want of knowledge of tropical conditions, into the most tropical climates, where they have carried on the work of colonization and settlement. What will be said of Australia if, when this young democracy is intrusted with the work of colonization, she does not select one of her own sons, but secures the services of a man who was sent out from England when he was young, with absolutely no experience, and who proved himself, although at first devoid of experience, to be a success? I maintain that if Englishmen have been successful in governing tropical countries, and coloured races, Australians can do the same; and any honorable senator who says that there are no Australians fitted for this position are placing their country in a secondary position, and have a much poorer opinion of their fellow countrymen than the English Government has of its people. I trust that the Government will do exactly what England has done in the past, and will declare that we can carry on the government of this settlement, that we can develop it, that we can treat the natives as they ought to be treated, making life tolerable for them, and at the same time improve the condition of the country—and that we can do all that with the aid of Australians and under Australian guidance. I trust that we shall declare our opinion that we have men in this country who are well-fitted for this post.

Senator Sir JOSIAH SYMON (South Australia) [4.55].—I should like, before this matter goes much further, to say a

word or two about it, particularly as my honorable friend, Senator Higgs, did me the honour to make a quotation from a speech of mine, which seems also to have met with the approval of so distinguished a public man as the right honorable member for Swan, Sir John Forrest. I asked my honorable friend whether the passage was quoted by Sir John Forrest approvingly, and he assured me that it was. That fact raised the already high estimate which I had of that right honorable gentleman. I do not withdraw or qualify one syllable of the language which my honorable friend quoted, nor do I in any way seek to weaken the sentiment which I then endeavoured to express—a sentiment which I still hold, perhaps more strongly than ever—that Australia should be, now that she has entered upon the path of nationhood, self-sufficing and self-contained in the largest and best sense, and in every way possible. I most strongly hold to that view still. I think I may say also that I respond to the feeling expressed by Senator Pearce in respect of the capacity of democracies. I do not think that any man has ever taken a line more strongly in favour of the great democratic Constitution which we possess, and of the power and capacity of a democracy, than I have done on all occasions, in season and out of season. But that is not exactly the whole question. I do myself believe that we have in Australia men of equal competence, I will say, to those in any other part of the world. But, in saying that, it seems to me that we cannot forget that in many walks of public life and government—in the control it may be, to come to this important instance, of what is really a Crown Colony, a coloured Possession, acquired in the way New Guinea has been—Australians have not had the opportunities of acquiring the special training which is necessary: and although they may have mental powers of a very high order, still they do not present themselves as possessing immediately that degree of qualification which a Government exercising its responsibilities might think ought to exist before making an appointment. My objection to this motion does not rest upon the grounds that my honorable friends have dealt with; because, so far as I understand the position, the Government has not raised the issue that there is no Australian qualified. The Government has

not raised that issue in such a form as to entitle us to pronounce judgment one way or the other. Ever: if the Government had raised that issue, I should say that I objected to any motion, dealing with an appointment of this kind, before the appointment was made, in a form which might embarrass the Government in selecting, not an Australian because he is an Australian, but the most suitable man for the post. That is what I say the Government ought to consider.

Senator MULCAHY.—But other things being equal, giving the preference to an Australian.

Senator Sir JOSIAH SYMON.—I will say a word about that in a moment. The Government ought to endeavour to obtain the most suitable man for the post. That is the great and grand condition. But in doing that, the Government should consider those who have had many years' experience of the kind of work to be done, not mere theorists, not persons who have—as I have done—visited India, or similar countries, and written reports upon them, and seen how the dark races are managed in those portions of the Empire, and have expressed sympathy with them, and so forth. I should, not say that because I have done those things, I am for that reason fit to be Governor-General of India. Of course, on that point the matter would not bear examination. This motion is anticipatory, and in the nature of a direction; and I should be sorry to assent to any proposal of the kind that would embarrass this or any other Government. I cannot understand how a Government could tolerate a motion of the kind, much as I desire that resolutions of the Senate shall have the fullest possible effect—how a Government, with any self-respect, could accept such a direction before an appointment was made. Senator Pearce has used some hard words, and I am not sure that some of his remarks may not be justified as to the hypocritical position the Government take up. I do not believe in the expression "Australia for the Australians," if it means that when we want a good public servant to fill a Judgeship or any other office, we may not go outside the limits of the Commonwealth for him. The position of a Judge, however, is very different from that now under discussion, inasmuch as those appointed to the judicial office have had their special training in Australia. I am not saying whether the men thus trained

are well or ill qualified, or whether or not better Judges could be obtained from outside Australia; but when they are selected they are not selected because they happen to be Australians, but because, by a long course of training, study, and experience, they are, or ought to be, competent to administer the laws with which they have been dealing during their whole lives. No one suggests that a suitable man to administer New Guinea might not be found in Australia, though I do not at present know where the Australian is who has had all the training and experience necessary to enable him to deal with the native races, and further the development of what we believe will be a great dependency of the Commonwealth. I understand that to constitute an "Australian," it is not necessary that a man shall have been born here; I take it that within the terms of the motion a man would be eligible for this office if he had been in Australia or New Guinea for four or five years, and had during that time undergone the necessary training to make him acceptable. But there are other reasons I should like to advance against the motion. In the first place, I do not think it is proper for the Senate to give a direction which, before the making of the appointment, could not be accepted by any self-respecting Government. We might pass a motion excluding some man by name—that would be a very different matter, but to pass a motion, which amounts to a direction as to one particular qualification, is to offer what, as I say, no self-respecting Government could accept or act on for a moment, unless, as Senator Mulcahy suggested, the other qualifications of the gentleman appointed were equal. My second ground is that, by assenting to a motion of this character, framed in vague, general rhetorical terms, we may do an injustice to persons otherwise qualified for the position. One name has certainly been mentioned in this connexion; and under the circumstances the motion is, in my opinion, most improper. We are indirectly sitting in judgement on, at any rate, one gentleman who, I may say, I have never seen to my knowledge, and whom I should not know from any other man in the wide world. I allude to Sir William McGregor. A third reason is that if the Government give any attention to the vague form of words used they may be led astray, and appoint some one whom we could not regard as competent. All these are very strong reasons why we should not at this stage deal with a vague

Senator Sir Josiah Symon.

indeterminate motion of the kind. I shall not refer to the first part of the motion, which I regard as merely preliminary to the second and important part. The second paragraph declares that there ought to be appointed to the position "an Australian citizen in touch with the aspirations of the Commonwealth."

Senator MULCAHY. — Does not the first part of the motion also interfere with the action of the Government?

Senator Sir JOSIAH SYMON.—Yes, but I think I am right in understanding from Senator Higgs that the first paragraph is really introductory, and I do not think it worth while troubling the Senate with arguments as to whether it should or should not be agreed to. The essence of the motion is in paragraph 2, and the first point which strikes me is that we are asking the Government to appoint a Lieutenant-Governor on one ground of qualification only—that he shall be "an Australian citizen in touch with the aspirations of the Commonwealth," whatever that may mean. Is there an honorable senator who can vote for that motion? It does not declare that the Lieutenant-Governor must have been born in Australia; and I suppose that a residence of a year or two would qualify.

Senator GUTHRIE.—He must be an Australian citizen.

Senator Sir JOSIAH SYMON.—Quite so; the Lieutenant-Governor need not be an Australian native, but he must be "an Australian citizen in touch with the aspirations of the Commonwealth." First of all, it would be wrong to appoint a man simply for that reason. He might be a person who would "play ducks and drakes" with New Guinea in a month.

Senator MCGREGOR.—Is it the aspiration of Australia to "play ducks and drakes" with anything?

Senator Sir JOSIAH SYMON.—The honorable senator knows as well as I do that the words in the motion are merely rhetorical. What are the "aspirations of the Commonwealth"? Our aspiration is to be a great nation, and to do justice in New Guinea. Are we to say that Sir William McGregor would not do justice in New Guinea?

Senator GUTHRIE.—Or a Chinaman.

Senator Sir JOSIAH SYMON.—Really, I think this question ought to be seriously dealt with. The Government are not suggesting that a Chinaman should be appointed.

Senator GUTHRIE.—We do not know that.

Senator Sir JOSIAH SYMON.—The motion declares that honorable senators will be content if the Ministry appoint "an Australian citizen in touch with the aspirations of the Commonwealth," although the man appointed might possess none of the other qualities so indispensable to the position—none of the qualities necessary in a successful administrator of this Dependency.

Senator MCGREGOR.—The honorable senator is more solicitous for the Government than I have ever known him to be before!

Senator Sir JOSIAH SYMON.—Senator Pearce, in the course of his remarks, said very properly that there are many other qualifications necessary besides the special qualification of Australian citizenship. Where are those other qualifications referred to in the motion? Are we to ask the Government to appoint an "Australian citizen," although the latter may not be possessed of the many special qualifications that are necessary? We have been told by Senator Pearce that the Lieutenant-Governor of New Guinea must be a man of sober judgment; and we may all agree as to that. Has it been suggested that there may be appointed a man who has not sobriety of judgment—a man possessed, for instance, of no judicial faculty, and not imbued with that common sense and fairness that are so indispensable? We all know that, as Senator Pearce says, the Administrator of New Guinea must have the capacity to deal with coloured races. In this connexion, capacity to deal with coloured races does not merely mean the result of a visit paid to the Dependency, or even of coming into contact, in a more or less intimate way, with such races. It implies the employment of a man who, if possible—though I do not say this can always be—may be judged and tested by his experience in this particular department of public affairs. It is one of the glories of British administration in India that many of the men who go from England seem to possess, by a kind of instinct, the power to successfully join in the government of that great Dependency.

Senator O'KEEFE.—Although they have not had previous experience?

Senator PEARCE.—What about the Viceroy of India?

Senator Sir JOSIAH SYMON.—The Viceroy of India is in a very different position from that of the Lieutenant-Governor of New Guinea. The Indian Civil Service is the finest the world ever saw, and most of the members of that service begin at the bottom of the ladder. In the military branch of the service in India the rule is much the same, though there is an exception in the Commander-in-Chief, Lord Kitchener.

Senator PEARCE.—In India the Viceroy, whose position approximates to that of the Administrator in New Guinea, goes straight from England as a raw new-chum.

Senator Sir JOSIAH SYMON.—Does the honorable senator say that the position of the Viceroy approximates to that of a Lieutenant-Governor of a small Crown Colony? The positions and duties are entirely different. In any case, the Viceroy, for intellect, and for knowledge and experience of public affairs, is generally one of the foremost men in the Empire, and the possession of those high qualities make up for his lack of training in detail.

Senator O'KEEFE.—Are no men in Australia likely to have similar capacity?

Senator Sir JOSIAH SYMON.—The Government have not stated that they will not appoint an Australian. The whole point of the motion is that the foundation of the qualification of the gentleman appointed is to be Australian citizenship.

Senator MULCAHY.—If it were passed, the Government would not be able to go outside Australia for a Lieutenant-Governor.

Senator Sir JOSIAH SYMON.—That is so; the motion, as framed, excludes every other person. The Government are not merely asked to appoint an Australian if they can get the right man here, but all except Australians are excluded. Although outside the qualification insisted on in the motion, there might be found men fitted by knowledge and experience in similar Dependencies, the Government are to exclude them from consideration. That is not the way to govern this Dependency. It will be a very bad omen and beginning if, in dealing with New Guinea, we first select a Lieutenant-Governor simply on the ground that he is an Australian. Senator Higgs spoke of Sir William McGregor, and made remarks by way of disqualifying that gentleman. Senator Higgs referred to Sir William McGregor as nearing sixty years of age.

Senator PEARCE.—He is fifty-nine years of age.

Senator Sir JOSIAH SYMON.—I should say that to have attained the age of fifty-nine or sixty is not a disqualification in a man who has previously administered the Dependency, and has its affairs at his fingers' ends. But Senator Higgs went on to say that Sir William McGregor could not swim, and that he would have been drowned had he been in the whale-boat accident referred to. Really, the inability to swim does not appear to me to be a disqualification in the Administrator of New Guinea.

Senator HIGGS.—The honorable senator is exaggerating. I referred to the whale boat accident merely as an incident in travelling.

Senator Sir JOSIAH SYMON.—Quite so. I am sorry to discuss a name. Senator Walker, I think, interjected, "Why do you not put in the name of the eligible person?" My honorable friend opposite confines himself to discussing those who are to be excluded, but I think it would be only fair to the Senate that we should be able also to discuss the names of those who are to be included. That would make this a sensible motion.

Senator HIGGS.—The honorable and learned senator surely does not wish me to do as a member of the Senate once did, and refer to "My honorable and personal friend Senator Sir Richard Baker," "My honorable friend Senator Sir Josiah Symon," and so go through the members of the Senate as likely candidates for this position?

Senator Sir JOSIAH SYMON.—No, we do not wish the honorable senator to do that. But will he name the one who stands pre-eminently out as the person to be included?

Senator MCGREGOR.—Senator Higgs does not say that Sir William McGregor is the only one to be excluded.

Senator Sir JOSIAH SYMON.—Yes, the honorable senator says that Sir William McGregor is to be excluded.

Senator MCGREGOR.—Senator Higgs did not say that he is the only one to be excluded.

Senator HIGGS.—No.

Senator Sir JOSIAH SYMON.—Senator Higgs goes through a process of exhaustion, and, beginning with Sir William McGregor, he says that he, at any rate, is not fitted for the position, because he is fifty-nine or sixty years of age. Might we not be

favoured with the name of the Australian gentleman "in touch with the aspirations of the Commonwealth," who is so peculiarly fitted for the position?

Senator O'KEEFE.—There might be half-a-dozen of them.

Senator Sir JOSIAH SYMON.—There might, and if there are, let us have their names. I am one of those who think that it would have been a good thing if the Senate had been given the power vested in the Senate of the United States, which enables that body to exercise a veto at least upon appointments. I think that would have been an excellent thing for the Senate, and, therefore, if Senator Higgs seeks to introduce that principle, even in his way. I am one of those who should very much like an opportunity to discuss it. We should then have a tangible and sensible motion and a direction from the Senate that "So-and-so, an Australian in touch with the aspirations of the Commonwealth," should be appointed.

Senator GUTHRIE.—State the salary, and we will give the honorable and learned senator a name.

Senator Sir JOSIAH SYMON.—I do not know what the salary is to be.

Senator HIGGS.—It is to be £1,250 a year.

Senator Sir JOSIAH SYMON.—It is worth a good deal more. It is really an idle thing for us to propose to deal with the matter in this way. If the intention is merely to enable us to say that a certain person is to be excluded—that Sir William McGregor is not eligible—it is neither fair nor just. If, on the other hand, it is intended, in some mysterious, indirect way, to pledge the Senate to the appointment of some one else, then I say that that person ought to be named, and we should have an opportunity to debate his proposed appointment.

Senator GUTHRIE.—Why should we not do as we did in connexion with the appointment of the High Commissioner?

Senator Sir JOSIAH SYMON.—That was done in a different way. I was not here when Senator Higg's motion with respect to the appointment of the High Commissioner was debated, and I did not speak or vote upon it.

Senator MILLEN.—I voted against it.

Senator GUTHRIE.—Senator Symon agreed with it.

Senator Sir JOSIAH SYMON.—I was not here when it was discussed. But in

that motion, I think I am correct in saying that Senator Higgs left the choice to Parliament. The honorable senator does not adopt that course in the present motion. A man complying with the terms of this motion might, in respect of other qualifications, be the most incompetent man in Australia for such a position.

Senator GUTHRIE.—Surely the Government would not appoint an incompetent man?

Senator Sir JOSIAH SYMON.—The Government are not like the Röntgen rays. They cannot see into a man's mind, and discover there his capacity for dealing with a particular and specific duty, which requires the possession of special qualifications.

Senator GUTHRIE.—Neither can a Parliament.

Senator MCGREGOR.—The honorable and learned senator thinks that the Government could not find an Australian competent for the position.

Senator Sir JOSIAH SYMON.—I do not know. I have not examined the matter.

Senator MCGREGOR.—The honorable and learned senator is saying that no Australian is competent.

Senator Sir JOSIAH SYMON.—I have not said so. I say that the fact that a man is an Australian should not be the only qualification for such a position.

Senator MCGREGOR.—The honorable and learned senator will take good care that an Australian will not have a chance for the position.

Senator Sir JOSIAH SYMON.—I will say that, quite apart from Sir William McGregor, whose name has been mentioned, this motion, if it were carried, would involve the dismissal, without a hearing, of the present Acting Administrator, Captain Barton. That ought not to be done. It would be unfair. If the Executive, in the exercise of their powers, and their responsibility, choose to say that that officer, who has had experience, is not qualified to be raised from the Acting Administratorship to the actual Lieutenant-Governorship, that is their business, and we could deal with such a determination when the proper time arrived. I am a believer in promotion. I do not know Captain Barton, but I have criticised him in the Senate on information supplied in connexion, at any rate, with one matter brought forward by Senator Higgs, than whom no one is more astute in

discovering whether any injustices, real or apparent, are taking place.

Senator MULCAHY.—Would not Captain Barton be regarded as an Australian citizen?

Senator Sir JOSIAH SYMON.—I was going to say that he should. He has been five or six years in the Territory, and has had considerable experience there. I do not know whether he was there in Sir William McGregor's time, but from his reports, some of which I have read, I know that he was there in Sir George Le Hunte's time. He was there under the Acting Administrator Chief Justice Winter, and also under the unfortunate Judge Robinson. I am not discussing the relative claims of Sir William McGregor and Captain Barton; but if Sir William McGregor is sought for and is not available, or if he is not sought for, and Captain Barton is there, some substantial reason should be given to Parliament by the Government for passing him over and refusing him that just promotion to which, in my judgment, he is entitled. I have read some of his reports, and I entirely agree with Senator Higgs that there is a great deal of travelling to be done, and a great deal of arduous pioneering work, in connexion with the administration of the Territory. We require for the position an active man. I do not say that a man fifty-nine or sixty years of age is not sufficiently active, if in good health. Such a man might be quite active enough; but, whatever might be said on that score, I know from Captain Barton's reports, some of which I read only this morning, that that gentleman, in connexion with his magistracy, and subsequently, has shown that he is an active man, familiar with the matters with which the Administrator of the Territory must deal, and thoroughly familiar with the country and the natives. He is not above criticism, perhaps, but in many respects is possessed of all the qualifications to which Senator Pearce has referred. I am not saying that he ought to be appointed, or that Sir William McGregor ought to be appointed. All I say is that "an Australian citizen in touch with the aspirations of the Commonwealth" should not be the sole qualification, and that, if we reduce the question of the appointment to Captain Barton, I say that he, a man who is really, in substance and in fact, an Australian citizen, and who has had experience in the very government to be administered, is to

**PAPUA ACT: PROCLAMATION:
APPOINTMENT OF LT.-GOVERNOR.**

Senator HIGGS (Queensland) [4.20].— I ask leave of the Senate to add a paragraph to my motion, and I move—

1. That in the opinion of the Senate, it is desirable, in the interests of good government and the effective development of British New Guinea, a proclamation should be at once issued bringing the Papua Act into force.

2. That an Australian citizen in touch with the aspirations of the Commonwealth should, without delay, be appointed Lieutenant-Governor of the Territory.

3. That the foregoing resolutions be communicated to the House of Representatives with a request for their concurrence therein.

I am in hope that this motion will have the sympathy, and perhaps the cordial support, of most honorable senators. The first portion of it is rendered necessary by the unaccountable delay on the part of our friends in the Government in issuing the proclamation bringing the Papua Act into force. The second part is due to the action of some member of the Government in casting about outside Australia for an Administrator for the Possession. The legislation embodied in the Papua Act, which we passed last year, found a place in the Governor-General's Speech issued by almost every Federal Cabinet. It was, I think, brought before Parliament during each session that had, up to the time of its passing, been held. It was delayed because we endeavoured to amend certain provisions affecting the liquor and land questions. Finally we arrived at a compromise, and, with all its faults, I think that the measure as passed is a very good one for the Possession. The Government were to bring the Act into force by a proclamation, which for some reason has not been issued, though it is nine months or more since the Act was passed. What has been the state of affairs for several years, and in fact ever since we talked of taking over the Territory? I suppose it would be impossible to point to a single publication, article, or letter, including private correspondence, having reference to British New Guinea, that has not been in disparagement of the administration. Every year we have had complaints about the administration in regard to the lands of the Territory, and as to the manner in which the white miners have been treated. Every one is agreed that the condition of affairs in New Guinea

was, and is, chaotic. A great deal of the trouble has been placed at the door of the Federal Parliament, because it was said that we had neglected to pass the Papua Act to meet the requirements of the Territory. I am in hopes that the leader of the Government in the Senate will be able to give us some reason why there has been so much delay in proclaiming the Act. The honorable senator may tell us, as we have been informed in the press, that the proclamation has been delayed because certain new ordinances are in course of preparation, and that when these have been adopted the Act will be proclaimed. It would appear to be a very unbusinesslike way of proceeding to ask the gentleman or gentlemen who are responsible for the mismanagement of New Guinea to draw up new ordinances. Surely it would have been better to proclaim the Papua Act, to appoint a new Administrator, and a Legislative Council, and to ask the Legislative Council to draw up the ordinances under which the Territory is to be governed? We are informed by the press that an endeavour is being made to obtain the services of Sir William McGregor, who was at one time Administrator of the Possession.

Senator WALKER.—A good man.

Senator HIGGS.—I should be one of the last to say a word against Sir William McGregor, except on the ground that he does not happen to be an Australian.

Senator WALKER.—Poor fellow!

Senator HIGGS.—He did very good work in New Guinea, as we all know; but Senator Walker, who ironically cheers my remarks, will remember that when Sir William McGregor first went to New Guinea he was about forty-one years of age, and is now approaching sixty years of age.

Senator WALKER.—The prime of life.

Senator HIGGS.—In these days, when we take a great deal more care of our physical bodies than our forefathers used to do, I am not prepared to say that a man who is sixty years of age is not eminently fitted to carry out most of the duties of life. I do not propose for a moment to disparage Sir William McGregor on the score of his age. But he is now Governor of Newfoundland.

Senator PLAYFORD.—A rather cold country.

Senator HIGGS.—It is a very cold country, and it would seem to be cruelty to Sir William McGregor to bring him back from

those icebound regions and place him in the tropics, where there is a very great deal of work to be done—work which was neglected from the moment he left the Possession and accepted a position elsewhere. He is now Governor of Newfoundland, and is in receipt of a salary of £2,000 a year. The salary proposed for the Administrator of the Territory under the Papua Act is £1,250 a year, and it is very unlikely that Sir William McGregor would accept the position of Administrator of New Guinea at a salary lower than that which he is now receiving. If he is to accept the position, no doubt the Government will come forward in this Parliament with some proposition to increase the salary of the Administrator of New Guinea. I take the view that the Government will have some difficulty in passing through this Parliament any proposal to increase the salary of the position for anybody who is not an Australian. Even if an Australian should be appointed, I think the Administrator, whoever he may be, should try to make the Possession self-supporting before any increase in the salary of the office is asked for. The Commonwealth is at the present time contributing some £20,000 per annum towards the expenses of the administration of the Territory. Although Sir William McGregor may be perfectly competent to fill the position of Governor of Newfoundland, it is a question whether he is physically able to perform the work required of the Administrator of New Guinea. In the last annual report of British New Guinea, I saw that the Administrator in carrying out his duties had to leave a place called Bailala, and go out to meet a vessel in a whale-boat. On board the whale-boat were the Lieutenant-Governor, the Judge, and several of the police. In crossing the bar, it was upset, and another whale-boat put off from the steamer, and arrived just in time to save the Lieutenant-Governor and the Judge from being drowned. The Administrator of Papua has to travel about the islands in severe weather, and to undergo a very trying experience—one which I very much doubt whether Sir William McGregor, at his age, would be able to undergo. The man who goes to Papua as Administrator will need to be of about the same age as Sir William McGregor was when he first went there. In my opinion, he ought to be an Australian. I cannot understand why the Government have delayed for eight or

nine months making a selection, and have gone outside the Commonwealth for a man, considering that the present Treasurer proposed to the Federal Convention, which sat in Melbourne in 1898, that the Governors of the States should be Australians, and that he quoted with approval Senator Symon as having said—

I understand that we are creating a nation which is to be self-contained and self-sufficing in every possible respect.

This quotation was taken from a speech of the honorable and learned senator as to the High Court.

Senator Sir JOSIAH SYMON.—Did Sir John Forrest quote that with approval or with disapproval?

Senator HIGGS.—Sir John Forrest quoted the remark with approval. He said that he was hoping to get the support of the honorable and learned senator for his proposal that the Governors of the States should be appointed by the Federal Government, and should be Australians.

Senator Sir JOSIAH SYMON.—Suppose that we begin here before we start with New Guinea?

Senator HIGGS.—I agree with Huxley, who says, in effect, "You want to do the duty which lies nearest at hand." This is the duty which lies nearest to the hand of the Federal Government in that respect. I find that when a vote was taken, Sir John Forrest was supported in his view by Mr. Deakin.

Senator Sir JOSIAH SYMON.—That was to bring our Constitution into line with the Canadian Constitution, which provides for the appointment of the Lieutenant-Governors by the Governor-General.

Senator HIGGS.—With one exception, the members of the Ministry are native-born Australians, and that exception is Senator Playford, who arrived here, I believe, when he was six years of age. The duties of the members of the Federal Ministry are more onerous and responsible in many respects than will be the duties of the Administrator of Papua. What an amount of ridicule would be heaped upon the members of the Cabinet if they were to seek outside Australia for a person to fill a vacancy! When we come to deal with the Judiciary Bill, which provides for the appointment of two additional Justices, will there be a proposal made to bring a Justice from outside Australia. We shall get an idea then as to what are the opinions of the members of the Federal Parliament in regard to all these positions being open to

be one citizen—not necessarily Australian born—who is eminently qualified in all respects to fill this position.”

Senator Sir JOSIAH SYMON.—Can the honorable senator name one now?

Senator O'KEEFE.—I am not going to be drawn off the track in that way. I could name more than one Australian citizen who, in my humble judgment, is eminently fitted to hold the position.

Senator Sir JOSIAH SYMON.—Then put a name in the motion.

Senator O'KEEFE.—I think it would be a good thing if the Senate, as part of the national Parliament, were to lay down, on every possible occasion, the rule that wherever it could be done an Australian appointment should be made. I do not think that there is anything unpatriotic in the cry of “Australia for the Australians,” because, necessarily, it has its limitations, and we recognise them. But, surely, where the work to be done is not beyond the capacity of a large number of Australians, we ought to hold out an inducement to our citizens by letting it become generally known that, in our view, these appointments should be given to Australians whenever the opportunity arises. I do not think that we need worry ourselves about Sir William McGregor, whose name has been used frequently in this discussion. Admittedly, he did good work in British New Guinea. If he were an Australian citizen to-day, and it were likely that he would accept the salary which has been fixed, probably neither the Government nor any honorable senator would look beyond that gentleman for an Administrator. But it is stated on good authority that he is filling a position which carries nearly double the salary which is attached to the Lieutenant-Governorship of Papua. I do not see why his name should have been introduced, because, in the first place, it is hardly likely that he would accept the position at the salary proposed.

Senator HIGGS.—It was necessary to introduce his name.

Senator Sir JOSIAH SYMON.—There is no objection to the introduction of the name.

Senator O'KEEFE.—No; but why should we worry ourselves about Sir William McGregor, when it has been laid down by the Parliament that the salary for the position shall be £1,250?

Senator PLAYFORD.—Why should not the honorable senator leave the matter alone? If the Government proposed to appoint Sir

William McGregor, and he wanted more than £1,250, the honorable senator would have an opportunity to express his opinion when the Bill came before the Senate.

Senator O'KEEFE.—Perhaps the Minister of Defence, when he speaks, will tell us why the salary for this office was fixed at £1,250. Presumably, it was thought to be fair remuneration for the work to be done.

Senator PLAYFORD.—The honorable senator said that if Sir William McGregor would accept £1,250, he should be appointed.

Senator O'KEEFE.—No. I said that if Sir William McGregor were an Australian citizen to-day he would have a far better chance of getting the appointment than any other Australian citizen, because of his experience in Papua. If it is necessary to increase the salary in order to get the services of Sir William McGregor—some newspapers have gone the length of saying, and I do not know whether some members of Parliament have not said, that if we could it would be better to increase the salary—we should immediately have those who have always been crying out about Federal extravagance saying, “You are giving more for the work than it is necessary to give.” Sir William McGregor is, however, worth more than £1,250 a year, because he is now receiving nearly double that salary in another place, and, therefore, I should think that he is out of court. I contend that that salary is fair remuneration for the work which is to be performed in Papua. Surely it is not necessary to go outside Australia in order to get a man who is fit to perform services which are valued at £1,250 a year! In view of the fact that, in different portions of Australia, with a semi-tropical climate, some Australian citizens have had experience of work such as is to be done in Papua, it seems absurd to think that the Government cannot place their hands upon an Australian citizen who possesses, to the utmost degree, all the necessary qualifications for the position of Lieutenant-Governor of Papua. I do think that it will be a pity if this opportunity is lost of giving the Government a direction upon this subject. It may, of course, be said that if that is done, it will take from the Government some of its independence. But we have a right to let the Government know the opinion of this branch of the Legislature in respect to the appointment that has to be made. Senator Symon has told us that he believes in the

principle of promotion. So do I. Probably there are many citizens of Australia in the Public Service who have qualifications which eminently fit them for this position.

Senator Sir JOSIAH SYMON.—Does this motion mean that a man should be selected from the Public Service?

Senator O'KEEFE.—The motion does not say so, nor does it mean the reverse.

Senator Sir JOSIAH SYMON.—Does the honorable senator think that Captain Barton would be eligible?

Senator O'KEEFE.—I do not know whether he would be shut out under the terms of this motion. I do not know whether he would be considered to be an Australian citizen by reason of his having been so long in Papua, which is an Australian Dependency.

Senator Sir JOSIAH SYMON.—Would the honorable senator give him a preference?

Senator O'KEEFE.—I am not going to mention any individual. I may have in my mind's eye individuals whom I may consider to be well fitted for this position, but I shall not mention them. I shall vote for the motion, but if it is defeated, I should like to have an opportunity afterwards of voting for the amendment submitted by Senator Mulcahy. Perhaps we shall be able to get over the difficulty in some way so as to be able to meet the views of those honorable senators who, if they cannot secure the passage of the motion in its present form, would like to vote for the amendment.

Motion (by Senator PLAYFORD) put—

That the debate be now adjourned.

The Senate divided.

Ayes	...	...	12
Noes	...	...	14
Majority	...	...	2

AYES.

Baker, Sir R. C.	Mulcahy, E.
Best, R. W.	Playford, T.
Drake, J. G.	Pulsford, E.
Fraser, S.	Symon, Sir J. H.
Gould, A. J.	
Keating, J. H.	<i>Teller:</i>
Millen, E. D.	Walker, J. T.

NORS.

Dawson, A.	Pearce, G. F.
de Largie, H.	Stewart, J. C.
Findley, E.	Story, W. H.
Guthrie, R. S.	Styles, J.
Henderson, G.	Turley, H.
Higgs, W. G.	
McGregor, G.	<i>Teller:</i>
O'Keefe, D. J.	Croft, J. W.

Question so resolved in the negative.

Motion negatived.

Senator STYLES (Victoria) [5.54].—I shall support the motion. I wish to take this opportunity to remark that during my speech on the Address-in-Reply I made some reference to the appointment of the Lieutenant-Governor of Papua. I was not aware when I referred to ex-military officers that at present an ex-military officer is administering the Dependency. I have since been asked what dislike I had to Captain Barton. I wish to say that I intended to make no reference to Captain Barton. I was not aware that he was there. In fact, I never heard of him before making my allusion to the subject. Certainly, I did not make it with Captain Barton in my mind.

Senator PLAYFORD (South Australia—Minister of Defence) [5.55].—I think it is rather unkind for the majority of the Senate not to give me the opportunity which I requested of adjourning the debate.

Senator GUTHRIE.—The motion has been on the notice-paper for four weeks.

Senator PLAYFORD.—It is not a question of whether it has been on the notice-paper for four weeks or not. I do not load my brain with material affecting questions which may at some time arise in the Senate until I know that I have to use the information. I did not know that I should have to speak upon this question to-day. I did not expect that the motion would be reached to-day. As it was reached, I thought I should be allowed the ordinary courtesy that is always extended to the leader of a legislative chamber, and be afforded an opportunity to obtain the necessary information to explain the position fully to the Senate. At the present moment, I cannot answer the very first question that was put to me—that is to say, how it is that ten months have elapsed, and that the Papua Act has not been put into operation. It is only due to the Government, and to the Senate, that I should be in a position to answer a question of that kind. Here is a charge against the Government, that it has, apparently, neglected its duty in not bringing the Papua Act into operation, although some ten months have passed; and the leader of the Government in this Chamber is not allowed an opportunity to obtain information to enable him to answer it. The administration of Papua is not a concern of my Department. I do not

profess to be fully acquainted with it. Yet honorable senators do not allow me to have an opportunity to obtain the necessary information from my colleagues, so as to be able to satisfy the Senate if I can, or, at any rate, to give them some reasons for this apparently unaccountable delay. I say that that is hardly fair to me.

Senator MCGREGOR.—The honorable senator's supporters on the Opposition side are cheering him.

Senator FLAYFORD.—So far as they are concerned, they have the instincts of those who would like to deal out fair play all round. I can thoroughly understand the position which my honorable friend, Senator Symon, takes up. He has done what is always done by the leader of the Opposition in the House of Commons. The leader of the Opposition there always restrains his followers when any particular question comes up as to which he sees that if he were to vote in a certain way he might be faced with the same position, and have the same difficulty to encounter, if he occupied the position of leader of the House. Senator Symon knows what carrying on executive government means.

Senator HIGGS.—I rise to order. The question of the adjournment having been decided, is the Minister in order in discussing it?

Senator PLAYFORD.—I am not discussing it. I am discussing the sneer that was launched at me because Senator Symon supported my motion for the adjournment of the debate, and I am showing why I should imagine he took up that position. I should certainly do the same if I were in his place. This is a question of interference by Parliament with the duties of the Executive. That is the real point at issue. I am sorry to notice that there are many members of the Senate who appear to think that it is right and proper for Parliament practically to do the work which the Government ought to do, and ought to take the responsibility for doing. If we are going to carry on responsible government, and are to pass Acts of Parliament which give certain patronage to the Ministry of the day—give them the right to make certain appointments—the Government should be left to carry out those Acts of Parliament and make those appointments. I believe that it is very unwise for a Parliament to take upon itself the duties of the Executive.

Senator Sir JOSIAH SYMON.—This is instructing the Executive, which is worse. Besides, no leader of an Opposition ever refuses the request of the leader of the Government for the adjournment of a debate in such circumstances.

Senator PLAYFORD.—I will not discuss that point any more, but will say a word or two about the motion itself. The gist of it lies in the second paragraph. So far as this paragraph is concerned, honorable senators know that I am in favour of appointing Australian citizens wherever possible. In spite of considerable opposition from a number of people connected with the Department over which I have the honour to preside, I determined, in the appointment of officers, to give the positions to Australians in preference to inviting the assistance of Imperial officers. To show my determination in this connexion, it has been made plain and unmistakable, by means of a paragraph in the Governor-General's speech, that in the future the Government intend to give preference to Australian officers, other things being equal. I do not mean to say that we shall not occasionally go outside for information. There may be times at which some specially qualified Imperial officer might with advantage be called in to report and advise as to the best methods to be adopted in the administration of the Military Forces; but in order to encourage our own men we ought not to appoint outsiders so long as we can obtain officers of equal ability and experience within the borders of the Commonwealth. I believe that we have such officers in Australia; but there may be exceptional circumstances. All I know about Sir William McGregor is that I was informed by the Prime Minister that he had communicated by telegraph with that gentleman, and that the latter felt inclined to take the position.

Senator FINDLEY.—That is not giving encouragement to Australians.

Senator PLAYFORD.—A general rule may have exceptions at times. The position is that we require some one as Lieutenant-Governor of New Guinea, where, we know, there is some trouble. Charges have been brought against the present Administrator by a certain officer, and there has been an inquiry, the result of which has been placed before honorable senators in the form of a report. No doubt, there is a little disorganization amongst the officials of the Dependency, and we want, if pos-

sible, to get the very best man as Lieutenant-Governor. We have had inquiries made, and standing head and shoulders above every likely man is Sir William McGregor. The affairs of New Guinea have been specially noted by an honorable senator who has visited the Dependency, and has expressed his views in writing; and he points to Sir William McGregor as the Governor *par excellence* in years past. If the position be that the affairs of New Guinea are crooked and require straightening, the man most likely to carry out the work is one who knows the place, and has already been a successful Administrator there. By such an appointment, we shall be more likely to get a good result than by selecting a man within the Commonwealth, who, although he may be possessed of all the necessary brains, may not have the required experience. We want the best man possible under the special circumstances; and what I have indicated is the position the Government assume. I believe the Prime Minister is actuated only by the one motive of obtaining the best Lieutenant-Governor at this particular troublesome juncture in the history of the Dependency; and he is perfectly justified in seeking the services of a man who is in the prime of life, and whose past experience will be invaluable. We want the best man; and, under the circumstances, that man appears to be Sir William McGregor. I should have liked to be able to tell honorable senators the exact position—how far the negotiations have progressed, and so forth.

Senator Sir JOSIAH SYMON.—The Minister ought to ask to be permitted to continue his remarks on another occasion.

Senator PLAYFORD.—What would Senator Higgs say to that suggestion?

Senator HIGGS.—I say that the Minister of Defence could not make a better speech than he is making now, if he postponed his remarks for three weeks.

Senator PLAYFORD.—Does the honorable senator desire information, or does he not?

Senator HIGGS.—We do not require any further information.

Senator PLAYFORD.—Then I shall conclude my remarks by saying that the Government have no option but to oppose the motion. I do not suppose that the amendment will be insisted on, seeing that it suggests what the Government are really doing now. All things being equal, of course, appoint an Australian.

Senator FINDLEY.—If an Australian is good enough to control the Military Forces, an Australian is good enough to administer New Guinea.

Senator PLAYFORD.—That may be, but we must have an Australian equal in experience to Sir William McGregor.

Senator FINDLEY.—According to reports, New Guinea is a back number, anyhow.

Senator PLAYFORD.—I take the amendment to mean simply that if we can get an Australian of equal ability, an Australian shall be appointed; and, therefore, I ask Senator Mulcahy to vote against the motion. An amusing point about the motion is that the Australian citizen to be appointed must be "in touch with the aspirations of the Commonwealth." What does that mean?

Senator FINDLEY.—He has to have national sentiment and spirit.

Senator PLAYFORD.—How can it be ascertained whether an otherwise eligible person is "in touch with the aspirations of the Commonwealth"? He may be in touch with Senator Findley's aspirations, but not in touch with mine—we all have different aspirations. Can anybody define the "aspirations of the Commonwealth"? Would it not be a great deal better to say straight out, without any padding, that an Australian citizen shall be appointed? Any Government, even a Labour Government, would be bound to oppose a motion of this character, which seeks to take away their rightful executive duty.

Senator Sir JOSIAH SYMON.—And their responsibility.

Senator PLAYFORD.—And their responsibility. I hope Senator Higgs will not press the motion to a division.

Senator PULSFORD (New South Wales) [6.10].—This matter is of greater importance than some honorable senators seem to imagine. We require somebody to administer British New Guinea. The island does not belong entirely to Great Britain, but is divided amongst three nationalities, and the British power should be represented by a man with a full knowledge of international law. There is the German Possession in the north, and the Dutch Possession on the west; and in the present political condition of the world, we might easily, at any time, have trouble with Germany on the north or on the coast, German islands being not far away. The present is a time of great difficulty, there being

more than one troublesome question unsettled between Great Britain and Germany. To bind ourselves not to accept the services of a man who, in the judgment of those most fitted to decide, is the best able to maintain the power of Great Britain, and the power of Australia—I imagine the two are the same—would surely be a great mistake. I ask honorable senators to pause before they pledge themselves to the recommendations in the motion. There is another, and a very strong, reason why honorable senators should hesitate. A proposal such as this, if carried by a snatch majority, would not be a fair representation of the opinion of the Senate.

Senator FINDLEY.—What does the honorable senator mean by a “snatch majority”?

Senator PULSFORD.—I mean a majority on a division, when there are absent a number of honorable senators who would undoubtedly vote against the motion.

Senator FINDLEY.—There may be some honorable senators absent who would vote for the motion.

Senator PULSFORD.—I have no hesitation in saying that the majority of the Senate are against the motion, which, under the circumstances, ought not to be pressed to a division. We have had a great responsibility handed over to us by the motherland; and are we on the first occasion to declare that we shall not accept the assistance of any one from the old country—that we will choose a Lieutenant-Governor, whether competent or otherwise, from Australia, and will risk all complications and dangers? I do not think that the Senate is prepared, and I am certain that Australia is not prepared, to indorse such a motion.

Senator WALKER (New South Wales) [6.13].—I hope Senator Mulcahy will withdraw his amendment, and let us get to business and support the Government.

Senator MULCAHY (Tasmania) [6.14].

—With the consent of the Senate, I shall be glad to withdraw the amendment, in view of the fact that the Minister of Defence has given an undertaking that what I desire shall be carried out. ■

Amendment, by leave, withdrawn.

Motion (by Senator Lt.-Col. GOULD) put—

That the debate be now adjourned.

The Senate divided.

Ayes	...	...	...	13
Noes	...	...	...	14
				—
Majority	...	...	...	1

AYES.

Baker, Sir R. C.
Best, R. W.
Dobson, H.
Drake, J. G.
Fraser, S.
Gould, A. J.
Keating, J. H.
Millen, E. D.

Mulcahy, E.
Playford, T.
Pulsford, E.
Symon, Sir J. H.

Teller:

Walker, J. T.

NOES.

Dawson, A.
de Largie, H.
Findley, E.
Guthrie, R. S.
Henderson, G.
Higgs, W. G.
McGregor, G.
O'Keefe, D. J.

Pearce, G. F.
Stewart, J. C.
Story, W. H.
Styles, J.
Turley, H.

Teller:

Croft, J. W.

Question so resolved in the negative.

Motion negatived.

Senator STEWART (Queensland) [6.17].—I am in rather a difficult position in regard to this motion. I have recently visited the north of Queensland, where I came in contact with a number of men who for years past have been living in New Guinea, and have taken an active interest in the management of affairs there. The opinion they expressed to me with regard to the proclamation of the Papua Act was that the majority of the white men resident in the Territory are opposed to that proclamation under existing conditions. Their objection is that elective representation has not been provided for in the Constitution, and they are opposed to the proclamation of the Act until provision for it has been made. I was asked to bring the matter before Parliament as soon as I possibly could. If I vote for this motion, and it is carried, and if the Government follow the instructions of the Senate in the terms of this motion, the proclamation of the Act will take place at once. I am, however, anxious to see the matter settled now, and I do not see why there should not be a settlement of it. I think we are in a position to express our views. I have given a very good reason why I should vote against the motion. As I have pointed out, I have, I will not say received instructions, but I have been asked by residents of New Guinea to state their opinion of the Constitution which has been passed for the government of the Territory.

Senator DE LARGIE.—What action does the honorable senator propose to take to amend the Constitution?

Senator STEWART.—That is a matter for the Government.

Senator HIGGS.—The honorable senator might ask that in being submitted to the Senate, the motion be divided, because it is a complicated one.

Senator STEWART.—With respect to the second portion of the motion, I might say that probably no matter of greater importance has ever come before the Senate than the appointment of a Lieutenant-Governor of New Guinea. I say without fear of contradiction that in the Government of New Guinea we have a problem to solve that has not been solved successfully by any Government I know of. No Government has so far ever succeeded in ruling the native races of any country as they should be ruled. Senator Playford desired to know what the Australian sentiment is. So far as I have been able to discover it, the Australian sentiment with regard to New Guinea is that the rights of the natives of that Territory must be jealously conserved. We must try to succeed in governing that country without demoralizing the natives. That is the object which, I think, every true Australian has in mind with regard to New Guinea. If that be taken for granted, then I say that we should get the very best possible man obtainable as Lieutenant-Governor of the Territory. In the circumstances, I do not know that I should be prepared to vote for the appointment of an Australian before any other man merely because he is an Australian. I have heard the name of an Australian mentioned in connexion with the position. I have the very highest respect for the gentleman, and for his ability, but I can assure the Senate that his appointment would not be heralded very heartily by a large number of the inhabitants of New Guinea.

Senator DE LARGIE.—Why?

Senator STEWART.—I am not going to enter into the reasons. If we are to appoint an Australian as Lieutenant-Governor of New Guinea, we should appoint a man who has had some acquaintance with tropical conditions—a man who has lived in the tropical portion of Australia, and not a man whose whole experience has been gained in the southern quarter of the continent. That is all I need say on that point. Now, with regard to Sir William McGregor, if the Government can secure his services, I think they ought to do so. No man who has ever governed New Guinea has done so successfully as did Sir William McGregor. He gained the confidence of the natives, and enjoyed the re-

spect of the Europeans, and every person of the Island was exceedingly sorry when he left it. Holding these opinions, I regret extremely that I shall be compelled to vote against the motion.

Senator Lt.-Col. GOULD (New South Wales) [6.25].—A little time ago I moved the adjournment of the debate, believing that after the statement of the Minister of Defence that he desired an opportunity to post himself up with information on the subject, honorable senators, even if they had no respect for the Government, would record their votes in favour of the motion. Although Senator Playford had spoken, Senator Keating could very well have given us the information, when it had been obtained. The Government find themselves in a most peculiar position in connexion with this motion. Honorable senators who usually support them have on this question turned their backs upon them, and those who are conscientiously opposed to them on general policy have voted with them because they thought that it was only fair and reasonable that the debate should be adjourned.

Senator DAWSON.—That only shows that honorable senators opposite are always in the wrong.

Senator Lt.-Col. GOULD.—Perhaps so. Apart from the way in which the Government have been treated in regard to the proposed adjournment of the debate, honorable senators should be satisfied from what has already been stated that it would be a very grave mistake to insist upon carrying such a motion. Before entering upon the merits of the question, I will assume, for the sake of argument, that by a majority of one or two the Senate determines to accept the motion. Does Senator Higgs, or any other honorable senator, believe for a moment that the Government would feel themselves bound by it? Do they think that unless the other House, after a full and fair debate, arrived at a similar determination, there would be the slightest hope that the Government would adopt the course they suggest? What would be the position of the Senate if this motion were carried? It would be held up to ridicule as a body that passes motions at which the Government snap their fingers. We all desire that the Senate should carry considerable weight in the legislation of the Commonwealth, but I ask whether the passing of such a motion is likely to place the Senate in that position? I ask honorable senators whether they do not

recognise that it would, on the contrary, be calculated to place the Senate in a position which would lessen the influence and power which we desire it should exercise in connexion with Commonwealth matters? If, after full debate, Senator Higgs can secure a substantial majority for his motion well and good, but what is now desired is that a snatch majority may be secured without sufficient debate and without sufficient knowledge of the question. I think that Senator Higgs interjected that he did not desire any more information, but, as a member of the Senate, I say that I do desire more information before dealing with so important a matter. It is utterly absurd to submit such a motion, and then say that we are prepared to vote upon it without any further information.

Senator FINDLEY.—If we were to adjourn the debate now, the next thing we would hear might be that Sir William McGregor had been appointed.

Senator Lt.-Col. GOULD.—If Sir William McGregor is appointed, and his appointment is not considered a suitable one, honorable senators who object to it will have a means of dealing with the Government who make the appointment. If this motion has been introduced merely in order to oppose the appointment of Sir William McGregor, whether he is the best man or not, every honorable senator who desires that we shall adopt a reasonable course will be justified in voting against it. During the debate, it has been shown, I think, that Sir William McGregor is not likely to accept the appointment, and is not in the running for it, and if that be so, the gentleman who is administering the Government of the Territory to-day, and who, so far as I know, is administering it fairly well, should receive proper consideration.

Senator GUTHRIE.—The Minister admits that there is any amount of trouble arising out of the present administration.

Senator Lt.-Col. GOULD.—I dare say that for many years to come there will be trouble arising out of the administration of New Guinea, but it is not shown that any of the trouble existing at present is due to the gentleman who is now administering the government of the Territory. If that gentleman has proved himself to be incompetent, the duty of the Government is clear.

Sitting suspended from 6.30 to 7.45 p.m.

Senator Lt.-Col. GOULD.—In his speech Senator Stewart pointed out that there is a

very strong feeling amongst residents in Papua against the Act which this Parliament passed a few months ago being brought into operation. Whether their reasons are good or not it means that there are a number of persons in the Possession who are dissatisfied with the Act, in consequence of what they consider to be grave defects. In these circumstances it is well that the Senate should pause while defects of that character are being fairly considered by those who are responsible—the Government.

Senator HIGGS.—The honorable senator knows its defect. Would he vote for electoral representation?

Senator Lt.-Col. GOULD.—The present question is not whether I would vote for electoral representation or not. Senator Stewart has pointed out that that is the reason which is operating in the minds of some persons, but there may be other reasons for their holding the view that the Act should not be brought into force. I feel quite satisfied that the Parliament held the belief that it was the best Act which it could pass for the government of the Dependency, and yet there may be reasons for its reconsideration in some important particulars. But, putting that matter on one side, we have to look at the second paragraph of this motion, in which we are really asked to dictate to the Government the way in which they are to select a Lieutenant-Governor. I am not going to relieve any Government of the duties and responsibilities which are cast upon them. It would be a monstrous thing if the Senate were to attempt to set up a doctrine of that character. We might just as well say to the Government, "Whenever you want to make important appointments, submit the names of those whom you wish to appoint. We shall submit other names, go to a ballot, and see which would be the more popular appointments." Honorable senators will see at once that that would put an end to our system of responsible government. We know what the views of the Government of the day are in regard to any appointments within their gift. And we may safely conclude that every member of the present Government would be prepared to appoint an Australian citizen to any position within their gift if he felt sure that he was the most suitable man available. While I have a strong belief in the rights of Australian citizenship, having lived in the Commonwealth all my life, I contend that if an Australian wants

to get a position of an important character which is in the gift of the Government, he should get it upon his merits, and not merely because of his place of birth. And if a man from the other end of the world is more suited to fill a position under the Commonwealth than any man who can be found in Australia, it is a fair thing to appoint him.

Senator HENDERSON.—Every one would say that.

Senator Lt.-Col. GOULD.—I am very glad to hear that interjection, but from the way in which the debate has been carried on it would seem that we are to look upon Australians as the only persons who are entitled to get any positions within the gift of the Commonwealth Government.

Senator MCGREGOR.—But that is because we believe that they are as good as any other persons.

Senator DAWSON. — Other things being equal.

Senator Lt.-Col. GOULD.—Then what is the good of supporting the motion? Even if honorable senators on the other side were to submit a motion to the effect that other things being equal an Australian should be appointed what would it come to? Do they think that any Government would go out of the way to appoint a person who was altogether dissociated from Australia in preference to a person who was resident here, and cognisant of the interests of Australia? It is an absurdity to believe for a moment that any Government would do anything of that kind. The Government are entrusted with a responsibility. We desire the affairs of the public to be properly administered, and we expect the Government to make the best possible appointment in order to carry out that wish. Whether the person appointed is an Australian or an Englishman matters not to my mind. I want the best man for the position of Lieutenant-Governor of Papua, as I want the best man for every other position. We should leave to the Government the responsibility of making this appointment. I would appeal to Senator Dawson as an ex-Minister whether it is not a reasonable thing to leave the Government to make a selection free and unfettered. If the members of the Labour Party have confidence in the Government cannot they trust Ministers to make an appointment of this character? But if they have no confidence in Ministers why do they support them?

Senator GUTHRIE.—We did not.

Senator Lt.-Col. GOULD.—Not on the question of adjourning the debate.

Senator GUTHRIE.—But the honorable senator did.

Senator Lt.-Col. GOULD.—The honorable senator and his friends did not support Ministers when they asked for an adjournment of the debate in order to give more information to the Senate than is now in their possession. What was their object in doing that? The object was transparent. They thought that they had a majority in favour of the motion. They did not care about any reasons which might be offered against it. They only wanted to get to a vote. I congratulate the Government upon having a band of supporters such as these honorable senators, who have shown on many occasions that they are prepared to kick them from pillar to post when it suits their sweet will.

Senator PEARCE.—Senator Playford is happy now, because he has a majority.

Senator Lt.-Col. GOULD. — Whether Senator Playford has a majority or not, I submit that honorable senators who profess to support the Government, ought, at any rate, to trust them when they ask for an adjournment of the debate on an important question of this character without kicking them and declining to accede to their request. These honorable senators know perfectly well that if a vote on a question of this kind had been carried in the other House it would possibly have brought about a crisis, unless the House had been prepared to go back upon its decision. I know of cases where Governments have gone out of office on a vote of this kind, and they did quite right too. If Ministers want to exercise their independence of character, and say "We will lead. If we remain in office we shall not follow the dictates of a number of men who only care for what they can get out of us—"

Senator HIGGS.—If such a crisis were to happen here the honorable senator would vote with us?

Senator MILLEN.—No, he would not, because the honorable senator would vote the other way then.

Senator Lt.-Col. GOULD.—Of course, Senator Higgs would, and therein lies the safety of the Government at the present time. I trust that the motion will not be carried, because, in my opinion, it would be aiming a

serious blow at constitutional government, and would be absolutely unfair to the great Dependency of Papua, which we desire to see legitimately administered.

Senator HENDERSON (Western Australia) [7.55].—From the discussion, it would appear that those who are opposing the motion desire to impute to its supporters an intention to fill a high and honorable position with a perfect nonentity. I think that that is the impression which the last speaker tried to convey to the Chamber. I intend to support the motion, but in doing so I am anxious that any high and honorable position which may fall within the gift of the Commonwealth shall be given to a man who is amply qualified in every respect to honorably adorn it.

Senator PULSFORD.—Whether we have him or not?

Senator HENDERSON.—We have the man.

Senator Lt.-Col. GOULD.—Who is he?

Senator HENDERSON.—Not the honorable senator who is interjecting.

Senator Lt.-Col. GOULD.—Nor the honorable senator who is speaking.

Senator Sir JOSIAH SYMON.—Where have my honorable friends got the man shut up?

Senator HENDERSON.—We have suitable men in dozens, it may be in hundreds, of places within the area of this great Commonwealth. Hitherto, if a man was required to do any great work, or to discharge any great responsibility, the only thing to be done was to send to the old country for him.

Senator MCGREGOR.—Get a fossil.

Senator HENDERSON.—Yes, that practically is the usage which has fixed itself almost indelibly upon the minds of very many of our leading citizens. I do not read the motion, and I do not think that many persons read the motion, as it was interpreted for us by Senator Symon this afternoon. The sum total of his conclusions was that what we are seeking by the motion is that the Lieutenant-Governor shall be a citizen of the Commonwealth in touch with Australian aspirations.

Senator Sir JOSIAH SYMON.—That is all the motion says.

Senator HENDERSON.—Surely honorable senators on the other side do not wish us to specify in a motion which has relation to an appointment here that the appointee shall be black, shall be 6 ft. 4½ in. high, shall weigh 16 stone 10 lbs., and shall

be able to run, swim, and fight, if need be, on every occasion when he may be called upon! Surely they do not require so much detail, when, after all, we are only trying to establish a principle which we regard as right. I support the motion very largely on the ground that we, as a Commonwealth, have taken upon ourselves the responsibilities of colonization. Whenever high and honorable positions have to be filled in connexion therewith, I hold that Australian citizens should be appointed to them.

Senator FINDLEY.—We should follow the example of the Minister of Defence.

Senator HENDERSON.—Yes. Senator Playford, as well as several honorable senators on the other side, have told us to-day that what we require is a man of great capacity and experience. Unless we obtain an experienced man we shall never be able to govern the Possession. But if men had to have experience for every walk of life before they enter into it, there would be no soldiers to go to the field of battle—and that would be a blessing!—and there would be no senators to come to this House.

Senator WALKER.—That would be a blessing, too!

Senator HENDERSON.—It would be a blessing, in many instances! It is an evident fact that men can only gain experience by practice, and if we want to have experienced citizens in Australia who are able to govern as we colonize, we shall have to start somewhere. If men can never enter upon a task before they have acquired experience, we shall, I suppose, have to train up a race of Governors, as well as a race of Judges and bankers. Even then, as the experienced men die out, we should, after all, have to enlist the services of those who were not experienced. I hold that this is a most opportune time for bringing forward this subject. I do not think that the carrying of the motion would be such a very severe blow to the Government. Even if it were a little bit of a knock to them, it would not injure them much. Why should the members of the Government go on to the public platform, and put themselves forth as the champions of Australia for the Australians, and then, at the first opportunity, when they could show their faith in that principle, turn round and give the Australians a slap in the face, and tell them that they are not capable of doing anything in connexion with the government of New

Guinea—that their place is at home, bowing in quiet submission to a man brought from the hills of Scotland, or some other part of the British Dominion? That is not the position which I take up. I say nothing against either Sir William McGregor, or any other man who has been doing such work as he has been doing. But I am one of those who believe that we have men in Western Australia, and in the other States of this country, who will be equally competent to perform as great services to the Commonwealth when the opportunity is presented to them, as will either Sir William McGregor, or any other man who may have been as fortunate as he in rising to a high position.

Senator DE LARGIE (Western Australia) [8.5].—Since the leader of the Senate spoke this afternoon, this question has been presented to us in a new aspect. When Senator Playford was giving us his fiery oration, which he told us was altogether unprepared, he made the declaration that the Government had under consideration the appointment of Sir William McGregor to the position of Lieutenant-Governor of the Possession of Papua. While I agreed with all that he said about Sir William McGregor, and the fine services which that gentleman rendered in British New Guinea, nevertheless, if we remember his advanced age, and the fact that he has been residing for some years in Newfoundland—the climatic conditions of which are exactly the opposite of those which prevail in Papua—it will be realized that his appointment would be in the opinion of most people a very unfortunate one. His mental faculties may be as vigorous as ever, but it cannot be expected that a man on the verge of sixty years of age can be at all well-fitted for life in the tropics, and such hard and vigorous work as he would be called upon to do in Papua. For these reasons I do not agree that Sir William McGregor's appointment would be a suitable one under present circumstances.

Senator DAWSON.—Any McGregor would be suitable at any age.

Senator DE LARGIE.—I have no fault to find with the McGregor clan. I showed my appreciation of its qualities some years ago by marrying a McGregor; though at the same time I do not share the Caledonian proclivities that my honorable friend, Senator Stewart, has exhibited. He has turned a complete somersault in

regard to this question. If there is one member of this Senate who more than another has on all occasions stood out for giving a vote on the merits of a question, it is Senator Stewart. He is never tired of declaring that every question ought to be settled on its own merits.

Senator PLAYFORD.—That is what he is doing now.

Senator DE LARGIE.—He is doing the very opposite. Senator Stewart tells us that he is quite in accord with the terms of the motion that Senator Higgs has moved—that, in fact, he is so much in accord with it that he intends to vote against it, simply because he met a man in North Queensland who had an objection to the Constitution which we have passed for Papua! That is a remarkable point of view!

Senator MULCAHY.—What Senator Stewart said was that we ought to get the best man for the position.

Senator DE LARGIE.—That opinion has been expressed so often that there is no novelty in it. My answer is that the best possible man for the position is more likely to be found in Australia than elsewhere.

Senator WALKER.—That is a matter of opinion.

Senator DE LARGIE.—I am satisfied that a man from the other side of the world cannot be as well acquainted with Australian sentiment as a man living in this country. The conditions that obtain in Australia are entirely different from those that obtain in the old country. A man brought from the official classes there has much to learn—or rather much to unlearn—before he gets in touch with Australian sentiment.

Senator PLAYFORD.—No doubt, but in Sir William McGregor we shall have a man who has been here before, and knows all about us.

Senator GUTHRIE.—He has never served under the Commonwealth.

Senator DE LARGIE.—I am afraid that we shall not be able to avail ourselves of his assistance for very long, even if he is brought here. The best man we can have for this position is an Australian, young and vigorous, not only in mind, but in body, and well able to stand the rigorous climate which we are always told obtains in those latitudes. It would be foolish—almost suicidal—to invite a man of Sir William McGregor's advanced age to come here to resume the Lieutenant-Governorship of

Papua. I should like to ask my honorable friend Senator Stewart if he thinks he is going to advance the cause of which he says he is in favour—because I understood him to be a supporter of the principle that, where an Australian shows capacity for filling an office, he should be appointed to it in preference to an outsider—if every time he meets a man from North Queensland who is opposed to something which we have done, he votes against a motion which seeks to advance that cause? He might as well vote against protection for some Australian industry because our Federal Constitution is not all that some man in North Queensland thinks it ought to be.

Senator STEWART.—Give us the real reason for all this flurry and humbug.

Senator DE LARGIE.—The real reason is that we wish to appoint an Australian citizen to the Lieutenant-Governorship of Papua.

Senator STEWART.—I could put a different complexion on all this talk.

Senator DE LARGIE.—I hope that my honorable friend will give us the advantage of his opinion.

Senator STEWART.—I could do it, and quickly, too.

Senator DE LARGIE. —I hope that in doing it the honorable senator will not wander away to North Queensland, and give us the opinion of a man who does not like the New Guinea Constitution.

Senator STEWART.—I should not run to Western Australia for an opinion on the subject, anyway.

Senator DE LARGIE. — I am quite satisfied that the sentiment to which expression is given in this motion is one that no member of the Senate ought to be found voting against. The time has come when we should lay down the principle that Australians should be appointed to positions of this character; and I hope that, when the vote is taken, honorable senators will stand by that principle, and that even Senator Stewart will forget the man he met in North Queensland who is not in favour of the New Guinea Constitution.

Senator BEST (Victoria) [8.12]. — I must confess, in the first place, that I am at a loss to understand why there has been so much heat in connexion with this matter; and, secondly, that I am at a loss to understand its urgency. To my mind, at the very root of it there is implied a want of confidence in the Government. The motion can be construed in no other way. Some

of my honorable friends who have spoken have indicated very clearly that they think that the Senate must have a word in the making of the appointment under review. But, so far as my experience of parliamentary affairs goes, this is an appointment which is essentially one for which the Government must take the responsibility. It is essentially an Executive act, and I, for one, disclaim the idea that we should relieve the Government from its most important responsibility in this regard. We have in office a Government which has declared that one of the leading planks in its policy is the principle of "Australia for the Australians." Under these circumstances, I inquire why, if there is any reasonable confidence in the Government, this motion is necessary at all? Do my honorable friends who support it suggest for a moment that, given equal capacity on the part of an Australian, as compared with any person from any other part of the British Empire, preference would not be given to the Australian? I am absolutely certain that preference would be given to him, and there is not a member of this Senate who would deny that assertion. But are my honorable friends going to say that experience is to be placed at a discount, and is not to be taken into consideration in an appointment of this character? Do they say that experience is to be a disqualification?

Senator MCGREGOR.—How is an Australian to get the necessary experience?

Senator BEST. — The business of this Parliament, it seems to me, is to ascertain who is the most capable man for the position. To do that we have to ascertain who is the man who has had the finest and best experience. That should always be our first consideration.

Senator DAWSON.—Does not the honorable and learned senator regard old age as a disqualification?

Senator BEST.—I do not consider that a man is too old at fifty-nine.

Senator TRENWITH.—Why, I am fifty-nine.

Senator BEST.—Would any one refer to my honorable friend Senator Trenwith as being an example of decrepitude, or as incapable of filling intelligently any position for which his experience qualifies him? So that the point comes to this: that my honorable friends who are supporting this motion must say that experience is

not to count, but that the first consideration must be to give the appointment to an Australian citizen.

Senator MCGREGOR. — What does the honorable senator call "experience"?

Senator BEST.—

Old experience doth attain
To something like prophetic strain.

If Sir William McGregor has qualified himself by reason of residence, and by his very intimate knowledge of the affairs of this particular Territory, and if the Government, in their anxious desire to promote an Australian if they can, take the responsibility of selecting some one else, they must satisfy themselves that he has special qualifications which entitle him to the position. To my mind, it will be rather a serious reflection on Australians if we support what the motion seems to affirm, namely, that an Australian must have preference, simply because he is an Australian, and without any regard whatever to his qualifications.

Senator O'KEEFE.—It is the honorable senator who is reflecting on Australians.

Senator BEST.—No; I trust the Government, because I know they will give preference to an Australian, all other things being equal.

Senator DAWSON.—Then why does the honorable senator sit in Opposition?

Senator BEST.—Because I do not want to do Australians an injustice. Honorable senators may cry "oh"!

Senator DAWSON.—The honorable senator trusts the Government, and votes against the Government.

Senator BEST.—I am voting with the Government. It is Senator Dawson, and others, who sit with, and vote against, the Government.

Senator GUTHRIE.—The Government have opened negotiations with a man outside Australia.

Senator BEST.—Then the Government must take the responsibility of their action.

Senator Lt.-Col. GOULD.—The man outside may be the best available.

Senator BEST.—If he is the best man available, he is entitled to the position. We are, in this connexion, doing ourselves an injustice. If we want the very best administration of this new Territory, we must take care to get a Lieutenant-Governor who will fulfil our expectations, and not give the position to, perhaps, a tyro without

experience, who may or may not be a failure. I think my honorable friends opposite are making a great mistake in pressing this motion—in regarding it as a matter of urgency—and I ask time for consideration in order to prevent the reflection on Australians which is embodied in it.

Senator TRENWITH (Victoria) [8.18]. —I feel that in this matter some honorable senators are taking a wrong view in assuming that in expressing an opinion on a principle, we are in any way reflecting on the Government. As to Sir William McGregor, I should like to know to what extent the Government are pledged.

Senator PLAYFORD.—I do not know that the Government are pledged at all. Honorable senators would not give me an opportunity to explain.

Senator TRENWITH.—If the Government are not pledged, I think we are justified in expressing an opinion.

Senator DOBSON.—The Government are pledged.

Senator TRENWITH.—I understand the leader of the Senate to assure me that the Government are not pledged.

Senator PLAYFORD.—I do not know whether the Government are pledged or not; and honorable senators would not give me an opportunity to ascertain.

Senator TRENWITH.—We are discussing a matter of very considerable importance. For instance, the Government have gone the length of asking Sir William McGregor whether, if appointed, he would accept the post.

Senator MILLEN.—That appears to be the position.

Senator TRENWITH.—I do not think that that inquiry pledges the Government sufficiently to prevent us from expressing an opinion on an important question. I shall resist, as far as I am able, any interference by this or another Chamber with the actual appointment—that is the selection of the man. That must be an Executive act, for which the Government must be responsible.

Senator DOBSON.—Would the honorable senator not respect an offer?

Senator TRENWITH.—I think it is hardly an offer, though, of course, I do not know.

Senator MILLEN.—The honorable senator admits the difficulty of discussing this matter in the absence of information as to the exact stage of the negotiations?

more than one troublesome question unsettled between Great Britain and Germany. To bind ourselves not to accept the services of a man who, in the judgment of those most fitted to decide, is the best able to maintain the power of Great Britain, and the power of Australia—I imagine the two are the same—would surely be a great mistake. I ask honorable senators to pause before they pledge themselves to the recommendations in the motion. There is another, and a very strong, reason why honorable senators should hesitate. A proposal such as this, if carried by a snatch majority, would not be a fair representation of the opinion of the Senate.

Senator FINDLEY.—What does the honorable senator mean by a “snatch majority”?

Senator PULSFORD.—I mean a majority on a division, when there are absent a number of honorable senators who would undoubtedly vote against the motion.

Senator FINDLEY.—There may be some honorable senators absent who would vote for the motion.

Senator PULSFORD.—I have no hesitation in saying that the majority of the Senate are against the motion, which, under the circumstances, ought not to be pressed to a division. We have had a great responsibility handed over to us by the motherland; and are we on the first occasion to declare that we shall not accept the assistance of any one from the old country—that we will choose a Lieutenant-Governor, whether competent or otherwise, from Australia, and will risk all complications and dangers? I do not think that the Senate is prepared, and I am certain that Australia is not prepared, to indorse such a motion.

Senator WALKER (New South Wales) [6.13].—I hope Senator Mulcahy will withdraw his amendment, and let us get to business and support the Government.

Senator MULCAHY (Tasmania) [6.14].—With the consent of the Senate, I shall be glad to withdraw the amendment, in view of the fact that the Minister of Defence has given an undertaking that what I desire shall be carried out. ■

Amendment, by leave, withdrawn.

Motion (by Senator Lt.-Col. GOULD) put—

That the debate be now adjourned.

The Senate divided.

Ayes	...	...	13
Noes	...	...	14
			—
Majority	...	...	1

AYES.

Baker, Sir R. C.
Best, R. W.
Dobson, H.
Drake, J. G.
Fraser, S.
Gould, A. J.
Keating, J. H.
Millen, E. D.

Mulcahy, E.
Playford, T.
Pulsford, E.
Symon, Sir J. H.

Teller:

Walker, J. T.

NOES.

Dawson, A.
de Largie, H.
Findley, E.
Guthrie, R. S.
Henderson, G.
Higgs, W. G.
McGregor, G.
O'Keefe, D. J.

Pearce, G. F.
Stewart, J. C.
Story, W. H.
Styles, J.
Turley, H.

Teller:

Croft, J. W.

Question so resolved in the negative.

Motion negatived.

Senator STEWART (Queensland) [6.17].—I am in rather a difficult position in regard to this motion. I have recently visited the north of Queensland, where I came in contact with a number of men who for years past have been living in New Guinea, and have taken an active interest in the management of affairs there. The opinion they expressed to me with regard to the proclamation of the Papua Act was that the majority of the white men resident in the Territory are opposed to that proclamation under existing conditions. Their objection is that elective representation has not been provided for in the Constitution, and they are opposed to the proclamation of the Act until provision for it has been made. I was asked to bring the matter before Parliament as soon as I possibly could. If I vote for this motion, and it is carried, and if the Government follow the instructions of the Senate in the terms of this motion, the proclamation of the Act will take place at once. I am, however, anxious to see the matter settled now, and I do not see why there should not be a settlement of it. I think we are in a position to express our views. I have given a very good reason why I should vote against the motion. As I have pointed out, I have, I will not say received instructions, but I have been asked by residents of New Guinea to state their opinion of the Constitution which has been passed for the government of the Territory.

Senator DE LARGIE.—What action does the honorable senator propose to take to amend the Constitution?

Senator STEWART.—That is a matter for the Government.

Senator HIGGS.—The honorable senator might ask that in being submitted to the Senate, the motion be divided, because it is a complicated one.

Senator STEWART.—With respect to the second portion of the motion, I might say that probably no matter of greater importance has ever come before the Senate than the appointment of a Lieutenant-Governor of New Guinea. I say without fear of contradiction that in the Government of New Guinea we have a problem to solve that has not been solved successfully by any Government I know of. No Government has so far ever succeeded in ruling the native races of any country as they should be ruled. Senator Playford desired to know what the Australian sentiment is. So far as I have been able to discover it, the Australian sentiment with regard to New Guinea is that the rights of the natives of that Territory must be jealously conserved. We must try to succeed in governing that country without demoralizing the natives. That is the object which, I think, every true Australian has in mind with regard to New Guinea. If that be taken for granted, then I say that we should get the very best possible man obtainable as Lieutenant-Governor of the Territory. In the circumstances, I do not know that I should be prepared to vote for the appointment of an Australian before any other man merely because he is an Australian. I have heard the name of an Australian mentioned in connexion with the position. I have the very highest respect for the gentleman, and for his ability, but I can assure the Senate that his appointment would not be heralded very heartily by a large number of the inhabitants of New Guinea.

Senator DE LARGIE.—Why?

Senator STEWART.—I am not going to enter into the reasons. If we are to appoint an Australian as Lieutenant-Governor of New Guinea, we should appoint a man who has had some acquaintance with tropical conditions—a man who has lived in the tropical portion of Australia, and not a man whose whole experience has been gained in the southern quarter of the continent. That is all I need say on that point. Now, with regard to Sir William McGregor, if the Government can secure his services, I think they ought to do so. No man who has ever governed New Guinea has done so successfully as did Sir William McGregor. He gained the confidence of the natives, and enjoyed the re-

spect of the Europeans, and every person of the Island was exceedingly sorry when he left it. Holding these opinions, I regret extremely that I shall be compelled to vote against the motion.

Senator Lt.-Col. GOULD (New South Wales) [6.25].—A little time ago I moved the adjournment of the debate, believing that after the statement of the Minister of Defence that he desired an opportunity to post himself up with information on the subject, honorable senators, even if they had no respect for the Government, would record their votes in favour of the motion. Although Senator Playford had spoken, Senator Keating could very well have given us the information, when it had been obtained. The Government find themselves in a most peculiar position in connexion with this motion. Honorable senators who usually support them have on this question turned their backs upon them, and those who are conscientiously opposed to them on general policy have voted with them because they thought that it was only fair and reasonable that the debate should be adjourned.

Senator DAWSON.—That only shows that honorable senators opposite are always in the wrong.

Senator Lt.-Col. GOULD.—Perhaps so. Apart from the way in which the Government have been treated in regard to the proposed adjournment of the debate, honorable senators should be satisfied from what has already been stated that it would be a very grave mistake to insist upon carrying such a motion. Before entering upon the merits of the question, I will assume, for the sake of argument, that by a majority of one or two the Senate determines to accept the motion. Does Senator Higgs, or any other honorable senator, believe for a moment that the Government would feel themselves bound by it? Do they think that unless the other House, after a full and fair debate, arrived at a similar determination, there would be the slightest hope that the Government would adopt the course they suggest? What would be the position of the Senate if this motion were carried? It would be held up to ridicule as a body that passes motions at which the Government snap their fingers. We all desire that the Senate should carry considerable weight in the legislation of the Commonwealth, but I ask whether the passing of such a motion is likely to place the Senate in that position? I ask honorable senators whether they do not

recognise that it would, on the contrary, be calculated to place the Senate in a position, which would lessen the influence and power which we desire it should exercise in connexion with Commonwealth matters? If, after full debate, Senator Higgs can secure a substantial majority for his motion well and good, but what is now desired is that a snatch majority may be secured without sufficient debate and without sufficient knowledge of the question. I think that Senator Higgs interjected that he did not desire any more information, but, as a member of the Senate, I say that I do desire more information before dealing with so important a matter. It is utterly absurd to submit such a motion, and then say that we are prepared to vote upon it without any further information.

Senator FINDLEY.—If we were to adjourn the debate now, the next thing we would hear might be that Sir William McGregor had been appointed.

Senator Lt.-Col. GOULD.—If Sir William McGregor is appointed, and his appointment is not considered a suitable one, honorable senators who object to it will have a means of dealing with the Government who make the appointment. If this motion has been introduced merely in order to oppose the appointment of Sir William McGregor, whether he is the best man or not, every honorable senator who desires that we shall adopt a reasonable course will be justified in voting against it. During the debate, it has been shown, I think, that Sir William McGregor is not likely to accept the appointment, and is not in the running for it, and if that be so, the gentleman who is administering the Government of the Territory to-day, and who, so far as I know, is administering it fairly well, should receive proper consideration.

Senator GUTHRIE.—The Minister admits that there is any amount of trouble arising out of the present administration.

Senator Lt.-Col. GOULD.—I dare say that for many years to come there will be trouble arising out of the administration of New Guinea, but it is not shown that any of the trouble existing at present is due to the gentleman who is now administering the government of the Territory. If that gentleman has proved himself to be incompetent, the duty of the Government is clear.

Sitting suspended from 6.30 to 7.45 p.m.

Senator Lt.-Col. GOULD.—In his speech Senator Stewart pointed out that there is a

very strong feeling amongst residents in Papua against the Act which this Parliament passed a few months ago being brought into operation. Whether their reasons are good or not it means that there are a number of persons in the Possession who are dissatisfied with the Act, in consequence of what they consider to be grave defects. In these circumstances it is well that the Senate should pause while defects of that character are being fairly considered by those who are responsible—the Government.

Senator HIGGS.—The honorable senator knows its defect. Would he vote for electoral representation?

Senator Lt.-Col. GOULD.—The present question is not whether I would vote for electoral representation or not. Senator Stewart has pointed out that that is the reason which is operating in the minds of some persons, but there may be other reasons for their holding the view that the Act should not be brought into force. I feel quite satisfied that the Parliament held the belief that it was the best Act which it could pass for the government of the Dependency, and yet there may be reasons for its reconsideration in some important particulars. But, putting that matter on one side, we have to look at the second paragraph of this motion, in which we are really asked to dictate to the Government the way in which they are to select a Lieutenant-Governor. I am not going to relieve any Government of the duties and responsibilities which are cast upon them. It would be a monstrous thing if the Senate were to attempt to set up a doctrine of that character. We might just as well say to the Government, "Whenever you want to make important appointments, submit the names of those whom you wish to appoint. We shall submit other names, go to a ballot, and see which would be the more popular appointments." Honorable senators will see at once that that would put an end to our system of responsible government. We know what the views of the Government of the day are in regard to any appointments within their gift. And we may safely conclude that every member of the present Government would be prepared to appoint an Australian citizen to any position within their gift if he felt sure that he was the most suitable man available. While I have a strong belief in the rights of Australian citizenship, having lived in the Commonwealth all my life, I contend that if an Australian wants

to get a position of an important character which is in the gift of the Government, he should get it upon his merits, and not merely because of his place of birth. And if a man from the other end of the world is more suited to fill a position under the Commonwealth than any man who can be found in Australia, it is a fair thing to appoint him.

Senator HENDERSON.—Every one would say that.

Senator Lt.-Col. GOULD.—I am very glad to hear that interjection, but from the way in which the debate has been carried on it would seem that we are to look upon Australians as the only persons who are entitled to get any positions within the gift of the Commonwealth Government.

Senator MCGREGOR.—But that is because we believe that they are as good as any other persons.

Senator DAWSON. — Other things being equal.

Senator Lt.-Col. GOULD.—Then what is the good of supporting the motion? Even if honorable senators on the other side were to submit a motion to the effect that other things being equal an Australian should be appointed what would it come to? Do they think that any Government would go out of the way to appoint a person who was altogether dissociated from Australia in preference to a person who was resident here, and cognisant of the interests of Australia? It is an absurdity to believe for a moment that any Government would do anything of that kind. The Government are entrusted with a responsibility. We desire the affairs of the public to be properly administered, and we expect the Government to make the best possible appointment in order to carry out that wish. Whether the person appointed is an Australian or an Englishman matters not to my mind. I want the best man for the position of Lieutenant-Governor of Papua, as I want the best man for every other position. We should leave to the Government the responsibility of making this appointment. I would appeal to Senator Dawson as an ex-Minister whether it is not a reasonable thing to leave the Government to make a selection free and unfettered. If the members of the Labour Party have confidence in the Government cannot they trust Ministers to make an appointment of this character? But if they have no confidence in Ministers why do they support them?

Senator GUTHRIE.—We did not.

Senator Lt.-Col. GOULD.—Not on the question of adjourning the debate.

Senator GUTHRIE.—But the honorable senator did.

Senator Lt.-Col. GOULD.—The honorable senator and his friends did not support Ministers when they asked for an adjournment of the debate in order to give more information to the Senate than is now in their possession. What was their object in doing that? The object was transparent. They thought that they had a majority in favour of the motion. They did not care about any reasons which might be offered against it. They only wanted to get to a vote. I congratulate the Government upon having a band of supporters such as these honorable senators, who have shown on many occasions that they are prepared to kick them from pillar to post when it suits their sweet will.

Senator PEARCE.—Senator Playford is happy now, because he has a majority.

Senator Lt.-Col. GOULD.—Whether Senator Playford has a majority or not, I submit that honorable senators who profess to support the Government, ought, at any rate, to trust them when they ask for an adjournment of the debate on an important question of this character without kicking them and declining to accede to their request. These honorable senators know perfectly well that if a vote on a question of this kind had been carried in the other House it would possibly have brought about a crisis, unless the House had been prepared to go back upon its decision. I know of cases where Governments have gone out of office on a vote of this kind, and they did quite right too. If Ministers want to exercise their independence of character, and say "We will lead. If we remain in office we shall not follow the dictates of a number of men who only care for what they can get out of us—"

Senator HIGGS.—If such a crisis were to happen here the honorable senator would vote with us?

Senator MILLEN.—No, he would not, because the honorable senator would vote the other way then.

Senator Lt.-Col. GOULD.—Of course, Senator Higgs would, and therein lies the safety of the Government at the present time. I trust that the motion will not be carried, because, in my opinion, it would be aiming a

Senator PLAYFORD. — Not necessarily; but the natives ought to work.

Senator MULCAHY. — I cannot see very much harm in it.

Senator HIGGS. — Then the honorable senator ought to read of the abuses which have marked the use of forced labour in other parts of the world.

Senator FINDLEY. — It is not necessary to go to other parts of the world.

Senator HIGGS. — No; we might go to some States.

Senator STYLES. — To Queensland, for instance.

Senator HIGGS. — Perhaps so. Contrary to his usual desire to be concise and precise, Senator Symon wants a great deal of elaboration in the motion. Now, when the Government brought down the Australian Industries Preservation Bill, he objected to the title.

Senator Sir JOSIAH SYMON. — It has only come here to-day.

Senator HIGGS. — The honorable and learned senator heard about the Bill, because he mentioned the fact. He objected to the use of the words in the title, because, apparently, there was too much detail given.

Senator Sir JOSIAH SYMON. — That was not the reason.

Senator HIGGS. — The honorable and learned senator knows well enough what is meant when we ask for the appointment of an Australian. When we use those words, the common-sense construction is that we want a man with sufficient ability in the way of education, and in the way of natural temperament and character.

Senator DAWSON. — And with a knowledge of Australian conditions.

Senator HIGGS. — Yes. We have been charged with want of loyalty to the Government in voting as we did this afternoon. It was a most singular thing that the leader of the Opposition should, for the first time, I think, since he entered the Senate, have been found supporting the Government, and endeavouring to save them from what he called humiliation.

Senator Sir JOSIAH SYMON. — I always do it when they are right.

Senator HIGGS. — Within my recollection there has never been a chance of humiliating the Government which the honorable senator has not availed himself of if he could.

Senator Sir JOSIAH SYMON. — The honorable senator knows that that is not quite just.

Senator HIGGS. — Did not the honorable senator use his eloquence to scarify the present leader of the Senate?

Senator PLAYFORD. — I do not think that his scarification was very deep.

Senator HIGGS. — I know that the Minister has had too long an experience in politics to be much hurt by Senator Symon's skilful attacks. But let us come to the Minister himself, who pleaded with us. He said, "I want information," and when I asked what information he wanted, no one thought for a moment that I expected a reply. I knew that I could not get a reply, because it was obvious. The Government have waited for nine months before proclaiming the Papua Act. They have forgotten that they have raised the cry of "Australia for the Australians," and they are now trying to find a person outside Australia to fill this position.

Senator MILLEN. — Why did the honorable senator vote for an adjournment of the debate just now?

Senator HIGGS. — Because I knew from the Minister's statement that he had the numbers behind him. Let us be candid. What is the use of beating about the bush?

Senator MILLEN. — Let us get to a vote, then.

Senator HIGGS. — We know very well that this afternoon the Minister wanted an adjournment because he had not the votes.

Senator FINDLEY. — He said that he would get the votes after the dinner adjournment.

Senator HIGGS. — It is of no use for honorable senators to try to indulge in bluff.

Senator Lt.-Col. GOULD. — The honorable senator tried to get a snatch vote, although he knew that the majority of the senators were against him.

Senator GUTHRIE. — And honorable senators set the telephones to work, and beat us off.

Senator WALKER. — Quite right, too.

Senator HIGGS. — This afternoon some veiled attacks were made by certain speakers which I thought were unworthy of them. An honorable senator said that because he had paid a visit to India, and written an article about his trip, he was not necessarily qualified to occupy the position of Lieutenant-Governor.

Senator Sir JOSIAH SYMON. — No, Governor-General.

Senator HIGGS. — The honorable senator might have used that expression, but it does not make any difference if he did. We know whom he was aiming at.

Those who know the honorable senator aimed at, will, I think, admit that he would vote for the motion on its merits, believing that an Australian should be appointed. If a particular gentleman has been mentioned by some persons as being qualified for the position, that is no reason why he should be made the butt of sarcasm.

Senator MILLEN.—The honorable senator mentioned the name.

Senator HIGGS.—Where did I mention it?

Senator MILLEN.—Two or three weeks ago in the Senate.

Senator HIGGS.—I do not believe that I did; at all events, I do not remember doing so.

Senator MILLEN.—Either the honorable senator or Senator Styles did.

Senator STYLES.—Yes, I was the first to mention the name.

Senator HIGGS.—I took the view that I should not advance the candidature of any gentleman by mentioning his name in public.

Senator Sir JOSIAH SYMON.—Quite right.

Senator HIGGS.—With regard to Captain Barton, whose name has been dragged into the debate, he has made a thorough failure of the administration of Papua.

Senator MULCAHY.—No.

Senator HIGGS.—I know that from high authority in Papua.

Senator Sir JOSIAH SYMON.—In the circumstances, the honorable senator ought not to say that or to discuss him.

Senator HIGGS.—The matter was brought up by the opponents of the motion.

Senator Sir JOSIAH SYMON.—No.

Senator HIGGS.—Did we mention the name of Captain Barton?

Senator Sir JOSIAH SYMON.—What I said was that honorable senators ought not to condemn Captain Barton unheard. The motion passes him over.

Senator HIGGS.—The very act of the Government in going beyond Captain Barton, and seeking an administrator outside the Commonwealth, shows that they have no confidence in that gentleman. Why should he get the position? He was head of the police, a position which I suppose is filled in Australia by a sergeant of police.

Senator WALKER.—He had a district to himself.

Senator HIGGS.—Captain Barton had to direct the police, and his position was no higher than some of the important positions in the Police Force throughout the various

States. From information I have received and read in correspondence, I can assure you, sir, that the administration of Papua is in a state of chaos, and that the hand of every man appears to be against his neighbour. It is even said that letters in the post-office are tampered with.

Senator Sir JOSIAH SYMON.—The honorable senator ought not to say that.

Senator HIGGS.—I refer to the chaotic state of the administration because the honorable senator suggests that Captain Barton should get the position.

Senator Sir JOSIAH SYMON.—I do not suggest that.

Senator HIGGS.—We know very well that a good deal of vice-regal influence is being used to get Captain Barton into the position, and if honorable senators start to advocate his claims, it will be necessary for us to mention these matters.

Senator MULCAHY.—No one did.

Senator GUTHRIE.—Senator Fraser did.

Senator HIGGS.—This evening, Senator Fraser said that there was an attempt being made by the motion to secure the position of Lieutenant-Governor for a member of the Senate.

Senator GUTHRIE.—To oust the man who was in it.

Senator FRASER.—Everybody tells me so.

Senator HIGGS.—Suppose that such an attempt was being made, may I quote the words of certain honorable senators who, when I moved a motion that no member of the Federal Parliament should accept a position on the Bench of the High Court, utterly repelled such an idea? They knew that the Justices would be chosen from amongst the members of this Parliament, and yet they opposed the motion. If it is reasonable that a member of this Parliament should occupy a position on the bench of the High Court, what objection can there be to a member of this Parliament being appointed, if he is sufficiently capable, to the office of Administrator of Papua?

Senator BEST.—No one disputes that.

Senator FRASER.—It would be far safer to appoint an outsider though, because then there could be no question of partiality.

Senator HIGGS.—In conclusion, I wish to refer to a remark made by Senator Best to the effect that the motion will be regarded as expressing a want of confidence in the Government. If I thought that the motion, if carried, would have the effect of displacing the Government, and

putting in office our honorable friends opposite, I would not think of pressing it. We are supporting the Government because we believe that they will endeavour to pass legislation which is in accordance with our views, and with what we believe to be the views of our constituents.

Senator WALKER.—The caucus.

Senator HIGGS.—I hope that the honorable senator will not talk about the caucus after what has happened to-day. He has seen instance upon instance in which honorable senators belonging to the Labour Party have exercised their vote according to their conviction.

Senator WALKER.—I am glad to hear the honorable senator admit that.

Senator HIGGS.—Must we suppress an opinion because members of the Government take exception to being directed, as they call it? What becomes of the gratitude of the members of the Cabinet and their supporters for the manner in which our party has supported them during the past six or eight months?

Senator GUTHRIE.—That is nothing; it is not taken into consideration. The honorable senator ought to be thankful to follow them.

Senator HIGGS.—I submit that in these matters we have a right to give a hint to the Government as to what our views are.

Senator FRASER.—Not to give a hint, but to take the management of public affairs out of their hands.

Senator HIGGS.—I think that the Government ought to be very thankful to the party here for giving them an expression of their views on this question, because otherwise they might be under the impression that if they appointed an Australian they would not have the support of the people of Australia. By our votes we will assure Ministers that in Australia there is a great body of public opinion which is favorable to such an appointment. Senator Playford said that he is desirous of getting information on this subject. Are we to understand, as we might assume from his professed utter want of knowledge, that the Prime Minister did not inform the members of the Cabinet when he entered upon the negotiations to get a gentleman to fill the position? Are we to understand that, although the Papua Act was passed nine or ten months ago, the question of appointing an Administrator of the Possession never

came up in Cabinet? Who have been transacting the business? Has it been transacted by the Prime Minister only, or by the Prime Minister and the Secretary for External Affairs, who, I am given to understand, is a friend of Captain Barton, and who is said to have made a royal progress through the Territory? I trust that everybody who is in favour of the shibboleth of the Prime Minister, "Australia for the Australians," will cast a vote—

Senator BEST.—Against the Government.

Senator HIGGS.—No; the honorable and learned senator knows that that is not so. I hope that we shall show by our actions that we believe in the principle to which we give expression.

The PRESIDENT.—It will meet the convenience of honorable senators if I put the paragraphs of the motion separately.

Question—"That, in the opinion of the Senate, it is desirable, in the interests of good government and the effective development of British New Guinea, a proclamation should be at once issued bringing the Papua Act into force"—put. The Senate divided.

Ayes	...	...	...	14
Noes	...	...	...	16
Majority	...	...	...	2

AYES.

Croft, J. W.	O'Keefe, D. J.
Dawson, A.	Pearce, G. F.
de Largie, H.	Story, W. H.
Findley, E.	Trenwith, W. A.
Guthrie, R. S.	Turley, H.
Henderson, G.	
Higgs, W. G.	Teller:
McGregor, G.	Styles, J.

NOES.

Baker, Sir R. C.	Playford, T.
Best, R. W.	Pulsford, E.
Clemons, J. S.	Stewart, J. C.
Dobson, H.	Symon, Sir J. H.
Drake, J. G.	Walker, J. T.
Fraser, S.	Zeal, Sir W. A.
Gould, A. J.	
Keating, J. H.	Teller:
Millen, E. D.	Mulcahy, E.

Question so resolved in the negative.

Question—"That an Australian citizen in touch with the aspirations of the Commonwealth should, without delay, be appointed Lieutenant-Governor of the Territory"—put. The Senate divided.

Ayes	...	...	...	14
Noes	...	...	...	16
Majority	...	...	...	2

AYES.

Croft, J. W.
Dawson, A.
de Largie, H.
Findley, E.
Henderson, G.
Higgs, W. G.
McGregor, G.
O'Keefe, D. J.

Pearce, G. F.
Story, W. H.
Styles, J.
Trenwith, W. A.
Turley, H.

Teller:
Guthrie, R. S.

NOES.

Baker, Sir R. C.
Best, R. W.
Clemons, J. S.
Dobson, H.
Drake, J. G.
Gould, A. J.
Keating, J. H.
Millen, E. D.
Mulcahy, E.

Playford, T.
Pulford, E.
Stewart, J. C.
Symon, Sir J. H.
Walker, J. T.
Zeal, Sir W. A.

Teller:
Fraser, S.

Question so resolved in the negative.

The PRESIDENT.—I shall not put the third clause in the motion, as the first two clauses have been negated.

UNIMPROVED VALUE OF LAND.

Senator PEARCE (Western Australia) [9.13].—I move—

That there be laid upon the table of the Senate a return showing respectively, in those States in which returns are available, and in others, an estimate of the unimproved value of the privately owned lands of the following values:—

1. Under £5,000.
2. Over £5,000 and under £10,000.
3. Over £10,000 and under £15,000.
4. Over £15,000 and under £20,000.
5. Over £20,000 and under £30,000.
6. Over £30,000 and under £40,000.
7. Over £40,000 and under £50,000.
8. Over £50,000 and under £60,000.
9. Over £60,000.

Further showing the value of such estates owned by persons and companies absent from the Commonwealth.

I understand that there is no desire to debate this motion, but that the intention is to amplify it in some way.

Senator Sir JOSIAH SYMON.—We intend to debate it.

Senator MILLEN.—If the honorable senator moves the motion we can secure an adjournment.

Senator PEARCE.—I understand that it may not be possible to obtain the information which I desire for the whole of Australia; but there are three States, at any rate—New South Wales, South Australia, and Queensland—from which it should be possible to ascertain what I wish to know. In New South Wales the information can be obtained, because in that State there is a general tax on the unimproved value of

privately-owned lands, and the information collected for the purposes of that tax would furnish the material for an answer. A record is kept in the Lands Office of all the assessments. In Queensland, although there is no State tax on the unimproved value of land, there is a land tax for local government purposes, based upon the unimproved value. In that State the local governing bodies would be able to furnish the necessary information. In South Australia there is a progressive land tax, based upon the unimproved value, and the assessments will be in the Land Tax Office there.

Senator PLAYFORD.—There will be no difficulty in regard to South Australia.

Senator TURLEY.—The information that will be obtained from Queensland will not be of much use.

Senator PEARCE.—It will be an approximate guide. I quite agree that it may not be possible to get full returns in some of the States, but we should be able to obtain returns which will be of some value from them, whilst from other States we should get returns which will be of considerable value in enabling us to form an estimate, first, as to the extent of large estates, and, secondly, as to the operation of a land values tax on those estates.

Senator KEATING (Tasmania—Honorary Minister) [9.15].—Before the motion is further discussed, I should like to say that, since it was placed upon the notice-paper, inquiries have been instituted as to the possibility of obtaining returns which would supply the information required by Senator Pearce. I fear very much that there is little possibility of getting anything like a satisfactory return, which would show clearly, so far as the different States are concerned, and comparable as between State and State, the details set out under these nine headings.

Senator MULCAHY. — From whom is it proposed to get the information?

Senator KEATING.—I shall deal with that point. Since this motion appeared on the notice-paper, the Commonwealth Statistician has been communicated with. That gentleman at present is rather awkwardly circumstanced in making any inquiry necessary to supply himself with information to furnish to the Senate in this connexion. I am not certain, but I believe that reference has been made to the Victorian Statistical Department, and

it has been found that some difficulty will be experienced in getting this information in detail.

Senator BEST.—In Victoria, information could only be got, speaking roughly, in regard to what is known as the Mallee Province, and a very small area outside that part of the State.

Senator KEATING.—I am not familiar with the particular causes which make it difficult to get the information in detail.

Senator BEST.—It could not be got in detail.

Senator MULCAHY. — Such information can only be got in detail in States where there is an unimproved land tax.

Senator KEATING.—There is no desire on the part of the Government to prevent the information being obtained and furnished, if the motion is passed. Senator Pearce will understand, however, that in the endeavour to get this information the Government will be confronted with considerable difficulty, and the result may not be anything like so valuable or so adequate as the honorable senator may desire, nor may it be sufficient to be of value for the purpose of comparison between State and State. The Government, it will be seen, have endeavoured to get this information in anticipation, but have met with the difficulties referred to. We have not yet a properly organized, working Commonwealth Statistical Department, and our responsible officer informs us that there are insurmountable difficulties in the case of some of the States. In the States where information may be obtained, I am afraid it will be incomplete and inadequate, and Senator Pearce must look these circumstances fairly in the face, and not expect the full return that he desires.

Senator PULSFORD (New South Wales) [9.18].—I am quite certain that the return which Senator Pearce asks for, will, when prepared, be of a very misleading character.

Senator PEARCE.—Misleading!

Senator MULCAHY.—Say unreliable.

Senator PULSFORD.—State by State the returns may be fairly accurate, but from a Commonwealth point of view, we desire to know what are the individual ownings throughout Australia. A large number of people in the Commonwealth own property in two, three, or more States, and the return asked for would only show the estates owned in each State, and would not give an accurate idea of the number of aggregate estates held by persons throughout the Commonwealth. To that extent,

the return may be misleading, and it is as well that fact should be known. Of course, we all know why the return is asked for. A certain number of people are quite prepared to transgress the command "Thou shalt not steal"; and this motion is one of the steps taken to help them on in what they deem to be a desirable scheme.

Senator MILLEN (New South Wales) [9.20].—The last speaker has pointed out that the information which it may be possible to collect, should the motion be adopted, will be unreliable in many details. It is impossible to deny that that anticipation is likely to be borne out; but at the same time, in view of the fact that one of the matters to be submitted to the electors at the forthcoming election is a proposed land tax, it seems highly desirable that not only for ourselves, but for the electors, there should be made available the utmost information it is possible to obtain. Both those who support the proposal for a land tax, and those who, like myself, are utterly opposed to it, ought, first, to be in possession of all the facts. For that reason, while supporting the motion, I shall propose an amendment in order to make it a little wider. It seems to me insufficient to have a return showing only the unimproved value of the privately-owned lands dealt with in the motion; we ought also to have a knowledge of the number of separate holdings and their areas. It would be much more useful to know whether a particular holding worth £5,000 is an allotment in George-street, Sydney, or 5,000 acres in the western plains of New South Wales.

Senator PLAYFORD.—The return will be troublesome to collect.

Senator MILLEN.—I admit that the information will be troublesome to collect, but seeing that the question is to be placed in a perfectly constitutional way before the electors by honorable senators opposite, it is desirable that every effort should be made, by means of the machinery at the disposal of the Government, to ascertain all the facts. For that reason, I move—

That after the word "the," where first occurring in line 4, the words "number and area of the separate holdings and the" be inserted.

I understand from Senator Pearce privately that he proposes to submit an amendment defining "absence."

Senator PEARCE.—That amendment will be moved by another honorable senator.

Senator MILLEN.—I propose to still further amend the motion so as to obtain information in reference to holdings valued at from £1,000 to £5,000.

Senator MCGREGOR.—Say from £1 to £5,000.

Senator MILLEN.—The honorable senator may, by interjections of that kind, attempt to decry the efforts I am making to assist the mover of the motion to get all the information available; but if Senator McGregor, for obvious reasons, desires to keep out of sight the number of small holdings, I do not.

Senator MCGREGOR.—I say, take them all in.

Senator MILLEN.—What I propose to do is to amend the motion so as to provide for a return as to the unimproved value of privately-owned lands of the values under £1,000, under £2,000, under £3,000, and under £4,000.

Senator MCGREGOR.—I agree with that suggestion.

Amendment agreed to.

Amendment (by Senator MILLEN) agreed to—

That after the word "values," line 5, the following words be inserted:—

"Under £1,000.

Under £2,000.

Under £3,000.

Under £4,000."

Senator O'KEEFE (Tasmania) [9.26].—I desire to move that there be added to the motion the words "absence to mean continuous residence outside the Commonwealth for the preceding twelve months."

Senator Sir JOSIAH SYMON (South Australia) [9.27].—What is desired is not information as to the absence of proprietors for merely twelve months, because it is quite possible for a man and his family to be away for that period, or even two years, on a holiday. The information desired is as to that particular class who are known as absentees.

Senator MULCAHY. — Who permanently reside abroad.

Senator Sir JOSIAH SYMON.—I mean those who have withdrawn what lawyers call their "domicile" from Australia. With that end in view, I suggest that the words to be added to the clause should be, "and the duration in each case of such absence." When the return is prepared,

honorable senators can place their own construction on the information.

Senator O'KEEFE.—I accept the suggestion of the honorable senator.

Senator Sir JOSIAH SYMON.—I make this suggestion with the same view as that expressed by Senator Millen, namely, that if we are getting information, the object of which is plain, it is desirable that we should have the facts as applicable to both sides. The more such information is brought forward and placed on record, the plainer will the issue be in the eyes of the people. It is desirable to cover all the ground likely to be covered by the controversy as to the land tax.

Senator MULCAHY (Tasmania) [9.28].—I do not think I can support the motion, which will impose on some one an extraordinary amount of work.

Senator PEARCE.—Does the honorable senator think that we should act in the dark?

Senator MULCAHY.—I do not desire the honorable senator to act in the dark. In the absence of any Government machinery, we shall be imposing on some one the duty of furnishing a return, the information necessary to which does not exist in three States out of the six, and which cannot be obtained except at great cost. At the present time there is an Assessment Bill before the Tasmanian Parliament, involving an expenditure of £7,000 or £8,000, in order to obtain this information; and when that Bill is passed—if it is passed at all, a similar measure having been several times rejected—months, and probably years, will be required to gather the facts. All the Statisticians will give us will be an approximation of the relative value of the whole of the property in Tasmania, as distinguished between the capital value and the unimproved capital value.

Senator HENDERSON.—The motion will not impose any expenditure on Tasmania.

Senator MULCAHY. — I am pointing out to Senator Pearce the difficulty there will be in getting the information.

Senator PEARCE.—If the honorable senator will read the motion he will see that I recognise that, because I use the words "in those States in which returns are available."

Senator MULCAHY.—I have pointed out that in the case of three States only these returns will be available.

Senator PEARCE.—I recognise that.

Senator MULCAHY.—It is possible to get from the Statisticians the whole capital value of private property, but they may give an estimate which will only amount to a guess of the relative proportions of the value of that property which exists in land. When the honorable senator asks the Statisticians to give this information in detail he asks them to do what is impossible.

Senator MCGREGOR.—We are asking them to give only what they can give.

Senator MULCAHY.—No, the motion asks them to give something which they cannot give unless a detailed assessment is made. Honorable senators must surely see that?

Senator MILLEN.—That does not apply in all the States; to New South Wales, for instance.

Senator MCGREGOR.—If he has not sufficient data to supply a return, he is asked to give an estimate.

Senator MULCAHY.—In New South Wales there is an unimproved capital value tax.

Senator MILLEN.—Apart from that, it would be possible to obtain the number of different holdings in all the States.

Senator MULCAHY.—That is quite so. There is no doubt that we could get the number and areas of the different holdings. I presume that that information could be obtained, even with respect to Victoria, although in a place like Melbourne blocks of land insignificant in area are of immense value. Of what use is it to know the areas of blocks when we know that land has been sold in Melbourne at £2,000 per foot? I point out that it will be impossible to obtain any returns under this motion within the next twelve months or two years that will be of any value to the party who wish to use the information. I know the purpose for which this information is desired, and I do not approve of it. I shall from the first do my best to prevent its accomplishment, and shall therefore vote against the motion.

Amendment (by Senator O'KEEFE) agreed to—

That the following words be added:—"and the duration in each case of such absence."

Question, as amended, resolved in the affirmative.

Resolved—

That there be laid upon the table of the Senate a return showing respectively, in those States in which returns are available, and in

others an estimate of, the number and area of the separate holdings, and the unimproved value of the privately-owned lands of the following values:—

Under £1,000.
Under £2,000.
Under £3,000.
Under £4,000.
Under £5,000.
Over £5,000 and under £10,000.
Over £10,000 and under £15,000.
Over £15,000 and under £20,000.
Over £20,000 and under £30,000.
Over £30,000 and under £40,000.
Over £40,000 and under £50,000.
Over £50,000 and under £60,000.
Over £60,000.

Further showing the value of such estates owned by persons and companies absent from the Commonwealth, and the duration in each case of such absence.

Senate adjourned at 9.35 p.m.

House of Representatives.

Wednesday, 18 July, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

THE "BLUEJACKET" CASE.

Mr. FAGE.—I desire to direct the attention of the Postmaster-General to a report in this morning's *Argus*, under the heading, "The Bluejacket Case," which contains serious allegations against certain officers of the Telegraph and Telephone Departments, and to ask him if he will cause a rigorous inquiry to be made into the conduct of those officers?

Mr. AUSTIN CHAPMAN.—I have already given instructions for the fullest inquiry to be made, and a report to be furnished to me.

POSTAL APPEAL BOARDS.

Mr. McDONALD (for Mr. HUGHES) asked the Postmaster-General, *upon notice*—

1. How are the Appeal Boards appointed to deal with matters in the Postal Department constituted?

2. Is he aware that the Appeal Boards as at present constituted are distasteful and unsatisfactory, and will he consider the advisableness of establishing a Board freed from departmental bias and influence to deal with all matters of appeal?

3. What special reasons exist in New South Wales for the appointment of the Senior Inspector and Storekeeper on this Board?

4. How are the departmental duties of those officers discharged while they are on this Board?

5. Is he aware that at times there is considerable delay in dealing with cases, and in bringing inquiry to a conclusion?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished as soon as possible.

POSTAL OFFICIALS' ALLOWANCES.

Mr. BROWN asked the Postmaster-General, *upon notice*—

1. In distributing increased allowances amongst Postal officials, what is the distinction between "statutory" and "deserving" officers' allowances, and on what basis are the latter determined?

2. Is it a fact that in the latest distribution of "deserving" allowance very few postmasters and telegraphists have derived benefit from this source?

3. Is it to be assumed that the officers in the lower grades of the service are not "deserving" officers; and, if not, how is it proposed to recognise their services?

4. Will he furnish a list of those deriving benefit from the "deserving" officers' allowance, with their status and salaries?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished as soon as possible.

OVERTIME, GENERAL POST OFFICE, SYDNEY.

Mr. HUGHES asked the Postmaster-General, *upon notice*—

1. Is it a fact that a protest has been lodged by the principal officers of the Department in the General Post Office, Sydney, respecting their inability to cope with their work within ordinary working hours, and the consequent large amount of overtime attendance to duties thereby involved?

2. What action, if any, has been taken as the result of such representations?

3. Is there any objection to placing the papers relating to this matter on the table of the House?

Mr. AUSTIN CHAPMAN.—The answers to the honorable and learned member's questions are as follow:—

1. Representations were made personally to me in the matter.

2. Inquiries were instituted, and a re-arrangement of the work has been made which will set free a number of officers whose services can be utilized in relieving the pressure complained of.

3. There is no objection to placing the papers on the table of the Library.

SYDNEY EXCHANGE TELEGRAPH OFFICE.

Mr. BRUCE SMITH asked the Postmaster-General, *upon notice*—

1. Was it by his knowledge and authority that the telegraphic instruments connecting the Royal Exchange of Sydney with the General Post Office of that city had been suddenly removed without notice to the public?

2. Has not the Exchange in question been a telegraphic centre for the commercial community for many years, and was it not one of the most important and frequently used centres in the State of New South Wales?

3. Is he aware that telegrams from that part of the city have now to be sent to the General Post Office by messenger—a distance of over a quarter of a mile?

4. Is he aware that the tube connexion between the Exchange and the General Post Office is out of order, and incapable of use for the purpose for which it has been established?

5. Is he aware that the officials who had been in the Exchange some years and had become acquainted with the special requirements of the mercantile community have been removed from that centre and inexperienced persons substituted?

6. Will he state the Departmental reasons for these several changes, and for thus reducing the business conveniences of the mercantile portion of the Sydney community?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished as soon as possible.

POSTAL REGULATIONS.

Mr. MAUGER asked the Postmaster-General, *upon notice*—

In view of the public feeling against the evils of gambling, and in favour of doing everything to suppress the evil practices, will he consider the Postal Regulations in order to make them as stringent as possible to that end?

Mr. AUSTIN CHAPMAN.—I will consider the Postal Regulations, with the object referred to.

NEW GUINEA OFFICIALS.

Mr. BRUCE SMITH asked the Prime Minister, *upon notice*—

1. Is it a fact that in an action by a ship-owner against the Commonwealth for the alleged seizure and detention of a ship's papers by the Government officials of New Guinea, the Crown Law Officers of the Commonwealth have set up as a defence that the Commonwealth is not responsible for the acts of those officials done in the course of their official duty?

2. Does he not consider that such a defence is calculated to impair the public respect for New Guinea official acts generally, and materially lower the official authority of Commonwealth officers in New Guinea?

3. Does he approve of such a defence being set up against all claimants where New Guinea officials are concerned?

Mr. DEAKIN.—The answer to the honorable member's questions is as follows:—

This case is now *sub judice*. The action taken has been upon the advice of counsel, and with the approval of the Commonwealth Law Officers.

The Prime Minister does not, under these circumstances, feel called upon to comment upon the proceedings.

PUBLIC SERVICE: SUNDAY LABOUR.

Mr. POYNTON asked the Postmaster-General, *upon notice*—

1. Does not a regulation under the Public Service Act provide that time and a-half shall be allowed for Sunday labour?

2. Does not the Postal Department charge double rates for telegrams on Sundays?

3. Does the Minister not think that, in such cases where officers have to work on Sunday for the convenience of the Department, they should be paid at the rate of time and a-half or allowed time off—a day and a-half for every Sunday that they have to work?

Mr. AUSTIN CHAPMAN.—This is a matter within the province of the Public Service Commissioner, who furnishes the following replies:—

1. Yes, when an officer works seven days in a week.

2. Yes; consequently, the business is light and intermittent.

3. Time off in lieu of Sunday work is not given. Payment at time and a-half rates is always made if an officer has worked seven days in a week, but if only six days and one of them is Sunday, he is not paid because he has already had one day in seven off duty.

DEFENCE FORCE RIFLES.

Mr. MALONEY asked the Minister representing the Minister of Defence, *upon notice*—

1. Does he consider it advisable in the interests of Australian defence that our forces should be armed with a rifle that is the equal in efficiency in every respect to the rifles adopted by foreign powers?

2. If so, would the Minister of Defence have any objection to authorize that the Woodford short service rifle be compared and tested for efficiency with a more efficient design of the service rifle?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. Yes. The rule followed in the past has been to adopt the rifle used in the British army.

2. The Woodford rifle is not known to the military authorities, but, if particulars are furnished to the Minister of Defence, further inquiries will be made.

Mr. MALONEY.—As a personal explanation, I should like to say that, in printing the question, my writing has been misread. I had no intention to mention the "Woodford" short service rifle, the weapon I had in mind being the short service rifle sent out to Australia. I will give fresh notice for to-morrow.

SOUTH AUSTRALIAN TELEGRAPH OFFICES.

Mr. POYNTON asked the Postmaster-General, *upon notice*—

1. Will the Minister say what inconvenience has occurred through the telegraph offices in the State of South Australia closing on Saturdays two hours earlier than on other week days?

2. Why was such inconvenience never experienced prior to the Commonwealth controlling the Department?

3. Why has the same or greater inconvenience not occurred owing to other States closing throughout the whole week two hours earlier than the principal eastern States?

4. Will the Minister rectify the anomaly either by causing all States in the Commonwealth to come into line, or by reverting to the conditions which, prior to the advent of the Commonwealth, were found adequate for the needs of the various States?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished as soon as possible.

LEAVE OF ABSENCE.

Mr. SPEAKER.—I desire to point out, in regard to the motion for granting leave of absence to the honorable members for South and East Sydney, that standing order 45 requires that the cause of absence shall be stated. Does the honorable member for Dalley wish to amend the motion?

Mr. WILKS (Dalley) [2.35].—With your permission, Mr. Speaker, I will move it in an amended form which will comply with the Standing Orders. I move—

That leave of absence for one month be given to the honorable member for South Sydney (Mr. G. B. Edwards), on account of ill-health, and to the honorable member for East Sydney (Mr. G. H. Reid), on account of public business.

Mr. BAMFORD.—As a point of order, I wish to know if the honorable member for Dalley can in one motion move for the granting of leave of absence to two honorable members?

Mr. SPEAKER.—The motion is now perfectly in order; but, if any honorable member desires me to do so, I will put separately the two questions which it contains.

Mr. WEBSTER.—With all due deference to the honorable member for Dalley, I think that the two questions should be put separately.

Question—That leave of absence for one month be given to the honorable member for South Sydney (Mr. G. B. Edwards) on account of ill health—resolved in the affirmative.

Question—That leave of absence for one month be given to the honorable member for East Sydney (Mr. G. H. Reid) on account of public business—proposed.

Mr. FRAZER (Kalgoorlie) [2.37].—Mr. Speaker—

Mr. SPEAKER.—The motion cannot be debated.

Mr. FRAZER.—Can it be amended?

Mr. SPEAKER.—To move an amendment would be equivalent to debating the question. The motion is precisely on all-fours with a motion for the adjournment of a debate in this respect, that only the mover and the seconder may speak upon it, and they may not debate it. No other honorable member may address the House in regard to it, except on a point of order.

Mr. CROUCH.—Is the motion unopposed?

Mr. SPEAKER.—It takes priority over other motions, and may be opposed; but the vote must be taken without debate.

Mr. WEBSTER.—Do I understand that honorable members may seek to be relieved from attendance upon their parliamentary duties for reasons other than illness or incapacity—that they may neglect their work in this House to perambulate the country?

Mr. SPEAKER.—The honorable member is debating the question. So far as his point of order is concerned, I would inform him that leave of absence may be asked for any reason whatever; but it is for the House to determine whether it shall be granted.

Mr. CARPENTER.—As the motion cannot be debated—for which I am sorry—I wish to ask whether in agreeing to it, and granting the leave of absence asked for, honorable members can be taken to indorse the absence of the right honorable member for East Sydney? If they can, they will be placed in a false position by voting for the motion.

Mr. SPEAKER.—The effect of carrying the motion will be that the leave of absence provided for in the Constitution will have been granted.

Question resolved in the affirmative.

JUDICIARY BILL.

SECOND READING.

Mr. ISAACS (Indi—Attorney-General) [2.45].—I move—

That the Bill be now read a second time.

Honorable members are aware that the High Court of Australia was organized in October, 1903, and has, therefore, been in operation for nearly three years. In section 4 of the Act it is provided that the High Court shall be a superior Court of Record, consisting of the Chief Justice and two other Justices, who shall respectively be appointed by commission. That is to say, the High Court shall consist of three Judges, the minimum number mentioned in the Constitution. The Bill provides in clause 2 that section 4 of the Act shall be amended by omitting the word "two" and inserting in lieu thereof the word "four," so that the section shall then read—

The High Court shall be a superior Court of Record, and shall consist of the Chief Justice and four other Justices, who shall respectively be appointed by commission.

The rest of the Act will, of course, apply to the five Judges, as it now does to the three. Honorable members have before them, in the correspondence which has been printed and laid on the table, a vast amount of information as to the views of their Honours, the Justices of the High Court, with regard to the necessity of strengthening the Bench. I would direct attention to the fact that every effort has been made by the Government to ascertain the views of those having the best means of affording information with respect to the necessity for that course, and with regard to the business and the prospects of business coming before the High Court, and before the Justices, outside of the ordinary business of that tribunal. Honorable members will see that the Prime Minister directed inquiries to be made, which have led to the correspondence now in the hands of honorable members. I think that it will be admitted that the High Court of Australia has gained the complete confidence of the public. Inherently it is in a position of enormous power and influence, and I think it is not too much to say that its decisions have justified the highest anticipations of its best friends. Apart from the Supreme Court of the United States, I do not think there is any legal tribunal in the world which

has so much power. Even the House of Lords and the Privy Council may find their decisions upon any point whatever reversed by an Act of the Legislature. That is not always so with us. It is so in Canada in many respects, but so far as Australia is concerned, the Supreme Court has the almost unique power of controlling, by its decisions, the efforts of the Legislature itself. That, to my mind, is a very important consideration.

Mr. JOHNSON.—It is a very dangerous power.

Mr. ISAACS.—I cannot conceive why it should be regarded as dangerous. I think it would be very dangerous if the Constitution did not provide for some legal control over the exercise of parliamentary power. This question was threshed out in the Federal Conventions, and provision was made in the Constitution for the powers to be exercised by the High Court. It would be of no use to apportion jurisdiction to the Commonwealth and the States respectively unless the Constitution provided for such control and would insure that the respective Legislatures would operate only within their own ambits. As I have said, the High Court was organized nearly three years ago, and honorable members will find in the report of Mr. Castle, the Principal Registrar, which is dated the 10th July—the report was brought up to the last moment prior to the tabling of the correspondence—a considerable amount of information that will enable them to judge of the enormous increase of business before the Court. The Court was established on the 5th October, 1903, and from that date until the end of that year sat for twelve days, and heard two appeals and eight motions and applications. In 1904 they heard thirty-nine appeals and forty motions and applications. For the moment, I am passing by the original jurisdiction of the Court. In 1905 the Court heard sixty-four appeals, and seventy-two motions and applications. During the present year they have already decided no fewer than forty-two appeals, and a very large number of motions. The number of appeals which they have dealt with during the first half of the present year is nearly as large as the total number dealt with last year, and the cases now awaiting attention will be more than sufficient to keep the Court employed for the greater part of the remaining portion of this year. In addition to that, even since the corres-

pondence was printed, a number of other appeals have reached the position of just being entered for hearing in the High Court. To my own knowledge, certain cases are coming forward from the State tribunals in South Australia and Victoria, and I presume that the same thing is happening with regard to other States. The amount of appellate business alone that has to be transacted by the High Court is, to my mind, sufficient to justify a measure such as this. It must be within the observation of honorable members, as it is certainly within the observation of those who come into professional contact with their Honours, and of those who have an opportunity of personally judging as to the manner in which those honorable gentleman transact their business, that the strain and stress upon them in their almost continuous application to appellate work is enormous. Those who, like myself, have had personal opportunities of judging, know full well that the magnitude and importance of the cases brought before them and the industry and the application they bring to bear, must involve an enormous strain on their Honours. It is well known to those who practise before them that, however strenuously arguments may have taken place during the day, their Honours come prepared next morning in a manner that shows that they have been working overnight in dealing with many difficult problems.

Mr. JOSEPH COOK.—How would the strain upon the Justices in connexion with the appellate jurisdiction be lessened if their number were increased to five?

Mr. ISAACS.—If the number of Justices were increased, an interchange might take place which would perhaps enable judgments to be considered, and there would not be that intense strain which now has to be undergone by their Honours in order to dispose of the business as it comes along.

Mr. JOSEPH COOK.—I am inclined to think that with a larger Bench there would be more conflict of opinion, and, therefore, more strain.

Mr. ISAACS.—No. I think I can best answer the honorable member in the words of the learned Chief Justice, who, in his letter gives many reasons from the public stand-point, why the Court requires to be strengthened. In paragraphs 6 and 7, he says—

6. The appellate business of the Court is of a very onerous and responsible character. In the

large majority of cases, it is expedient, if not necessary, to reserve judgment. The present continuous pressure of work leaves us very little time for research, and for the preparation of written or even oral judgments. We do not think it desirable that a Court of final appeal should work at such constantly high pressure, from which, however, there is no prospect of escape so long as the number of Justices is limited to three.

7. Apart, therefore, from the question of the Commonwealth Court of Conciliation and Arbitration, we are of opinion that—if suitors desiring to have recourse to the original jurisdiction of the Court are to have a fair opportunity of doing so, and if the imminent risk of dislocation of the appellate work of the Court is to be provided for—it is absolutely necessary that some addition should be made to the number of the Bench. We think, further, that it is very improbable that Mr. Justice O'Connor will be free at any time during the present year to discharge his functions as President of the Arbitration Court.

In a previous portion of his letter His Honour the Chief Justice says that a sitting of the Full Court was appointed to be held at Adelaide on 21st inst. The letter is dated 8th May. His Honour pointed out that that business had been withdrawn, and that but for this accident the Court would certainly not have been able to dispose of the business still remaining to be heard in Sydney before leaving for Melbourne for the sittings of the Full Court appointed for the 28th May. He added, "In the actual state of affairs, it is possible that we may do so."

Mr. JOSEPH COOK.—Is it unusual for a Court to have business left over—that is constantly happening.

Mr. ISAACS.—It is very hard for the High Court to overtake arrears of business. In other Courts, the Judges may interchange, and the business may be brought up to date in that way, but the Justices of the High Court are continuously on the move from one State to another dealing with cases as they come along, and if once their business falls into arrear it is difficult for them to pick it up again. His Honour the Chief Justice pointed out that it was doubtful whether the Court would be able to dispose of the business still remaining to be heard in Sydney before leaving for Melbourne for the sittings of the Full Court on the 28th May. As a matter of fact, the Court had to allow some business to stand over in Sydney and come on to Melbourne, and so strenuous were their efforts to finish the business in Melbourne in order to enable them to get back to Sydney that in one case, of which I have a vivid recollection, arguments on a very

important point had to be suppressed, and the cases merely handed in to their Honours.

Mr. McWILLIAMS.—Is there any record of the number of days upon which the Court sits during the year?

Mr. ISAACS.—Yes, so far as the information could be completed. The appeal business of the Court is constantly growing. There is no doubt that the Court has so far established itself in the confidence of both the professional and the general public that its business is increasing. I should like to point out, as a tangible reason that will appeal to honorable members from a common-sense point of view why the appellate business is likely to increase. The High Court has power to hear appeals from the judgment of a single Judge in the States Courts. Therefore, there is no necessity, unless the parties desire it, for appealing first to the Full Court of a State, and subsequently to the High Court of Australia. Now, I must say that these continuous appeals constitute a very expensive process, and in many cases would result in the ruin of a litigant. I can best illustrate the position by citing one case which came within my own personal experience. There was a litigant who was not very wealthy, and whose widowed mother and sisters were to a large extent dependent upon him. He lived in a neighbouring State, and he was willing—in order that their rights to certain property should be asserted—to incur the expense of an action. The case came before a single Judge of the Supreme Court of the State in question, and he was defeated. Had there been no appeal direct to the High Court—in other words, had this litigant, in case of defeat, been forced to appeal first to the Full Court of that State, he would have been able to go no further. On the contrary, assuming that he had won his case, he would have been carried further, either to the Privy Council or to the High Court, and he would not have been able to stand the expense of that litigation. Consequently, if that had been the position, he would never have appealed at all. But, having the right to appeal from the decision of a single Judge of the Supreme Court of the State direct to the High Court, he was able to bear the costs involved. He did so, and he succeeded in his action. I mention this case as a practical illustration of the reason why litigants are likely—wherever they can

do so—to appeal direct to the High Court. By so doing their case is determined once and for all. There is no right of appeal subsequently to the Privy Council. The decision of the High Court is binding, or, as the Chief Justice says, “It is a final Court of Appeal.” But whilst it is most advantageous to litigants that the number of appeals should be cut down, and that finality should be reached as early as possible, it is extremely important that the learned Justices of the High Court should not be rushed in the work which they have to perform, and that their decisions should be given after careful deliberation and full consideration. In this connexion I would point out that that tribunal, occupying as it does, a position of much dignity and responsibility, has to decide questions which involve not merely the interests of individuals and of large corporations, but the welfare of the States themselves, as well as of the Commonwealth. We can easily imagine very important questions indeed coming before the High Court—questions in which the rights and powers of the States Parliaments, as well as the constitutional powers of this Parliament, will be in dispute. It is, therefore, of the highest importance that the Court shall not be hurried in its deliberations, but shall be afforded the fullest opportunity for considering its important decisions. As matters stand, it is absolutely impossible for it to do the work which the public demand of it. If we go a step further, we find that the Constitution Act vests the High Court beyond any power of recall, with certain original jurisdiction. The only other original jurisdiction with which it has been invested has reference to the interpretation of the Constitution. There are several cases at present awaiting decision by the Court, and I am told that some eleven writs in its original jurisdiction have been issued this year, of which I think two are ready for trial. At the present moment there are eleven outstanding cases, most of which, if not all, I think, we may expect sooner or later to be brought before the Court, that is to say, if the desire of those who have instituted the actions, to obtain a decision from the High Court without any serious delay, can be satisfied. I would also point out the advantage of litigants being able to appeal direct to the High Court, from the stand-point of the expense involved, and the saving of time effected.

saacs.

They might bring an action in the Supreme Court of a State upon a matter in which the State Court has concurrent jurisdiction, and as a result of that action they might be carried by way of appeal to the Full Court of that State, and subsequently to the High Court. In any case there would be at least two hearings, whereas if the litigation were commenced in the High Court the parties might agree to state a case for the Full Court, or the Justice who hears it might refer the matter to the Full Court, where it would be finally determined. The public appreciate this fact, and desire to avail themselves of the High Court, and it is only right that having created that tribunal it should be equipped with the numerical strength necessary to enable it to discharge the public functions for which it was called into being. I now come to another matter—I do not know what to term it, because it partly involves questions of original jurisdiction—but it is really one of auxiliary jurisdiction. This Parliament has seen fit to invest the High Court with original jurisdiction in many respects. In this connexion I do not wish to refer to the many Acts which we have passed, such as the Customs Act, the Excise Act, the Post and Telegraph Act, the Property for Public Purposes Acquisition Act, the Electoral Act, the Defence Act, the Patents Act, the Conciliation and Arbitration Act, and the Trade Marks Act. But I specially wish to refer to the Conciliation and Arbitration Act, and I would invite the attention of honorable members to the urgent letter of His Honour Mr. Justice O'Connor upon this subject, dated 25th April, 1906. He says—

Circumstances have arisen which make it my duty to bring under the notice of the Government the present condition of business in the Commonwealth Court of Arbitration. A dispute alleged to have arisen between the Merchant Service Guild of Australasia, Employés, and the Commonwealth Steam-ship Owners' Association, Employers, was some months ago in proper form brought before that Court. On the 5th inst. both parties came before me to fix a time and place for hearing. The hearing will necessitate an inquiry into the status, wages, daily duties, and hours of employment of the officers of the mercantile marine of Australasia in the service of the steam-ship owners of Australasia. It is clear from the statements filed by the parties, and from the facts put before me on the application, that the case involves issues of vital interest to both parties, and of vast importance to the public, and, further, that having regard to the relation of the parties, and to the nature of the dispute, it is essential that the matters in

difference should be settled as soon as possible, and when once entered upon should be heard continuously until determined. A month's continuous sittings of the Court, at least, in my opinion, would be necessary for the hearing.

I have some personal knowledge of that case, having been consulted in regard to it, and I think that the honorable and learned member for West Sydney is possessed of similar knowledge. I think that he will bear me out that a month is a very small period within which to expect that matter to be settled. To my mind it will occupy at least two months, and probably more.

Mr. WEBSTER.—It would be determined very quickly if it were settled within two months.

Mr. HURCHISON.—I hope that the Court will be able to deal with all the matters mentioned by His Honour.

Mr. ISAACS.—I hope so. But they cannot be dealt with as matters stand at present. His Honour says—

Looking through the list of the appeal sittings of the High Court for the remainder of the year, it is impossible to find even two or three days, much less a month, of the working time of the Court which is not fully occupied. In practically all the appeals three Judges are required to constitute a Court.

I have no hesitation in saying that the appeal business is much more congested now than it was when that letter was written. His Honour continues—

On the hearing, therefore, of the application, I find myself obliged either to take a course which would suspend all the appeal business of the High Court for a month, or to postpone the hearing of this most important dispute indefinitely.

I honestly think it is more likely that His Honour would have to postpone the whole of the appeal business of that Court for three months than for one month.

Mr. WILKS.—Would it not be better to limit the Court to its appellate jurisdiction?

Mr. ISAACS.—That is impossible. The Constitution vests a large amount of original jurisdiction in the Court. We could not have a Federal Conciliation and Arbitration Act without the High Court. Nobody would give to a Judge of the Supreme Court of any one State power to declare what the law should be in all the States. If an appeal were granted from the Full Court of a State to the High Court, the whole of the three Judges would have to be engaged upon it.

Mr. WILKS.—Then all the legislation that we have been passing has been for the purpose of providing work for the High Court?

Mr. ISAACS.—Even in the debate which took place upon the Australian Industries Preservation Bill, the opinion universally expressed was that complaints lodged under that measure should be investigated by a Justice of the High Court rather than by a Board. His Honour proceeds—

As the alternative, in my view, less harmful in the administration of justice, I adjourned the application until August, in the hope that some chance might before then leave an interval in the High Court appeal business, but I see at present no prospect whatever of such an interval. If this condition of the High Court business arose from temporary causes not likely to recur, the position would not be so serious. But the condition has not arisen from temporary causes. It is the result of the steady growth in the appeal business of the High Court, and all the indications are of a further increase rather than a diminution in its volume.

I can say distinctly, both from my position as Attorney-General and as a member of the practising Bar, that His Honour's statement is quite within the mark. Mr. Justice O'Connor continues—

Unfortunately, therefore, a delay amounting to practically a denial of justice to the parties has become inevitable.

I think that no stronger words than those—"a denial of justice"—would be used. Seeing that we have told men that they must not strike, and that we have warned employers they must not lock-out, if so far we have only nominally created a tribunal to settle disputes between them, it is a denial of justice to take away from them the rights which they formerly had of urging their own interests, without giving them the substituted right, namely, the intervention of the State to settle their disputes. His Honour continues—

In my view, it will continue to be inevitable so long as the presence of the High Court Judge, who is President of the Commonwealth Arbitration Court, is essential to constitute the High Court sitting to hear appeals. In other words, so long as the High Court consists of three Judges only, it is impossible that one of those three Judges can adequately discharge the duties of the President of the Commonwealth Court of Conciliation and Arbitration.

His Honour must have felt an enormous pressure upon him to induce him to communicate to the Government spontaneously—as he did in that case—his views upon the matter. When his letter came to hand, the Prime Minister, who had charge of the matter,

was not content. He referred it, through me, to the Chief Justice of the High Court and his colleagues, and we invited their views upon it, altogether apart from the question of arbitration, and having regard only to the ordinary business of the Court. Then came the letter of His Honour the Chief Justice, in which he speaks on behalf of himself and all his colleagues. I have already sufficiently referred to that communication, and I need only add that his undoubted opinion was that an increase in the number of Justices was desirable. In order further to afford Parliament an opportunity of learning the minds of the Justices in regard to the extent of the increase required, I wrote to His Honour the Chief Justice upon the 19th June. Upon the 20th June, His Honour replied—

Having regard to the risk of interruption of the appellate business of the Court by the temporary illness or absence of one of the Justices, the importance of making provision for the exercise of the original jurisdiction of the Court which is now, of necessity, practically in abeyance, and the discharge of the functions of President of the Arbitration Court by one of the Justices, we are of opinion that the strength of the Bench should be increased by the appointment of two additional Justices.

So that the Government have done all that they could to bring before honorable members the authoritative opinion of those whose only concern is, and must be, the proper discharge of their functions. These learned gentlemen, who are placed far above any personal considerations, have informed the House and the country that they find a strain imposed upon them which is, indeed, hard to be borne. Struggle as they may, even in dealing with their appellate work, the strain upon them is very great. Further, it is not to be forgotten that the quality of the work is a very essential consideration where judicial decisions are concerned. We have to consider, not merely the quantity—which is very great—but the quality of the work. A hastily or imperfectly considered decision might mean the ruin of a litigant, the crippling of a State, or the fettering of the Commonwealth. Placed, as their Honours are, in a high and distinguished position, with a great responsibility centered in the Court, it is only right that, when they appeal to Parliament, saying, "We cannot do our work with satisfaction; we cannot endure the strain," we should recognise the position. They are only human, and are subject to the vicissitudes of humanity. That being so, we should recognise the posi-

Mr. Isaacs.

tion and inquire into it. We have done so, and the Government say to the House and the country that it is impossible for the Justices to properly discharge their functions unless they are assisted. It is for the House to say whether that assistance shall be given, and what its extent shall be. Mr. Castle, in his report of the 10th ultimo, writes—

In 1906 the High Court has continuously been engaged from the close of the summer vacation until the commencement of the winter vacation, either in holding sittings or travelling to hold sittings. As the greater part of the business before the Court had to be dealt with by a Full Court of three Justices, no Justice has been available to try original jurisdiction cases, or cases in the Court of Conciliation and Arbitration.

Mr. JOHNSON.—What is the interval between the summer and the winter vacations?

Mr. ISAACS.—Speaking from memory, I think it extends from the middle of February to the end of June. I shall point out directly what is the vacation in all the States, so that honorable members may judge of the matter for themselves.

Mr. McWILLIAMS.—It is a question, not of what is the practice of the States Courts, but of how long the Justices of the High Court work.

Mr. ISAACS.—I shall deal presently with that point. Mr. Castle continued—

Notwithstanding the continuous work, the Court has been unable to dispose of all the business on the lists, and certain cases have had to stand over until the next half-year. In Sydney there are eight cases now awaiting hearing—

I am not in a position to state definitely that that number has increased, but according to hearsay it has.

in Melbourne five—

I know that additions have since been made to that number—

in Brisbane one, and in Perth several more. The Registrar at Perth expects that there will be quite twenty cases for hearing by the time the Court sits there in October next. The Deputy-Registrar in Melbourne expects that two or three additional cases will be set down within the next few days.

Then he goes on to say—

In my opinion, there is no reason to expect any falling off in business in the future. The increase in business has been continuous, and, although perhaps the business will not continue to increase at the same rate as it has in the past two years, I believe that it will continue to increase, especially in the States of Western Australia and Queensland.

Mr. CONROY.—Was that written after the Privy Council had decided that certain sections were *ultra vires*?

Mr. ISAACS.—There has been no such decision by the Privy Council; but even if there had been, it would not affect this matter in the slightest. I shall now answer the inquiries made as to the vacations. The High Court vacation was fixed by Parliament itself in the schedule to the High Court Procedure Act. We know, of course, that the Justices have power to make a rule bearing on the subject, but Parliament decided that the vacations of the High Court should be eight weeks in the summer, and four weeks in the winter.

Mr. WILSON.—Out of those vacations a month could be set apart to enable the Conciliation and Arbitration Court to deal with the cases listed.

Mr. ISAACS.—One month would not be sufficient to enable that Court to deal with the business set down for its determination. A case in the Conciliation and Arbitration Court, in which I am engaged, will occupy more than one or two months.

Mr. WILSON.—That could be taken next year.

Mr. ISAACS.—If the honorable member were one of the workers concerned, he would not say that; he would desire to have his rights established with the least possible delay. I come now to the States Courts. In New South Wales, the summer vacation is eight weeks, and the winter vacation three weeks; in Victoria the summer vacation extends over six weeks, and, although there is no provision in the law for a winter vacation, the practice is to have a fortnight's holiday in July. In Queensland the summer vacation is eight weeks, and the winter vacation four weeks; whilst in South Australia the vacation is two months in duration, extending from 25th December to 25th February. I believe, although I am not sure on the point, that notwithstanding the absence of a rule providing for a winter vacation in South Australia, there is a practice under which the Judges can obtain some holidays in the winter.

Mr. CONROY.—A vacation is not always a holiday; a Judge has often much hard work to do.

Mr. ISAACS.—Quite so. In Western Australia the vacation is two months—extending from 24th December to 25th February, whilst in Tasmania the long vacation extends from the 17th December to 28th February. It is not due to the Justices of the High Court themselves that they enjoy the vacations named; the Act itself provides for them.

Mr. JOHNSON.—I do not take exception to their vacations.

Mr. ISAACS.—I was going to say that it is impossible to do without them. In England, the Courts enjoy a vacation of about three months.

Mr. JOHNSON.—These vacations are very necessary.

Mr. ISAACS.—That is so. The pressure on the Justices is tremendous; and if they need a rest they can secure it only during a vacation. If the High Court were to sit in a State during the ordinary vacation of the Supreme Court of that State, where should we find the legal gentlemen engaged in the cases listed for hearing? They would be away on their holidays.

Mr. ROBINSON.—They would come back very quickly if they had briefs.

Mr. ISAACS.—I do not think so.

Mr. WILSON.—Where the carcass is, there will the eagles be gathered together.

Mr. ISAACS.—I am sorry to hear the honorable gentleman refer to litigants as "the carcass"; I desire to speak of them far more respectfully. If there is any other question on which I can enlighten the House, I shall be pleased to do so. The High Court, in order to limit the number of appeals, for special reasons, has laid down precisely the same rule as the Privy Council has done relative to the grounds on which special leave to appeal will be given. I should, perhaps, read the views of the learned Justices to show that they are not assuming to themselves the power to hear further appeals by granting special leave, other than under the rule laid down by the Privy Council. In the appeal case of *Dalgarno v. Hannah* (1 C.L.R., 8), the first case dealt with by the Court, the Chief Justice said—

With regard to the second ground, we think that the rule to be applied by the High Court in dealing with applications for special leave to appeal in cases below the appealable amount should be substantially that laid down by the Judicial Committee of the Privy Council, in the case of *Prince v. Gagnon*.

The quotation from the judgment of the Privy Council, which the High Court applied to itself, is as follows:—

Their Lordships are not prepared to advise Her Majesty to exercise her prerogative by admitting an appeal to Her Majesty in Council from the Supreme Court of the Dominion, save where the case is of gravity, involving matters of public interest, or some important question of law, or affecting property of considerable amount, or where the case is otherwise of some public importance, or of a very substantial character.

The Full Court has refused leave to appeal in several cases. It did so, for instance, in the case of *Johansen v. The City Mutual Life Assurance Coy* (2 C.L.R. 186). The case was under the appealable amount, and the Court said that where there were mere questions of fact involved—where there was no important question of law involved—if the judgment appealed from was unattended with sufficient doubt to justify the granting of leave to appeal, they would refuse that leave. They also refused leave in the case of *Norton v. Taylor* (2 C.L.R. 291) applying the Privy Council rule that there was not sufficient reason to doubt the correctness of the decision to justify them in granting leave to appeal. In three or four other cases, which I need not enumerate, they have applied the same principle. They have cut down, as far as they can, the special cases in which leave to appeal is granted, and they find that the work of dealing with the limited number of appeals allowed by Parliament and the Constitution, has practically outgrown their strength. If we desire that the Court shall maintain the high position allotted to it by the Constitution, and the high position that it has won for itself in the public estimation and confidence—if we desire that it shall perform the duties intrusted to it in various other directions, and that there shall be a denial of justice no longer than exists at present—then I think that the Parliament will agree to the passing of this Bill.

Debate (on motion by Mr. CONROY) adjourned.

BOUNTIES BILL.

In Committee:

Motion (by Sir WILLIAM LYNE) agreed to—

That it is expedient that an appropriation of revenue be made for the purposes of a Bill for an Act to provide for the payment of bounties on the production of certain goods.

Resolution reported and adopted.

Ordered.—

That Sir William Lyne and Mr. Deakin do prepare and bring in the Bill.

Bill presented by Sir William Lyne, and read a first time.

MAIL SERVICE TO EUROPE.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [3.28].—I move—

That this House approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the

Commonwealth, and Sir James Laing and Sons, Limited, for the carriage of mails between Adelaide and Brindisi.

It is hardly necessary for me to speak at length since a very explicit statement with reference to this contract has already been made to the House by the Prime Minister, and the agreement itself has been laid upon the table, so that honorable members no doubt are by this time fully seized of its effect. I should like to point out, however, that less than a year ago, namely, on 4th October last, it was my pleasure to move the ratification of another contract in respect of the same mail service. At that time there was a general review of the conditions of past contracts for the carriage of mails between the State Governments, the British Government, and various steam-ship companies, and it is, therefore, not necessary for me to go back again into what is ancient history by giving the amounts paid in each case, and showing how, step by step, conditions have been improved, by obtaining accelerated speed, larger vessels, and a better service. I wish, however, to call the attention of honorable members to the contracts which immediately preceded and led up to the making of this one. The first contract of which I shall speak is that for a weekly service, made in 1897, between the Australian States, the British Government, and the Peninsular and Oriental and Orient Steam-ship Companies. The subsidy paid under that contract was £170,000, of which the Australian States paid £72,000 and the British Government £98,000. Under it, the maximum time for the journey of the Peninsular and Oriental steamers was 686 hours, and of the Orient steamers 696 hours, the mails being landed and embarked in Europe at Naples by the Orient Company and at Brindisi by the Peninsular and Oriental Company. That contract expired on the 31st January, 1905, and was followed by a contract between the British Government and the Peninsular and Oriental Company for a fortnightly service, the period of transit being accelerated from 686 to 662 hours, and the subsidy increased by about £10,000. It is difficult to ascertain the exact amount of the increase, because the contract is for the carriage of mails to the East as well as to Australia, but the period of three years, for which it has force, may be extended to ten years, and it is provided that, if there is an extension, the British Government shall be entitled to a reduction of subsidy.

The period of three years after which the contract may or may not be extended terminates simultaneously with the period of the contract between the Commonwealth Government and the Orient Steam-ship Company, when, in all probability, the British Government will probably try to enforce a new set of conditions similar to those which we shall enforce under the contract which the House is now being asked to ratify. It is hardly necessary to remind honorable members of the difficulties and troubles which were experienced by past Governments before the existing contract with the Orient Company was entered into, because, no doubt, before the debate closes, my predecessor in office will give the House a very graphic description of his troubles and tribulations in that connexion. We know what excitement there was through the country before the matter was settled. Deputations representing various branches of commerce were constantly waiting upon Ministers, and the public were clamouring for some definite arrangement. I refer to the matter now only because I do not wish honorable members to forget the many difficulties which crop up in the making of contracts of this kind. There must be at least two parties to every bargain, and the demands and requirements of each party take a great deal of consideration. In this case, I think that all that has been asked for is fair play, reasonable treatment, and a good service for a proper payment, and I think that I shall be able to show that these requirements will be met. The subsidy now given to the Orient Company is £120,000 a year, an increase upon that paid under the contract with the Peninsular and Oriental and Orient Companies and the British Government, to which I have already referred. What brought about the existence of two separate contracts, one between the British Government and the Peninsular and Oriental Company, and the other between the Commonwealth and the Orient Company, was our legislation, indorsed by the people of this country, requiring that white labour only shall be employed on steamers subsidized for the carriage of Australian mails. This Government, immediately after the ratification of the contract with the Orient Company, gave that company notice of the intention to terminate it, one of the articles in the agreement being that two years' notice of the intention to terminate should be given by either party. We gave

that notice early, because we thought that a better contract could be made, and wished to take time by the forelock. We did not desire to be again placed in a corner, finding ourselves at the last moment practically in the hands of companies which, being the only ones in the trade, could dictate their own terms.

Mr. WILSON.—The Government may be in the same position again, if the ships required under this contract are not built.

Mr. AUSTIN CHAPMAN.—I think I can show that all reasonable and business-like precautions have been taken to provide against a contingency of that kind. We have ascertained that those with whom we are dealing are responsible men, whose reputation in the ship-building world is second to none.

Mr. WILSON.—But suppose the necessary company cannot be floated?

Mr. AUSTIN CHAPMAN.—I ask the honorable member to allow me to finish my statement. When I have laid the facts before the House, I shall be glad to hear his criticism. It is almost pleasing to me that some one has at length been roused to the expression of unfriendly criticism. When the conditions which we laid down were first made public, it was said that the Government, to placate a certain party in this House, had made provision for the purchase at any time of the ships used in the service. That criticism was silenced by pointing out that a similar provision exists in the British contract, and in most other contracts. It was also said that we were asking for too much, and that our conditions would not be accepted by any tenderer. Mr. Paxton, a representative of the Sydney Chamber of Commerce, said some time ago that no company would tender for a service under the conditions laid down. But, in a letter published in this morning's newspapers, he says that the conditions obtained by the Commonwealth are too good; that we have all the best of the bargain; and that it is a one-sided contract; although, in the next sentence, he declares that those with whom we have contracted intend to sell the concession—an absurd statement, in view of his first position. Every one of the conditions which we originally laid down has been accepted, and several others have been added, the additions being such as exist in the present contract with the Orient Steam Navigation Company, and have been sanctioned by this Parliament. I should like to know if Mr. Paxton's

criticism has received the indorsement of the Chamber of Commerce, because it is important that the community should understand whether such bodies represent the commercial interests of the country generally, or, as I am afraid they appear to be, they are really partisans. Of course, if they become partisans, and the fact that they are so is admitted, their criticism can be rightly valued.

Mr. KNOX.—Mr. Paxton says that the contract is an excellent one.

Mr. AUSTIN CHAPMAN.—Yes; but in his next sentence he says that the other party to it will sell the concession, and make a lot of money out of the sale.

Mr. JOHNSON.—Does not the Postmaster-General think that they will do so?

Mr. AUSTIN CHAPMAN.—I have yet to learn that it is a crime for ship-builders in England, and men in the shipping business in this part of the world, to come together to bring into existence an Australian line of steam-ships, which will increase the competition in ocean transport between this country and Great Britain. Those who complain that a ring or combination now exists for the prevention of competition should welcome the new arrangement. Those who have faith in Australia will agree with me that there is plenty of room for the new Australian line as well as for the Orient Steam Navigation and the Peninsular and Oriental Companies. According to the statements of the chairmen of the Peninsular and Oriental and Orient Steam Navigation Companies, and a number of big financial institutions, a great expansion of business is expected in Australia, which means that there will be more produce, more passengers, and more mails for ocean-going steamers to carry. Evidently those who have entered into this contract think that something of that kind is about to happen, because they have bound themselves to provide boats of heavier tonnage than those now carrying our mails, to give an accelerated speed, and to meet all the requirements of the travelling public.

Mr. JOHNSON.—How can an expansion of business be rightly anticipated with an Anti-Trust Act in operation, whose effect will be the stoppage of importations and the restraint of trade?

Mr. AUSTIN CHAPMAN.—The honorable member has fully discussed the provisions of the Anti-Trust Bill; we are dealing now with the conditions of the

proposed new mail contract. In the first place, in order that there might be the keenest competition in the tendering, we advertised our conditions in Great Britain, and copies of them were distributed all over the world. It was made known that a postal service only was asked for, the mails to be carried between Adelaide and a port in Southern Europe, with an extension of the journey of the steamers to an approved port in Great Britain. Parcel mails are carried by sea for the whole distance between Great Britain and Australia, and therefore we require that the steamers carrying our mails shall go on to an approved port in Great Britain, in order that, by sending our parcels by sea, we may save the heavy cost of transport across the Continent of Europe. That is purely a postal matter. We asked for an acceleration of speed, and imposed a number of other conditions, which we thought would be in the interests of the Commonwealth, and at the same time enable those who tendered to provide a good service. In anticipation of objections that our conditions were too harsh, a provision was inserted that tenderers might offer to provide a service under any conditions they liked as to route, speed, or terminal ports, subject always to the stipulation that they must man their steam-ships with white labour, and to the understanding that a preference would be given to the contractors offering to carry on the service with vessels of the highest speed. I think that honorable members and the public generally will approve of the latter condition, because extra speed means extra trade. It will bring us closer to the markets of the world, and into more intimate relations with other parts of the Empire. I have referred to the very few criticisms that were directed to the conditions immediately after they were issued. It seems to me that that was the time at which any objections should have been urged. I notice that the Government have been taken to task for not having imposed any conditions with regard to the carriage of cargo. I was absent from Australia for several months, during which period this matter was handled by my colleague, the Vice-President of the Executive Council, in conjunction with the Prime Minister. I know, from the documents that have been brought under my notice since my return, that every effort was made by them to afford the States Governments an opportunity to express their wishes in regard to the con-

ditions of contract. The negotiations which were carried on reflect the greatest credit upon the Vice-President of the Executive Council, and I am glad to say that the mail contract is described by one of the Brisbane newspapers this morning as one of the most important executive acts since Federation was established. When I returned from England, I found that nearly everything in connexion with the mail contract had been arranged, and the credit in connexion with the transaction is due to my honorable colleague who had charge of my Department during my absence, and I have much pleasure in paying this tribute to the ability and judgment which he has displayed. I desire to call attention to the fact that when the contract with the Orient Steam Navigation Company was under discussion, the late Premier of Queensland, Mr. Morgan, stated that if the contract had been made for a service terminating at Adelaide, and all the States had been placed on an equal footing, Queensland would have raised no objection. In connexion with the present contract, tenders were invited in plenty of time, and as I have said, very little criticism was directed against the conditions proposed. We received only five tenders, and in accordance with the conditions, which provide that only the three lowest tenders shall be disclosed, particulars relating to those only have been placed before honorable members. One tender was informal, and there was one other besides those regarding which information has been given. Honorable members will readily understand that business men who enter upon these great undertakings do not care to come into conflict with one another, and that, furthermore, no public good can be served by publishing the particulars of the tenders, except to the extent provided for in the conditions. Whilst one can understand the eagerness of honorable members to obtain particulars whilst negotiations are proceeding, matters must be dealt with upon a business footing. It is the duty of the Government to make the best possible bargain with the contractors, as it is the aim of the contractors to do the best they can for themselves. Business men who conduct important negotiations such as those which have just been concluded, would laugh at the idea of placing the other side in possession of valuable information. I join my honorable colleagues, the Vice-President of the Executive Council and the Prime Minister, in saying that, in the

course of negotiations, we were met by the representative of the contractors in the most liberal spirit. He was anxious to secure a good contract, but always remembered that there were two parties to the bargain, and that what was required was an efficient service at a reasonable cost.' I take it that we all recognise that the introduction of a third shipping combination into the Australian trade will tend to the advantage of the community, by bringing about more competition, and, probably, a reduction in rates. I believe, moreover, that the contractors will not only have a strong commercial backing, but also strong support from the public. It seems to me that it is a good thing for us to have a line of steamers, manned by white men, with the Australian flag flying at the mast-head. The new line of steamers will be, I believe, partially owned in Australia, and I think that we should give the contractors every assistance reasonable in carrying out their undertaking.

Mr. JOHNSON.—At what port will their steamers be registered?

Mr. AUSTIN CHAPMAN.—At some port in the Commonwealth. That should be sufficient for the honorable member, because I do not think that it is desirable to introduce any provincial feeling into the matter. It will be seen that, beyond the advertised conditions, the agreement contains three paragraphs, 14, 15, and 16. These are practically identical with clauses 32, 34, and 35 of the agreement with the Orient Company, and, consequently, have already received the approval of this Parliament. Clause 14 provides that the Government will use their good offices with the States Governments to secure to the mail contractors facilities equal to those granted to other ship-owners. No one can take exception to that. Clause 15 refers to fresh legislation. Clause 16 contains the usual provision as to what may take place in the event of a declaration of war. The contract provides that we shall have complete control over the carriage of all mails, and that all the postage received in regard to letters shall belong to us. No mails can be put on board at any port without the approval of the Postmaster-General. The contract is for a term of ten years. The alternative period mentioned in the conditions of tender was seven years. It has been complained in the past that, owing to the short period for which the contracts were entered into, it would not pay any new combination to construct ships

necessary to perform the service, and the Government were thus left at the mercy of the old contractors. Provision is made that if, at the expiration of five years, any competing line of mail ships is providing an improved and accelerated service, we shall be entitled to call upon the contractors to provide an equivalent service. A subsidy of £125,000 is provided for a 636 hours' service, and the contractors are entitled to extra remuneration to cover the cost of an acceleration of speed to the extent of twenty-four hours upon the trip one way; but the total sum payable to them is not to exceed £25,000 per annum over and above the contract price.

Mr. JOSEPH COOK.—There is nothing in the contract that would enable the Government to demand an accelerated service.

Mr. AUSTIN CHAPMAN.—The contract will give us power to demand an acceleration of speed.

Mr. JOSEPH COOK.—Clause 5 does not seem to me to be clear upon that point.

Mr. AUSTIN CHAPMAN.—Owing to the short time at the disposal of the contractors, the contract provides that they shall not be required during the first six months to conduct the service with the ships that are to be built according to the conditions of contract. They must, however, provide vessels that will carry the mails within the specified time. I think that it will be found that the contract is very clear upon that point. It has been drawn up under the advice of two of the ablest lawyers in Australia, namely, Mr. Croker and the Commonwealth Crown Solicitor. It is provided that the steamers shall each have a registered tonnage of at least 11,000 tons. I think it is most desirable from the stand-point of the Commonwealth that we should have trading to Australia ships of a better class than those now coming here. The new vessels will be able to accomplish the voyage in quicker time than the present mail steamers; they will provide three times the refrigerated space that is now available, and they will afford additional inducements to travellers. The contractors recognise that they will be coming into competition with powerful companies who are now engaged in the Australian trade, and that they must be thoroughly up-to-date if they are to enjoy a fair share of that trade. They feel that if they can offer the public something better in the way of accommodation than they have hitherto been

receiving they will be considerably assisted in carrying out their undertaking. I would point out in this connexion that the average tonnage of the eight Orient steamers engaged in the present service is under 7,000. The average tonnage of the ten vessels comprising the Peninsular and Oriental Steam Navigation Company's fleet is less than 8,700 tons. In addition to the ships being of 11,000 tons register the contract provides that the plans for their construction shall be submitted to the Government. That is a most desirable state of things from our stand-point, and it will also be of assistance to the contractors, because, when once we have entered into this undertaking, which provides for the payment of a sum considerably in excess of £1,000,000, the Government, and succeeding Governments, will naturally feel that the interests of the new contractors are, to a very great extent, their interests. If the contractors prosper it will be an indication of the prosperity of Australia, and there is no doubt that every reasonable assistance will be accorded to them, not only by the Government of the day, but by the Parliament and people of the Commonwealth. In this matter, as in others of much smaller magnitude, the success of one naturally hinges upon the other. I have very little doubt that everything will run smoothly, and that the service will prove of very great benefit to the people of the Commonwealth. As regards the question of a further acceleration of speed, I have already pointed out that, at the end of five years, if any other line of mail steamers trading to Australia is completing the voyage in less than 612 hours, arrangements can be made for the vessels carrying the Commonwealth mails to provide an equally expeditious service. I have also pointed out that the port of registry must be within Australia. That seems very little to say, but what does it mean?

Mr. JOHNSON.—The Postmaster-General will not say which is to be the port of registry.

Mr. AUSTIN CHAPMAN.—I cannot control that matter, but I hope it will be Twofold Bay, the Federal Capital port. After all, it does not matter very much in which capital the vessels are registered. The important point is that they will be registered within the Commonwealth, which will make the undertaking practically an Australian one. Australia will be interested in it, and that fact is

something of which we may be proud. No doubt it will be the forerunner of many other undertakings, and when members of the Opposition come to view matters from a better stand-point, we shall probably be able to build some of these great ships in Australia. I hope that that day is not far distant.

Mr. JOHNSON.—When we block up our ports by tariff walls and anti-trade Bills?

Mr. AUSTIN CHAPMAN.—Surely it is not the honorable member speaking who prevented us, by every means in his power, from establishing the iron industry in Australia—an industry which would have enabled us ourselves to undertake the building of ships? This is a serious business. Hitherto honorable members opposite have proved the stumbling block which has prevented us from bringing about the desirable state of things of which I speak.

Mr. JOHNSON.—Nonsense. We cannot build them!

Mr. AUSTIN CHAPMAN.—When I was in Glasgow recently I saw some of the biggest ships in the world launched there, and I am credibly informed that there are men living in that city who can remember the time when they could step across the very spot where those vessels were launched. How, then, can the honorable member for Lang exclaim, "Nonsense, we cannot build them"?

Mr. JOHNSON.—We have not the necessary plant or the material.

Mr. AUSTIN CHAPMAN.—We have all the raw material in this country. I look upon that as a most desirable end to aim at, though owing to the attitude of the honorable member, and some of his friends, it does not seem possible of attainment just now. As some question has been raised regarding the deposit which has been made with the Government, I wish to say that we have a deposit of £2,500.

Mr. JOHNSON.—That is a very small deposit for so large a contract.

Mr. AUSTIN CHAPMAN.—The honorable member was a member of this House when contracts were left without any deposit being required at all. In addition, we have in the bank a guarantee of £25,000, which is as good as a deposit, so that practically we have in hand £27,500. A further demand for an additional £25,000 can be made at any time, if it is considered that sufficient progress is not being made with the construction of the necessary vessels.

Mr. JOHNSON.—The Government have not the first £25,000 in hand. They have only £2,500.

Mr. AUSTIN CHAPMAN.—The bond that we have received is, in the opinion of men who are competent to judge, absolutely as good as 25,000 sovereigns. It is a bank guarantee. But why, I ask, was not that objection taken when the conditions of the contract were first set forth? The amount of the deposit was clearly stated then, and any company possessing a line of steamers was at liberty to tender for the contract.

Mr. JOHNSON.—Any established company.

Mr. AUSTIN CHAPMAN.—I do not object to honorable members barracking for some of the companies which have missed this contract. Personally, I fail to see much difference between an established company, whose ships are unable to carry out the conditions of the contract as to speed, and a firm of ship-builders, concerning whom we have made the closest inquiry, and concerning whom we have obtained the most satisfactory assurances.

Mr. JOHNSON.—It is only a firm which is interested in the building of tramp steamers.

Mr. AUSTIN CHAPMAN.—The honorable member may endeavour to throw discredit on the contractors.

Mr. SPEAKER.—I would point out that these constant interruptions, amounting almost to a dialogue, must be disconcerting to the Minister. Honorable members will be at liberty to make their speeches when the Minister has concluded.

Mr. AUSTIN CHAPMAN.—It is very hard to have one Laing criticising another. It would give me very much pleasure indeed if the honorable member stood as well as does his namesake across the ocean. Without any hesitation, this £25,000 was placed at our disposal, and from our inquiries we are satisfied that there need be no fear entertained of the standing of Sir James Laing and Sons. Seeing that we occupy that position, I ask whether the successful tenderers are not in a position at least equal to that occupied by the companies which already possess a line of steamers? Is it reasonable to suppose that the former would put up £27,500 if they did not intend to see the contract through?

Mr. JOHNSON. — They have twelve months in which to hawk their concession around.

Mr. AUSTIN CHAPMAN.—Nothing of the kind. I have received assurances under that heading also. They do not propose to do anything of the kind, but intend to proceed with the work of building a fleet of steamers for themselves. I have that information from an undoubted financial authority. Does not the honorable member think that the firm are strong enough to undertake the work?

Mr. JOHNSON. — They are strong enough—

Mr. SPEAKER.—If I had not already called attention to the interjections of honorable members, I might suppose that the Minister's question warranted a reply. But I would again point out that these dialogues must be very disconcerting to an honorable member who has prepared his speech.

Mr. AUSTIN CHAPMAN.—The honorable member for Lang asks such pertinent questions — questions to which such complete and reassuring answers can be given— that I am obliged to him for enabling me to elucidate some of the points connected with the contract. What does the accelerated speed under the new agreement mean? It means that we shall obtain a regular service of 636 hours, or twenty-six hours less than the service at present provided by the Peninsular and Oriental Steam Navigation Company. When we secure a 612 hours service, it will be fifty hours less than the mail service provided by that company.

Mr. JOSEPH COOK.—But we cannot obtain a 612 hours service under the proposed contract.

Mr. AUSTIN CHAPMAN.—I am disposed to agree with those who assure me that we can. What does that mean in comparison with the present contract, which some people would evidently like to see extended? It means a difference of sixty hours. Is there no advantage to be derived from a service which is sixty hours less than that provided at present? But, as a matter of fact, we shall secure a service which is eighty-four hours less. This accelerated speed will mean that correspondence received by an incoming mail can be replied to from Sydney, in the case of the 636 hours service, by the same vessel; while, if we secure a 612 hours service, it will permit of answers being forwarded all the way from Brisbane. In my opin-

ion, that is a very decided advantage, and one that is worth paying for. Some honorable members appear to think that the provisions of the contract are not sufficiently stringent. Need I point out that the penalties provided are very drastic indeed? Under the existing contract, if a mail steamer is twenty-four hours late, the penalty imposed is £100. If a vessel is twenty-three hours late, no fine can be inflicted. But, under the new contract, the penalty provided is £5 for every hour that a vessel may be late in delivering its mails. The accelerated speed of the new service will mean that residents of all the capitals will be able to answer letters by return post, and to catch the outgoing mail. That will be of very great advantage.

Mr. KELLY.—That is with the accelerated service?

Mr. AUSTIN CHAPMAN.—Yes. Even under the 636 hours service, the residents of Sydney will be able to reply to their correspondence by the outgoing mail. Probably, business people even in Brisbane will be able to forward replies by the outgoing steamer, because the first term of the Peninsular and Oriental Steam Navigation Company's contract will expire about the same time as the current contract with the Orient Steam Navigation Company, and, naturally, the British Government will ask the former company to provide a service equal to the new service of the Commonwealth. With a little pressure, doubtless the Peninsular and Oriental Steam Navigation Company will be able to do that. If the acceptance of the proposed contract will expedite the transit of British mails, it will prove a decided gain to the entire community. There is no need for me to say very much more in regard to this contract. I should like to add that the Government expect to secure an accelerated train service in connexion with it. After paying a large sum to expedite the carriage of mails overseas, we do not think it is right that they should be permitted to remain in any capital for any considerable time. They should be forwarded on by train without delay.

Mr. CAMERON. — Are the Government taking any steps in that direction?

Mr. AUSTIN CHAPMAN. — Yes, we are taking steps in that direction, even in connexion with the mail service to Tasmania. It will not be very difficult to accomplish our object, because the State authorities will recognise that our request is a reasonable one. The running of the trains should be expedited, so that the

people may receive their mails at the earliest possible moment. I have already stated that the negotiations conducted by the Vice-President of the Executive Council, the Prime Minister, and the Secretary for the Post Office, with Mr. Croker representing Sir James Laing and Sons, were conducted in the most business-like and friendly way. A liberal spirit was exhibited on both sides. Mr. Croker endeavoured to meet us in a reasonable way, and did all that he possibly could to bring about the early acceptance of the contract. So far as we know—and surely the Government ought to know—there is no warrant for the statement that the subsidy is nearer £250,000 than £125,000 per annum.

Mr. WILKS.—Is the honorable member going to oppose my amendment?

Mr. AUSTIN CHAPMAN.—I shall deal with it in due course. I am glad to see that the honorable member, together with his right honorable leader, has adopted the view of the Government that it is necessary to establish great industries in Australia, and that, whilst we ought not to aim at the impossible, anything that is reasonable and proper for the encouragement of great industries should have our support. It is pleasing to hear that the honorable member's leader stated in Queensland that he would help to establish such industries, and nothing would give me greater pleasure than to see our big mail steamers constructed at Mort's Dock. I would point out that there is plenty of room for three great lines of steamers in the service between Australia and Great Britain. I have nothing to say against either of the other two. We hope that they will remain in the service. Competition is the life of trade, and competition between the three lines would be highly beneficial to Australia. This contract, although not very pleasing to some who cannot view these matters except from a party stand-point, is viewed with satisfaction by the Government. They took a risk in giving notice of their intention to cancel the present agreement, and when they did so all sorts of gloomy forebodings were indulged in. The acceptance of the contract by a firm of undoubted strength is highly gratifying. It is to be hoped that every contract that is let will meet with no sharper criticism than has been levelled at that now under consideration. What have the opponents of the contract said? They have simply declared that it is a very fine one, and that they can-

not understand how the contractors are going to carry it out. I would point out, however, that the Orient Company have succeeded in carrying out a similar contract with a smaller subsidy, although in that case they had not to provide such fast or such large steamers as will be required under the one which this House is now asked to ratify. We know very well that the larger the steamers the greater the trade and the consequent returns. That being so, it is difficult to understand the criticism which has been levelled at the contract unless some of it has come from an interested source, and is designed to throw an obstacle in the way of the acceptance of this agreement.

Mr. LONSDALE.—It is a contract with ship-builders.

Mr. AUSTIN CHAPMAN.—They are the sort of people with whom we desire to make contracts. We need to enter into agreements with men who can not only supply us with the stipulated service, but are capable of providing an increased service when it is required. Once these great ship-building firms start to build steamers for the Australian trade, it is to be hoped that the number of vessels which they put on the service will steadily increase. The question before us is one in which every class is interested. It is a matter that affects every one, and should appeal to all of us, not from a party, but from a national, stand-point. I take it that there will be no opposition to the ratification of the contract, although, naturally, some criticism will be offered; but before we talk of refusing to ratify it we should ask ourselves what the alternative is. What should we have in front of us if we refused to ratify the agreement? Let us recall our position when we were practically at the mercy of the ship-owners. Having regard to all the circumstances, I commend this motion to honorable members, believing that the contract is an excellent one, that it will result in great good to the people, and that it is one of which we may well be proud. Although the contractors are ship-builders carrying on business in Great Britain they are of our own kith and kin, and I hope that this large expenditure on an Australian service will be but the beginning of many Australian lines. I sincerely trust that the day is not far distant when we shall be able to more fully supply the wants that we have been paying others to provide for us, and that we shall be able ere long to build our great mail

steamers in Australia, thus finding work for our own people, instead of sending it out of the country.

Mr. THOMAS (Barrier) [4.21].—I rise with a great deal of pleasure to move—

That all the words after the word "House" be left out, with a view to insert in lieu thereof the words—"is of opinion that, in the best interests of the Commonwealth, the Government should purchase and control a fleet of mail steamers capable of maintaining a fortnightly mail service between Australia and Great Britain."

If my amendment were adopted we should have a State-owned mail service between Australia and Great Britain. I desire at once to disclaim any credit for having originated the proposal that we should have a State-owned mail service. The suggestion came neither from the Labour Party nor any socialistic body, but from a Conservative member of the House of Commons—Mr. Henniker Heaton.

Mr. JOSEPH COOK. — Conservatism and Socialism are closely akin.

Mr. THOMAS.—Very well. In one of his speeches Mr. Henniker Heaton dealt with the matter, and showed that the subsidies paid by the British and Australian Governments would be quite sufficient if capitalized to provide for a State-owned fleet. Before I conclude, I hope to be able to quote the views of others outside the Labour Party who advocate a State-owned mail service, and thus to show that if there be any credit or blame attachable to my proposal, then the whole responsibility does not lie entirely at the door of the party of which I am a member. I brought this matter forward on one or two occasions last session, and as the outcome of my action a Select Committee was appointed to inquire into the desirableness of establishing a State-owned shipping service. During the recess that Select Committee was converted into a Royal Commission, in order that it might complete its investigations. I desire to thank the Government for its action in that regard, although they have not seen their way clear to adopt the recommendations made by six out of the eight Commissioners. I believe that good work has been done by the Commission, and that even if we are unable to carry our proposal into effect at the present juncture, the investigation made by us will hasten the day when we shall be able to do so. Before proceeding to deal with the main arguments in favour of the amendment, I should

like to read a letter from Mr. Kenneth Anderson, Managing Director of the Orient Company. Immediately on the publication of the report of the Shipping Service Commission I sent a copy of it to Mr. Anderson, and received from him the following reply:—

Martin-place, Sydney,
2nd July, 1906.

Dear Sir,—I am much obliged to you for the copy of the Shipping Commission report.

To-morrow's or Wednesday's papers will probably contain some comments of mine which will be of interest to you.

I read with regret in the report the phrase as to the Orient Company not publishing balance sheets "for reasons best known to itself." It contains an innuendo which, in view of our desire to afford the Commission every assistance in our power, I think we might have been spared. Besides, the statement is incorrect.

Australia, when all is said and done, owes not a little to the Orient Company, who have consistently lost money on their service. Surely we might look for fair criticism, to put it no higher than that.—Yours truly,

KENNETH S. ANDERSON.

In answer to that letter I wrote at once—

Parliament House, Melbourne,
4th July, 1906.

Dear Sir,—I am in receipt of your letter of 2nd July.

I extremely regret that the words "for reasons best known to itself," should have caused you regret, and in view of that I am very sorry that they should have appeared in the report. I can assure you that in no way were they meant as an innuendo. The meaning I meant to convey was that you, being a private company, could simply please yourselves whether you published them or no, and for reasons best known to yourselves you did not publish them, as you had a perfect right not to do. In view of the fact that you do publish your balance sheets, I regret all the more that the paragraph appeared in the way it did.

I had an idea that the Orient, being a proprietary company, did not issue a balance sheet, simply because they did not choose to do so.

Personally, I very much appreciate the assistance you rendered to the Commission, an appreciation which was shared by all the Commissioners, and it makes it all the more worrying to me that a paragraph which could have been phrased a little differently, and conveyed as I purposed a compliment rather than otherwise, should have been so badly framed as to convey an innuendo where no innuendo was intended.

Might I read your letter when I am speaking on the mail contract in the House. I will then publicly take the opportunity of stating what I have written in this letter? So far from being in any way ill-disposed to the Orient Company, the fact that for so many years the company employed white stokers, and was prepared to do so again in the contract with the Commonwealth Government, I can assure you is reckoned, as far as I am concerned, to

your company for righteousness; and I go as far as to say that, whilst I am strongly in favour of the Government running their own mail boats, yet if the Government does not do so, and arrangements are made with any private company, I should have been pleased to have seen the Orient Company the successful tenderer. I regret that the words cannot be withdrawn now from the report, but I will take the first opportunity in the House of making an explanation. Can you suggest anything else? I shall be glad at your earliest convenience to have a short note from you.

I remain, Yours sincerely,

JOSIAH THOMAS.

I received a very kind and generous letter from Mr. Anderson in answer to that communication. As I have said, six out of the eight members of the Shipping Service Commission reported in favour of a State-owned service. A great deal of criticism has been hurled against that report, and particularly against paragraphs 4 and 5, which deal with the estimated income and expenditure of a national line. One of the metropolitan papers has declared that the figures therein given have been so riddled that it would be the height of folly to make any attempt to carry out the proposition. In the Commission's report £90,000 per annum is allowed for interest, £760,000 per annum as the cost of the round trips, £150,000 for insurance, £150,000 for depreciation and sinking fund, £57,000 for managerial expenses, calculated at 7½ per cent. on the £760,000 before referred to, making the total expenses £1,207,000. It is estimated that the income from passenger traffic would be £701,900, while subsidies for mails, &c., would come to £150,000, and the freight on State imports would return £100,000, and ordinary freights £368,000, making a total of £1,319,900, and giving a surplus over expenses of £112,900. In a criticism of our recommendations published in the *Age* newspaper, it is stated that "we fondly gave a mass of figures which we considered unchallengeable, and to incontestably prove our case;" but we expressly state in the report that we had no definite and reliable figures upon which to base an estimate, though it might be taken for granted that private companies would not send vessels to Australia unless by doing so they hoped to make profits. We were of opinion that the shipping companies which have done business with Australia in the past, and are still trading here, have not acted as philanthropists. They do not send their vessels here to render a splendid service to this country.

Their object is to make a profit. Two companies—the Peninsular and Oriental and Orient Steam Navigation Companies—have been carrying mails between Australia and Great Britain for more than twenty years. Of these companies, it is stated authoritatively that the last-named has not found its business profitable. Mr. Kenneth Anderson told us that in some years the company made a profit, while in others it did not, there being a loss on its operations in the aggregate. Of course, that statement must be accepted as correct, though why the operations of the company have not paid is a question which I cannot answer. Its steamers may not have been sufficiently large, its capital may have been too small, or there may have been other reasons. The Peninsular and Oriental Company, on the other hand, has been highly prosperous, and, for a great number of years, has done exceedingly well. There are some who say that it makes its profits, not on its Australian trade, which is unprofitable, but on its trade with India and China, though I venture to think that it must be assumed that the Australian trade is not unprofitable, because a company would rather make larger profits on a smaller tonnage than smaller profits on a larger tonnage. It may, however, be accepted as an axiom as true as the assertion that the whole is greater than its part, that the mail companies doing business with Australia either have made, or are making, or hope to make, profits. If the business of the mail companies had been wholly unprofitable, there would long ago have been a big cry for the Government to undertake this service. If there were no profit in the operations of mail companies, every Chamber of Commerce in Australia would have affirmed that the services which they perform should be undertaken, not by private enterprise, but by the Government, and the ladies of the National Association would have been ready to admit that, even if the performance of these services were left to the Government, there would be no interference with the sanctity of the marriage tie, and no undermining of the great cardinal principles of Christianity. The fact that the Government has not been asked to carry on these services is evidence that they pay. The *Age* newspaper is a strong advocate of the establishment of an Australian Navy, of which I, too, am in favour; but that is because there is no profit in keeping up a

naval force. Men of war are in themselves costly structures. They are filled with delicate mechanism requiring expert care and attention, and are practically obsolete almost before they are launched. But, according to the *Age*, the establishment of an Australian Navy would be patriotism. That is because there is no profit to be obtained from such an undertaking. But directly it is proposed that the Government shall undertake a service which would yield a profit, that is lunacy. Putting entirely apart the figures which we have given, we claim that facts show that private enterprise does pay, though the assertion that the Government can do the work as well as it is now done is quite another matter, with which I shall endeavour to deal later on. For the moment, it is sufficient to contend that the mail companies find their business profitable, and, in all probability, will continue to do so. Nearly all the metropolitan newspapers of Australia have paid the Commission the compliment of criticising the figures which we have submitted, and, of course, we cannot object to fair criticism. It would occupy too much time to deal one by one with the statements which have appeared in these newspapers, and, therefore, I shall content myself with pointing out that, while they all agree that our estimate of income is an inflated one, and our estimate of expenditure altogether too low, they differ entirely among themselves in matters of detail. I shall, however, refer more particularly to an article which appeared in the leading columns of the *Age*, since that is a protectionist newspaper, which is supporting the Government, and, therefore, argues strongly against the proposed establishment of a national fleet, and for the acceptance of the Government proposal. In this newspaper a statement appeared, on the authority of Mr. O. Gordon Wesche, the acting superintendent in Australia of the Peninsular and Oriental Steam Navigation Company, to the effect that the estimate of £3,000,000 which we had set down as the probable cost of the eight steam-ships necessary for the service which we propose, is not large enough, because five steamers of the *Mongolia* and *Macedonia* type cost £2,500,000. I had first intended to ask him if he had been correctly reported, because mistakes sometimes occur, and I thought that he probably meant £1,500,000. I did not do so, but no contradiction of the statement has appeared, and it is accepted and quoted in the leading article of

Mr Thomas.

the *Age* to which I have referred. On the 8th December, 1904, however, in a newspaper called *Fairplay*, which is, I believe, one of the leading shipping journals of England, the annual balance-sheet of the Peninsular and Oriental Steam Navigation Company appears, and Sir Thomas Sutherland, the chairman of the company, who must be taken to know something about its operations, is reported to have said that the *Macedonia*, the *Marmora*, the *Mongolia*, and the *Moldavia*—all four of which are of the type referred to by Mr. O. Gordon Wesche—together with the *Pera*, the *Palma*, and the *Palmyra*, three steamers which are not mail boats, but average 7,500 tons each, cost £1,681,954 9s. 9d. If the three 7,000 tons vessels which I have named had been given to the Peninsular and Oriental Steam Navigation Company and had cost nothing at all, the *Mooltan*, which is the fifth vessel of the class referred to by Mr. O. Gordon Wesche, would have had to cost £818,045 10s. 3d. to make up his estimate of £2,500,000 as the cost of the five. On the other hand, if the three vessels of the *Pera* class had cost £150,000 each, the *Mooltan* would have had to cost £1,268,045 to make up his estimate, and the other four of the same class £308,000 each. The writer in the *Age* newspaper, dealing with our figures, puts the cost of the boats that would be required at £400,000, though, as he accepted the statement of Mr. O. Gordon Wesche, he should have put it down at £500,000 each. I do not know why he made a reduction of £100,000 for each vessel, unless it was because he wished to let the Commission down as lightly as possible. If that was his intention, I think that he failed to perform a public duty. He also says that at least ten vessels would be required. We recommend a fleet of eight vessels; but he says that, in addition, there should be a reserve vessel at each end, to be used in the emergency of the foundering, wrecking, or temporary withdrawal, through any cause, of any of the eight. Estimating the cost of the vessels employed at £400,000 each, it would mean the keeping of £800,000 of capital idle to carry out that suggestion. I should like to know if any private company would be foolish enough, stupid enough, or mad enough, to transact its business in that way. If eight vessels could perform the service, would a private company keep two other vessels lying idle merely to meet emergencies?

Mr. BATCHELOR.—Does the Government contract provide for such an arrangement?

Mr. THOMAS.—I do not know; I guess not. Mr. Kenneth Anderson thinks that a fleet of nine vessels is necessary, and while there may be reason for employing nine, it would be absurd to employ ten vessels. We suggest that £150,000 should be laid aside as an insurance fund, and £150,000 as a deposit towards a sinking fund to cover depreciation. If the eight steamers started off and made no profit at all for the first twelve months, that is to say, if they merely paid their working expenses, we could immediately proceed with the construction of another steamer. That, however, would be a matter for consideration by the superintendent of the fleet. I am quite prepared to admit that we might lose a steamer on the very first trip. If Socialism is so bad as some people represent it to be, possibly a special storm would be raised by Providence to destroy one or more of our steamers. Some of us were taught that a special storm was raised by Providence in order to save England from the Spanish Armada. Many honorable members may have heard also the story about the hungry Jew who went into a restaurant, and whose nostrils were assailed by the savoury odour arising from some frying bacon. After a struggle he overcame his conscientious scruples, and enjoyed a hearty meal of the forbidden meat. The weather was fine when he entered the restaurant, but when he emerged from it a heavy thunderstorm was raging, and he remarked, "What an awful row to kick up over such a small sin." It may be that Providence will raise a storm in order to cripple our socialistic mail service from the outset. Whatever may be said against Government control, it must be admitted that the lives of those who are engaged in conducting Government and municipal transit enterprises, and any passengers who may be carried by them are much better looked after than are those who have to depend upon private undertakings. Whilst, as I say, it may be necessary to build a ninth boat immediately, we may assume that we shall be no less fortunate than the Orient Steam Navigation Company, and the Peninsular and Oriental Steam Navigation Company, who, during the period that they have been trading to Australia, have been wonderfully free from losses at sea. Moreover, improvements are being effected every year, and the risk of loss of property and life at sea is being minimized. I should like to

know whether Sir James Laing and Sons propose to provide nine boats at the outset. In connexion with the new service, it must be remembered that the voyage will be shortened to such an extent that one week extra will be available upon each round trip for docking or other purposes. We are told by the *Age* that the Commission have over-estimated the receipts from passenger fares and freights, because they have fixed upon an amount representing double the income derived by the Orient Steam Navigation Company. That company having only averaged £540,000 per annum from passengers, fares, and freights, if we add £100,000 to represent the subsidy they have received, their total income has amounted to £640,000. Mr. Kenneth Anderson told us in his evidence that the average working expenses of one boat upon an average round trip amounted to £32,000. As the Orient steamers make twenty-six trips per annum that would represent a total expenditure of £832,000, without making any allowance for depreciation or interest upon capital. Therefore, according to those figures, the company have been sustaining a loss of £200,000 per annum. We may reasonably add another £200,000 for interest on capital and depreciation. Therefore the Orient Steam Navigation Company have apparently been going back to the extent of £400,000 per annum for the last twenty years. If this be the fact, they have undoubtedly done great service to Australia. They deserve to be treated as patriots, and should be very generously considered. We are also told by the *Age* that not only have we estimated that we shall receive twice the amount derived by the Orient Steam Navigation Company, but that the receipts from the State-owned service are expected to practically equal those of the Peninsular and Oriental Steam Navigation Company. The passage reads as follows:—

This is just about double the entire average annual revenue of the Orient Company during the last four years, and it nearly equals the total revenue of the Peninsular and Oriental Company earned by operations which embrace, as well as its Australian trade, a weekly service between England and Bombay, and a fortnightly service between England and Japan, China, Calcutta, and the Straits Settlements, as well as Mediterranean and Egyptian subsidiary lines.

We estimated the income of the State-owned service as £1,300,000, and I find, by reference to the balance-sheet of the Peninsular and Oriental Company for 1904, that their gross receipts amounted to

£3,008,655 18s. 8d. When I went to school I was not taught that £1,300,000 was practically the same amount as £3,000,000. We anticipated that boats fully equal to those described by the Postmaster-General would be employed in the State-owned service, and that they could be built for £375,000 each. Mr. Kenneth Anderson estimates that steamers such as we indicated would cost £400,000 each. Therefore, there is a difference between our estimates of only £25,000 per vessel. We sent to Mr. Coghlan a number of questions to which he has supplied very interesting answers. Among other things, he tells us that it would be possible to procure steamers of 12,000 tons, fitted with ordinary reciprocating engines, at a cost of £355,000 each. He mentioned that, in addition to this sum, we should have to provide money for the purchase of pantry furnishings, cutlery, and so on. We asked whether it would be of any advantage to have eight steamers built by one firm of ship-builders, but Mr. Coghlan strongly urged that we should not place an order for more than two steamers with one builder. He informed us that, in the event of our ordering two steamers from the one contractor, we might rely upon a reduction of from 1 to 2 per cent. in the cost. That would represent a saving upon each steamer of £7,000, which would be ample to provide all the pantry furnishings and cutlery required. That would leave £20,000 for the substitution of turbine engines for reciprocal ones. The figures quoted by Mr. Coghlan show that we have not greatly underestimated the cost of the steamers required. Mr. Coghlan may make mistakes, but I think that every honorable member will admit that he takes the greatest possible pains to obtain accurate information. He states that steamers such as he describes would be capable of conveying 350 first-class, 170 second-class, and 500 third-class passengers. The Commission do not indicate in their report that this would be the best class of steamer to employ. Evidence was given by Mr. T. A. Saunders, of Perth, which appeared to commend itself to some members of the Commission. He suggested that accommodation should be provided for a large number of passengers of the one class, upon much the same lines that the White Star steamers carry passengers. He stated that the White Star line had created a traffic for itself. If we

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were able to fill steamers such as Mr. Coghlan indicates with passengers for only five months in the year, and carried no passengers whatever during the remaining seven months we should, I think, do very well. Of course, we might not be able to make full use of our passenger accommodation for even five months, but we might rely upon securing the whole of the passenger traffic now carried by the Orient Steam Navigation Company, which would have to retire from the passenger trade when the mail subsidy was withdrawn. We might reasonably expect also to secure some of the passengers who now travel by the Peninsular and Oriental Company's steamers. Then, again, we may reasonably assume that all Government officials, from the highest to the lowest, when travelling on business, would proceed by the national steam navigation line. At present, when a Government official requires to pay a visit to England, sufficient money is given to him to defray the cost of his passage, and he is free to travel by any steamer that he chooses. Otherwise, we should simply be feeding one private company as against another. But if we had an Australian line of steamers in the fullest sense of the word, I venture to say that all State officials travelling between here and England—irrespective of whether they were going home upon private or Government business—would travel by those vessels. Public sentiment would induce them to do that. I now come to our coastal trade. As honorable members are aware, there is a considerable amount of passenger traffic between the various ports of the Commonwealth. All this traffic would be thrown in to make up the five months' full passenger trade. The Commission have set down £150,000 by way of subsidy. At the present time the Postal Department is paying a subsidy of £120,000, and in future it proposes to pay £125,000. The Queensland Government makes up the difference between that amount and the present mail steamer subsidy of £150,000. If the Queensland Government is prepared to subsidize a private company, surely it should be willing to grant equal assistance to a national line of steamers! The Commission further say that we may reasonably ask the States to annually contribute £100,000 by way of freight on State imports. At the present moment a good

deal more than that is paid to private companies by the various States Governments by way of freight upon Government imports. Already the Queensland Government have entered into an agreement of that kind with the Orient Steam Navigation Company. For many years the New Zealand Government has had a similar arrangement in existence. If Governments are prepared to enter into these agreements with private companies, surely they should be ready to make similar agreements with a national line of steamers.

Mr. LEE.—It would entirely depend upon the price charged.

Mr. THOMAS.—Exactly. There need not be any additional cost to the State. But even if there were an additional cost, compensating advantages would be supplied by a national fleet of steamers. The Commissioners further say that we should endeavour to obtain a cargo of about 4,000 tons for each steamer each way. The steamers we suggest would be capable of carrying 5,600 tons of cargo. Space, however, must be allowed for the accommodation of refrigerators, passengers' luggage, &c., so we allow for only 4,000 tons. If we could annually secure £100,000 by way of freight on State imports, only another £100,000 would require to be supplied by the merchants of Australia. Would not they be prepared to grant a preference to a fleet of this kind? They loudly proclaim that we should use Australian goods as far as possible, and I quite agree with them. If there be anything in the statement that we should purchase Australian goods simply because they are Australian, surely there is something in the suggestion that imported goods should be brought here by Australian-owned boats! If our local merchants refuse to grant a preference to a national line of steamers, they can scarcely approach this Parliament with a request for increased duties upon certain articles.

Mr. SALMON.—The honorable member is speaking of the manufacturers.

Mr. THOMAS.—Does not Mr. McKay, of the Sunshine Harvester Company, import the steel and iron which he uses? In passing, I may mention that the present freight upon a good many products which are carried by the mail steamers is £2 10s. a ton. The Commissioners do not say that it should not be less, but basing our deductions upon the present figures we hold that an estimate of 4,000

tons of cargo for each voyage of a mail steamer at £2 per ton is not an excessive one. Upon the homeward journey the mail steamers charge £3 10s. per ton for the carriage of butter.

Mr. LEE.—Not in all cases. The Aberdeen Company do not charge that.

Mr. THOMAS.—The mail steamers charge it. The freight upon fruit ranges from £3 to £3 5s. per ton. I venture to say that if a national fleet of steamers were established, there would be no necessity for the Commonwealth Government to enter into arrangements with the States Governments for the latter to guarantee the export of a certain quantity of perishable products, because the exporters themselves would be only too pleased to enter into a definite agreement with a State-owned line of vessels. Although the Aberdeen Company does not charge £3 10s. per ton for the carriage of butter to the old country, the evidence tendered to the Commission was that the exporters prefer to pay a little more than is charged by other vessels to secure the carriage of their commodity by the mail steamers, because of the regularity which characterizes their arrival and despatch. In my opinion, it would be unwise for the exporters of perishable products to place themselves absolutely in the hands of the mail companies, because if they did so the latter would soon increase the freight upon butter from £3 10s. per ton to £7 per ton, which was the rate formerly charged. At the recent annual meeting of the Peninsular and Oriental Steam Navigation Company, Sir Thomas Sutherland referred to the unremunerative freight at present being charged for the carriage of butter. But if we had a Government line of steamers, which would undertake the carriage of that commodity to the old country at £3 10s. per ton for a definite period, no difficulty would be experienced by the exporters in making a satisfactory arrangement. I admit that a Government line of steamers would not be able to convey the whole of the butter exported from Australia. Some of it would have to be forwarded by the Peninsular and Oriental Steam Navigation Company's steamers. I have already pointed out that, even if the income derived from a national line of steamers were £112,000 less than we have estimated, the revenue and expenditure would still balance. I admit that the figures which I have quoted are merely estimates, and that figures can be made to prove anything.

Even when the Tariff discussion was in progress, we frequently saw free-traders and protectionists alike quoting from the same volume of *Coghlan* in support of their rival contentions. But the question is, "Can a line of mail steamers be made to pay?" If it can, the Government should run a line of their own; but if it cannot, we have no right to become mendicants by asking a private company to undertake the work of carrying our mails for less than cost price. It has been said that the Government cannot run any concern as economically as can a private company. In this connexion, I may mention that the Commission examined the Chief Railways Commissioner of every State except that of New South Wales, where Mr. Harper represented the Railways Commissioners. None of these gentlemen can be called Socialists, and every one of them is opposed to the idea of establishing a national line of steamers. But when we asked them whether the work at present being done by the railways could be performed more economically and expeditiously by private enterprise they said that it could not.

Mr. LEE.—Did the honorable member expect to receive any other answer from them?

Mr. THOMAS.—According to the honorable member's dictum, the evidence given in the opposite direction must also have been biased. Mr. Tait, the Chief Railways Commissioner in Victoria, has, during most of his life, been associated with privately-owned lines. He has been vigorously attacked at various times by members of the Labour Party, and that fact would not predispose him to labour ideals. Yet he says—

My experience, having been engaged on what might be called a privately-owned railway for over twenty years, and for the last three years on a State-owned railway, is that the public receive fully as good, if not better accommodation and service, having regard to the circumstances, from a State-owned railway as they would receive from a privately-owned railway in similar circumstances. I should like to add that my experience here leads me to think that there is no need of competition in the Australian States, at least to keep the railway management and the railway staff of State-owned railways up to the mark, for we have the critic with us always, and in every part of the country.

It has been said that there is no elasticity in the method of determining the freights to be charged upon ocean-going steamers, and that that constituted a great trouble. I confess that when I assumed the position

of chairman of the Select Committee upon Shipping I thought that, probably, there might be too much red-tapeism and not sufficient flexibility in the method of determining freights, and that these factors might militate against the idea of a State-owned line of steamers. I am very pleased to say that without exception, so far as I can remember, the members of the Chambers of Commerce whom we examined, although opposed to a State-owned service, took the view that non-elasticity of freights between England and Australia, as the result of the Shipping Conference, was a good thing. Mr. Keep, who is a prominent merchant carrying on business in Melbourne, was examined by us, and, although strongly opposed to a State-owned service, said, when dealing with the Shipping Conference, and the elasticity of freights, that—

It is an advantage to the importer to have freights stable, so that he may know exactly what his goods will cost him before he orders them, and also that he may know that he is paying the same rates of freights as are charged to his competitors.

That was practically the evidence of all the members of Chambers of Commerce examined by us. It must be recognised, therefore, that inflexibility of freights, whilst not being disadvantageous to the Government, would be highly advantageous to the commercial community. Some people object to the rigidity of our railway freights, but if the Railways Commissioners were able to vary them according to their own sweet will, there would be a hue and cry throughout the country.

Mr. KING O'MALLEY.—We should have the curse of the American rebate system.

Mr. THOMAS.—Quite so. One feature of the present contract affords me satisfaction, and that is that, so far as the Post and Telegraph Department is concerned, it provides only for a postal service. I have urged on more than one occasion that the service paid for by that Department should be a postal one pure and simple. But I have also urged in this House that it is not sufficient for the Government to arrange merely for such a service—that whilst the Post and Telegraph Department should not be debited with the cost of anything more than the carriage of mails, the National Government should make arrangements for something more than a postal service. Practically, every other country, with the exception of England, is

doing this at the present time. The Governments of Germany, France, Norway, the Argentine, Japan, and even the United States, are now entering into contracts with shipping companies to provide for something more than the carriage of mails. Not long ago, a Select Committee of the House of Commons presented a report dealing with the matter, in which it said—

That the subsidies given by foreign Governments to selected lines or owners tend to restrict free competition, and to facilitate the establishment of federation and shipping rings, and, therefore, that no subsidy should be granted without Government control over maximum rates of freight, and over this combination of subsidized with unsubsidized owners to restrict competition.

The time has come when the National Government of Australia should deal with this question. It was once said by a great statesman in the House of Lords, that the key of India was in London, and I venture to say that if Australia is to make, in the next decade, the progress that it has done in the past, it will be necessary for us, not merely to be able to supply our own requirements, but to be in a position to hold our own in the markets of London. So far as perishable products are concerned, it is not sufficient that we should be able to satisfy the requirements of the few people scattered over this great Continent; we must be in a position to supply at least some of the needs of the struggling masses in the congested parts of the old country. In order that that may be done, freights must be regulated, not by a board of directors in England, but by a member of the Government. We have in power, I believe, a Protectionist Ministry. It has been proclaimed as such from the house-tops, and I understand that one of the objects of protection is to do away with all imports. The desire of the protectionists is that everything that can reasonably be made in Australia shall be made here. I take it that there can be no objection to their contention that if it be possible everything necessary to satisfy local wants should be produced in Australia. I cannot say whether or not that is economically possible or whether it is a sound proposition, but I assume that it is the policy of the Government and of the great protectionist party. Some years ago, when the present Minister of Trade and Customs was Premier of New South Wales, he attended a banquet given by a steamship company conducting a service between

Sydney and Vancouver, to celebrate, if I remember rightly, the placing of a new steamer on the line. The honorable gentleman, speaking on that occasion, wished the company all success, saying, "I hope that you will have this boat going full of produce to Canada, but returning empty." I trust that I have not misquoted the honorable gentleman, but I understand that the words I have attributed to him express the legitimate desire of the protectionists of Australia that we should be able to supply all our needs.

Mr. JOHNSON.—Quite irrespective of the cost!

Mr. THOMAS.—I am not dealing with that phase of the question; I am simply pointing out that the desire that we shall produce everything that we need is a laudable one, although I cannot say whether or not it is economically possible of fulfilment. The point is that if that is the object of the protectionist party it must result in freights to England being increased, since there would be no back-loading. If these steamers had to return empty from England the freights to the old world would be double what they would otherwise be. If the Government were able to bring about such a happy state of affairs as the production in Australia of all that is required to satisfy our wants, they should be in a position to say to the producers: "It is immaterial whether as the result of our legislation there is no back loading. We shall take care that you are not penalized by having to pay more than you would otherwise do." Unless they were able to take this stand the advantages of their policy would be minimized. There is one question to which I should like an answer, and that is as to whether or not the company with whom the contract has been made is to be a member of the Shipping Conference in England. If it is not to be a member of that conference, then heaven help it—it will need all the assistance that a kind Providence can give it to save it from ruin. On the other hand, if it is to be a member of the conference the position will be rather serious, so far as the people of Australia are concerned. It is necessary that we should have some information on this question. I am not opposed *per se* to the Shipping Conference, which is described by some people as a "ring." I am a trade unionist, and, as such, believe that every worker who fails to join a union is a fool to himself and his family. I have no

particular objection to an employer enjoying the right to join a union whatever may be the name by which it is called; but some of the features of the Shipping Conference in England are certainly inapplicable to a trade union. In the first place it would be interesting to learn whether they keep open their books. Much has been said in this House as to preference to unionists, and the closing of the books of unions. I have been a trade unionist for years, and am a strong believer in unions, but I hold that as soon as unionists declare that they will work only beside trade unionists, they must throw open their books, so that a worker who wishes to join their union will be able to do so. I have expressed this opinion before, and will do so again. The same remark will apply to the Shipping Conference. Mr. Kenneth Anderson, when before the Commission, was asked by the honorable member for Kennedy whether any company, by subscribing to the articles of association, could join the conference, and his reply was that it depended upon the financial backing of the company. Then, again, Mr. Barnes, acting superintendent in Queensland of the Australian United Steam Navigation Company, was asked by the honorable member whether any company other than the Australian United Steam Navigation Company, Howard, Smith, and Company, and the Adelaide Steam-ship Company, trading on the coast, could join the conference on subscribing to the articles of association. The reply was, "Oh, no; we can do all the work ourselves." Mr. Paxton, when interrogated on the same subject, said that it was not a fair thing that, after all the pioneering work in connexion with the establishment of a shipping service had been completed, other companies or firms should be able to step in and reap the benefit. As a trade unionist, I am prepared to grant the employer the same right that I ask for the employé; but if trade unionists declared that their books were to be closed, what a howl of indignation there would be. The honorable T. C. Beirne, a member of the Legislative Council of Queensland, informed us that, although he had loyally sided by the Shipping Conference—that, although through his broker he had caused all his goods to be sent out in vessels owned by members of the Conference—he was threatened with the loss of his deferred rebates, because his London broker had sent goods to a person in South Africa by a vessel which was outside the compact. What would the editors of the Australian daily

newspapers say if trade unionists took upon themselves the responsibility of saying that, although an employer here had done everything they desired, he ought to be penalized because of the action of an employer in South Africa? I think they would be writing their articles in the deepest gall. Another arrangement of the Conference is that a profit shall be paid, not only on the ships that are working, but also on the ships which are idle, that is, on the whole of the capital of the companies interested. If, in Australia, the trade unions were to ask that, not only shall the men who are working be paid, but that also the men who are not working shall be paid, what would the ladies of the National League say? A company subsidized by the amount by which the proposed company is to be subsidized should not join the shipping ring, though, if it does not, those who send cargo by its vessels may be boycotted by the other companies. If, however, we established a national line, the shipping companies would not dare to boycott consignors, because behind a Government are the full resources of civilization.

Mr. JOSEPH COOK.—Is the honorable member able to say that his party will vote with him on this matter?

Mr. THOMAS.—That is not a subject for discussion at the present moment.

Mr. FISHER.—This is not a party question.

Mr. THOMAS.—I should like to know what wages are to be paid to those employed by the proposed new company. It has been stated in the newspapers that they are to be paid the Australian rates for deep sea vessels, because, I understand, our sailors do not ask for the same rates of wages for long voyages as they expect when employed on coastal trips. We ought to pay those concerned in the carriage of our mails and cargo white men's wages. We require that there shall be white stokers on the mail boats, and we should also require that they shall be paid white men's wages. We are determined not to wear boots, clothing, or hats made by sweated labour, and we should not allow the goods which we use to be carried by sweated labour. If it were necessary, in order to make a national line profitable, to put aside a subsidy equal to the difference between the cost of paying the rates of wages adopted by the Orient and Peninsular and Oriental Companies, and the Australian rates, we should be amply jus-

tified in doing so. If we had a national line, a great deal of money would be spent here which is now spent elsewhere. That should please our protectionist friends, and even the honorable and learned member for Werriwa. We should not provide that a man living in Great Britain should not be employed on the steamers, but, within a very short time, through force of circumstances, the officers, engineers, and crew would all be found establishing homes in Australia. Indeed, if we paid Australian rates of wages, we might reasonably ask them to do so. With their homes established here, they would, of course, spend most of their money here, which would be more advantageous to the Commonwealth than the spending of their money in England—not that I have any prejudice against the old country, but that I think that, when the interests of Australia and Great Britain clash, we should consider those of Australia first.

Mr. JOSEPH COOK.—Here we have a good man gone wrong.

Mr. THOMAS.—If I have gone wrong, it is in connexion with a very good cause. The Commission recommend that £150,000 should be put aside annually as an insurance fund. Of course, we touch private interests at every point. Instead of that money being handed over to a private company, the Government could insure its own boats. The money would not necessarily be spent here, though I shall listen with pleasure to the arguments advanced by the honorable member for Dalley in support of his proposal that the boats shall be built here. I think that it would be a grand thing if they could be built here, provided that the work was as satisfactory as that obtained in Great Britain, even though the price might be a little more.

Mr. BATCHELOR.—Has the honorable member for Dalley the support of his party?

Mr. THOMAS.—The Commission also recommended the setting aside of £150,000 as a sinking fund. These recommendations raise the question whether the cry of Australia for the Australians is raised in earnest, or is merely an electioneering cry. Those who support that principle are being offered an opportunity to carry it into effect, and to bring about the spending of money in this country, by giving the Australian trade to Australians, instead of to English ship-owners. I wish

now to briefly refer to a criticism of our proposals which has been made by a Mr. Paxton. I do not know if it will be presumptuous for me to tell the House who Mr. Paxton is, or whether honorable members all know him. At any rate, I shall say that he is a member of the Chamber of Commerce of Sydney, and chairman of its shipping committee, and, at the conference of Chambers of Commerce, recently held in Perth, he was asked, I suppose as the leading shipping expert present, to move a motion in condemnation of the proposal for a State-owned fleet. At the time the Commission had not presented its report, and was still engaged in the taking of evidence, but that is a mere detail. By the courtesy of the honorable member for Kooyong, the president of the Chambers of Commerce of Australia, honorable members have been supplied with copies of Mr. Paxton's speech. It is a "whale" of a speech; but I shall not deal with his criticism in detail. He says that the Commissioners seemed to think that State-owned vessels giving a fortnightly service could carry all the produce of Australia; but we had no such idiotic idea, as our report will show. As a last argument, he alludes to something which he alleges I said to him during a private conversation on the mail-boat. It seems to me that such conversations ought not to be made the text for a public speech; but, although I do not remember the occurrence, I agree with the sentiments which I am alleged to have expressed, and do not treat Mr. Paxton's conduct in repeating it very seriously. He said that the Orient Steam Navigation and the Peninsular and Oriental Companies have a rule that divine service on their boats on Sunday mornings shall either be conducted by a clergyman of the Church of England, or be the service of that church, and that he asked me whether there would be a similar rule in force on the vessels of the proposed national line. My reply was quoted to the effect that, as Australia has not a State religion, we could not make it a rule that the 11 o'clock service on Sunday mornings should follow the Church of England ritual. I am not a member of the Church of England, but I like the service of that church, and, when at sea, unless ill, never fail to attend it. At the same time, I admit that, under the circumstances, the Government could not lay down the rule that only that service should

be followed. Mr. Paxton used my statement as an argument against the establishment of State-owned vessels, because he said that without such a rule there would be three or four clergymen of different denominations each desirous of holding a service, and the result would be that the harmony of the passengers would be interfered with. The contract which the Postmaster-General asks us to ratify has been greatly boomed in the newspapers. I do not know of any which has been more boomed. We have been told that turbine steamers are to be employed, that the Government are to control the rates of freights, and that Australian rates of wages are to be paid. The Postmaster-General in his excellent speech said not a word on any one of those three points; but I should like some information in regard to them. There are other places besides Australia in which this matter is being considered. Having read in the newspapers cablegrams to the effect that the New Zealand Government contemplated the establishment of a line of State-owned vessels, I wrote to the late lamented Right Honorable Richard Seddon, asking him if that were so. He gave my letter an immediate reply, the full text of which is printed as an appendix to the report. In it he stated—

There is no doubt whatever that there is a combination of the shipping companies in New Zealand, and the Government are determined, by legislation or otherwise, to break the monopoly. To do it by legislation is rather a protracted and expensive method—

No Anti-Trust Bill about that—

Chartering or having State-owned steamers, is, in the opinion of the New Zealand Government, the only direct, definite, and efficacious way of solving the problem; and if the present unsatisfactory state of things continues, Parliament and the people will be prepared at an early date to try the experiment.

The late Right Honorable Mr. Seddon's treatment of the subject was very different from that of the Queensland Ministry, whose policy, when we wished for evidence from them in relation to our inquiry, seemed to be one of shuffle. In Natal, the question has also been raised, the following motion, moved by Mr. F. S. Tatham, having been carried unanimously:—

That, in the opinion of this House, the time has arrived for consideration of the question of establishing direct communication with England by a line of steamers owned or contracted

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by the Colony, and that the Government be requested to give consideration to the whole question during the recess.

With regard to the conditions to which the Norddeutscher-Lloyd steamers were subject, Mr. Kenneth Anderson was asked—

Do you consider that a restriction in any way? —I do; but if you have a Government at your back it does not matter much what restriction it imposes provided it is willing to pay the cost. A perusal of the N.D.L. subsidy agreement leaves one under the impression that the N.D.L. are as much a Department of the State as a private trading corporation.

This shows that other Governments besides ours are considering the question of exercising more and more control over transit services by sea, as well as by land. We have been told that we should not establish a State-owned mail service, because no other country has embarked upon such an enterprise. If there were anything in that argument, we should never effect any reforms. If our ancestors had entertained that idea, we should still have been wearing fig leaves instead of the clothes which are now a source of comfort to us. It seems to me that it is our privilege, freed as we are from the shackles and manacles of old prejudices, to be in the van of the reform movement, instead of lagging in the rear. I may not be able to carry my point to-day. It is possible that vested interests will be too strong, prejudice too powerful, and ignorance too rampant, to permit of my doing so. I have lived long enough, however, to know that that which is sneered at to-day, and regarded as utterly impracticable, often becomes the actuality of to-morrow. I had the pleasure of introducing into the New South Wales Parliament a proposal for a national scheme of insurance for miners. The Government opposed the idea, and the newspapers were strongly antagonistic to it. I was told that if I had not more cheek than brains I would never have submitted my proposal. I, however, lived to see, whilst still a member of the New South Wales Parliament, not only my proposal, but one going much further, carried on the voices by the two Houses of the New South Wales Parliament, and I noticed in the *Argus* recently a laudatory account of it, and an announcement to the effect that the anti-Socialist Premier of Victoria intended to introduce a similar measure. I venture to say that the time will come when not merely our mails and passengers, but most of our cargo, will be carried to and from

Great Britain in State-owned steamers. It may be left for some one better able to advocate the cause to bring about the reform at which I am now aiming, but I shall have the satisfaction of knowing that I was the first to bring it under the notice of the National Parliament of Australia.

Mr. JOSEPH COOK (Parramatta) [5.49].—In moving—

That the debate be now adjourned,

I desire to congratulate the Postmaster-General, and the honorable member for Barrier, upon the admirably lucid speeches they have delivered.

Motion agreed to; debate adjourned.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

SECOND READING.

Debate resumed from 29th June (*vide* page 914), on motion by Mr. GROOM—

That the Bill be now read a second time.

Mr. KELLY (Wentworth) [5.50].—When I last addressed myself to this question, I quoted extracts from the reports of the right honorable the Treasurer to indicate the nature of the country through which the proposed railway would pass, and also to show the intimate relationship which the survey proposal bore to the eventual construction of the line. Now that the courtesy of honorable members has permitted me to continue my remarks, I find that I am not in a position to guarantee the correctness of my right honorable friend's none too satisfactory accounts of the territory north of the Australian Bight. I absolutely agree, however, with the view that if we pass this Bill we shall pledge ourselves to the construction of the line in the event of the estimates of the cost of construction and the annual loss upon the working of it not being proved incorrect. The survey of a railway is surely the initial stage of its construction.

Mr. WEBSTER.—Not necessarily. It may prove to be the death of the line.

Mr. KELLY.—I say that, unless the estimates of the cost of construction and the annual loss upon the working of the line are proved to be too low, we shall, by passing this Bill, have taken one of the preliminary steps towards the construction of the railway.

Mr. PAGE.—That is absolutely correct.

Mr. WEBSTER.—Without a survey we shall have nothing to guide us.

Mr. KELLY.—We have the reports that have already been presented to Parliament. Knowing how closely associated the proposal for the survey is with that for the construction of the line, it is our duty to examine carefully the whole railway scheme. If honorable members think that a capital outlay of £4,500,000, together with a yearly deficit of £70,000, is too much to pay for the travelling convenience of a small section of the Australian public, I trust that they will declare against the railway at this stage, instead of supinely putting off their decision until three years hence. Are we so fabulously wealthy that we can afford to throw £25,000 up the spout? Honorable members should face the position. The outside public will ask why their funds should be wasted, and they will not be satisfied when they are told that honorable members have not the courage of their convictions, or have been log-rolled into temporary complaisance.

Mr. WEBSTER.—The honorable member voted in favour of the proposal.

Mr. KELLY.—On the last occasion that a similar Bill was before the House I explained that I would vote for the second reading, in order to give the representatives of Western Australia an opportunity of proving the soundness of their statement that the line would pay. I said—

I voted originally for the consideration of the measure, and afterwards for the second reading, because I wished to test in Committee the question which is at the bottom of my amendment. I have voted for the Bill so far, although I am opposed to the construction of the railway, because I wish now to prove whether or not the Western Australian representatives think that the verdict of the survey will be favorable to the construction of the line. . . I merely wish now to ascertain whether the representatives of Western Australia are prepared to back their opinion that the railway will prove a great success as a business undertaking. I move—

That the following proviso be added:—"Provided that the States of Western Australia and South Australia, collectively, or individually, undertake to refund to the Commonwealth the cost of this survey, in the event of the Commonwealth not deciding within two (2) years of the completion thereof to construct the said railway."

When my amendment was lost, I took up the position which, so far as the railway is concerned, I have always maintained, and I opposed the Survey Bill with all my strength. Honorable members who, after hearing that statement read, insinuate that I have changed

my views with regard to the proposed railway will insinuate anything. I am rather disappointed to hear that certain remarks have fallen from the Treasurer, who, I understand, recently told his friends in Western Australia that one of the reasons why he severed that close association which he formerly enjoyed with the right honorable member for East Sydney was that the right honorable gentleman was not sufficiently energetic on the question of the transcontinental railway line.

Sir JOHN FORREST.—I have not been in Western Australia lately, and I have not made any such statements.

Mr. KELLY.—I accept my right honorable friend's assurance.

Sir JOHN FORREST.—I did not think that I was well treated by the right honorable gentleman at the end of the first session of this Parliament, but I have always stated the right honorable member has been a very good friend to the railway, and has always been in favour of the survey and of the construction of the line.

Mr. KELLY.—I am very glad that the right honorable gentleman acknowledges that the right honorable member for East Sydney has always done everything possible.

Sir JOHN FORREST.—Where did the honorable gentleman obtain his information—from some anonymous correspondent, I suppose?

Mr. KELLY.—I at once accept the right honorable member's assurance, and I am glad to hear him say that the right honorable member for East Sydney has done his utmost to further the project.

Sir JOHN FORREST.—I did not say that. I said that he had always been a good friend to the railway.

Mr. ROBINSON.—In that regard, he has made one of the greatest mistakes of his life.

Mr. KELLY.—Exactly; but I am glad to have it placed on record that the Treasurer is satisfied with the action of the right honorable member for East Sydney.

Sir JOHN FORREST.—I was not satisfied when the measure was talked out in the Senate at the end of the first session of this Parliament.

Mr. KELLY.—For four years the right honorable gentleman was a member of the Barton and Deakin Administrations, and yet he never so much as submitted a motion in favour of the construction of the transcontinental railway.

Sir JOHN FORREST.—That is not accurate.

Mr. KELLY.—Did the Treasurer introduce a Bill dealing with that matter?

Sir JOHN FORREST.—I asked for leave to introduce one, and the motion was opposed.

Mr. KELLY.—Was opposition to a motion for leave to introduce a Bill sufficient to deter the right honorable gentleman?

Sir JOHN FORREST.—It was my Bill which passed through this House.

Mr. KELLY.—The Treasurer was in office for four years without accomplishing anything in connexion with the transcontinental railway, and yet the right honorable member for East Sydney, who was in office for only one year, was successful in passing a Bill authorizing the survey through this House. Because that measure was defeated in the Senate on its merits, the Treasurer professes to be dissatisfied. Surely he must see that, if anybody can impute a want of energy to the right honorable member for East Sydney in connexion with this matter, he cannot do so in face of the fact that he has never submitted a Bill dealing with it, although he has been a Minister of the Crown for four years.

Mr. WATSON.—He is distinctly culpable, I think.

Mr. KELLY.—To-day we have an additional evidence of his intense anxiety to proceed with this work.

Mr. WATSON.—What is his latest effort?

Mr. KELLY.—I refer the honorable member to the business-paper. Originally this Bill occupied a high place upon the business-paper, but to-day it was put down below the proposal for the ratification of the English mail contract. The Treasurer did not have even a kick left in him when the proposal was made to defer the consideration of this measure.

Mr. WATSON.—What did the honorable member wish him to do?

Mr. KELLY.—I wished him to show a little fight, just as he did in connexion with the proposal to impose a Federal land tax. I wished him to tell the Government that he intended that this railway should receive consideration at the earliest opportunity, and that he would not consent to have the Bill postponed to convenience a humble individual like the Postmaster-General. There is one other complaint that I have to make against the Treasurer. Not content with endeavouring to cloak

the iniquities of this proposal—not satisfied with attempting to gain support for it by any and every means—

Mr. WATSON.—That is not a fair statement.

Mr. KELLY.—The Treasurer has actually sought to induce one's leader to influence him in connexion with the Bill. That is a very unfair proceeding. I have been approached by honorable members upon this side of the Chamber, and have been asked to forego my right to discuss the merits of this proposal—

Sir JOHN FORREST.—I did not ask the honorable member to do that.

Mr. KELLY.—I think that the right honorable gentleman asked other honorable members to approach me.

Mr. WATSON.—I do not think that he would do it.

Mr. KELLY. — I say unhesitatingly that a proposal which has to be "hushed" through a deliberative assembly is not worth £20,000.

Mr. PAGE.—Who wanted to do that?

Mr. KELLY.—The Treasurer, who had not a kick left in him when this Bill was placed in a lower position upon the notice-paper.

Sir JOHN FORREST.—Have I sent any message to the honorable member either directly or indirectly? The honorable member can speak as long as he likes so far as I am concerned.

Mr. KELLY.—Since the Treasurer has given such a flat denial to my statement, I will ask him whether he has suggested to any honorable member that it was not a right thing for me to continue talking in opposition to this Bill. Did he not suggest to the deputy leader of the Opposition that he might ask me to desist from talking?

Sir JOHN FORREST.—Not the honorable member particularly. I wanted to get along with the business. It is of no use talking about a project which has already been discussed so much.

Mr. KELLY.—Then there is something in the accusation which has been made. If the proposal embodied in the measure is defensible, it requires no cloaking.

Sir JOHN FORREST.—If everything that one says privately to an honorable member is to be repeated here, we shall have to be exceedingly careful.

Mr. KELLY.—Then the Treasurer did speak to an honorable member privately? I did not know that the communication was private, or I should not have referred to it.

Sir JOHN FORREST.—The honorable member knew very well that it was private.

Mr. KELLY. — After this digression, I now propose to revert to my original contention, namely, that this Bill, and the construction of the transcontinental railway, are inseparable. I propose to deal with the reasons which have been urged in favour of the construction of the line, and to regard this Bill as one of the preliminary steps in connexion with that undertaking. Let me take the five main points which have been advanced in favour of the work. They are:—(1) That there was an implied pre-federation promise that the line would be constructed; (2) that it is constitutionally impossible for Western Australia alone to construct it; (3) that for national purposes of defence it is necessary; (4) that it is expedient for developmental purposes; and (5) that it will benefit the east of Australia as well as the west.

Mr. MAHON.—It will benefit the east more than the west.

Mr. KELLY.—These are the five points which have been urged in favour of the building of the line. I intend to prove that each of these points is a bad one, and that, therefore, all must be bad. I have often been struck by the ease with which the representatives from Western Australia can flutter from one argument to another without following any to a conclusion. It appears to me that they rely more upon mere clamour than upon argument.

Mr. MAHON.—Would the honorable member mind letting us have a list of the shareholders in the various Australian shipping companies?

Mr. KELLY.—I do not know why my honorable friend asks me that.

Mr. MAHON.—There is a good reason for it.

Mr. KELLY.—Before I conclude my remarks, I intend to quote the utterances of the honorable member, and I hope to make him a convert to his former views upon this question. In order to ascertain what justification exists for the plea that there was an implied pre-federation promise that the Commonwealth would construct this transcontinental line, I have carefully searched the debates of the Federal Convention. My task was made singularly easy by reason of the golden rule which was laid down by the Treasurer that he, and he alone, should speak in the Convention on behalf of the great Western State. If I had had to look up the speeches

of the six delegates from Western Australia I might have experienced considerable trouble. But the right honorable gentleman felt that he alone was worthy to speak on behalf of that great State—

Sir JOHN FORREST.—What justification has the honorable member for that statement?

Mr. KELLY.—Perhaps I have gone a little too far, and if so, I withdraw my statement.

Sir JOHN FORREST.—What is the use of making random assertions of that kind?

Mr. KELLY.—It is not a random assertion. Not another delegate from Western Australia had the temerity to so much as open his mouth in the Convention.

Sir JOHN FORREST.—That statement is absolutely without foundation.

Mr. KELLY.—I cannot find a record of any speeches by the other delegates.

Sir JOHN FORREST.—Perhaps the honorable member does not know their names?

Mr. KELLY.—The name of the State which a delegate represented always appears after the name of the delegate himself. I have looked up the Treasurer's speeches in the Melbourne Convention, and I find that although he spoke no less than eleven times in favour of a special Tariff for Western Australia, he never once opened his mouth upon the question of the construction of the transcontinental railway. In that gathering, he clearly expressed his conviction that Western Australia was too great a State to live upon the charity of the other States. Therefore, so far as the representation of Western Australia is concerned, there was no pre-Federal promise made that this line should be constructed. The first quotation which I desire to make from the Treasurer will be found upon page 1123 of the Melbourne Convention debates. The right honorable gentleman said—

All I can say is that we do not want anything from any one; we are quite content as we are—even without a railway.

Mr. MAHON.—We do not want any favour now. We merely desire justice.

Mr. KELLY.—Is it justice that Western Australia should step in and ask the Commonwealth to construct this railway for her?

Sir JOHN FORREST.—Nobody has ever asserted that there was any promise made during the Convention debates that the transcontinental railway should be constructed.

Mr. KELLY.—But everything which transpired at the Convention points in the opposite direction. Upon the same page, the right honorable gentleman is reported to have said—

I think I pointed out the other day, but I may as well repeat it here to-night, that Western Australia stands in a peculiar position in regard to Federation—in a position altogether different from that of any other colony in the group. One reason for this is that we are not able to point out, in fact no one here has attempted for a moment to point out—I hope some one will do so if he can—that Western Australia can in any way gain by Federation at the present time.

That was the statement of the Treasurer, who was the leader of the Western Australian delegation—that no one could point out that Western Australia could in any way gain by Federation. Not even a railway!

Mr. WILSON.—They did not expect to gain anything at that time.

Mr. KELLY.—They did not.

Sir JOHN FORREST.—No; but the eastern States have gained something from us. They have gained £233,000, whilst Western Australia has gained nothing from them.

Mr. KELLY.—The Treasurer himself did not expect to secure the construction of this railway as the result of Federation. So much for the implied promise. The next quotation I desire to make from the remarks made by the Treasurer, when attending the Convention, relates to the Commonwealth powers of railway construction. The right honorable gentleman said—

There can be no doubt that, as time goes on, the powers of the Federal Government will increase, and who can tell what our future requirements may be; the honorable and learned member (Mr. Reid) said that he would only approve of the construction of railways for strategical purposes, but is not every railway used for those purposes?

I commend that statement to the right honorable gentleman, who has since tried inferentially to claim that this is the only railway that is urgently required in Australia for strategical purposes. He continued—

I can only say that we have already built our railways up to within 400 miles of our boundary, and we shall be quite able to build other lines for ourselves when we can agree with our friends to join us on the border.

Sir JOHN FORREST.—We have not been able to agree with our friends at the border.

Mr. KELLY.—Exactly. I am going to submit an amendment that it be a condition precedent to the making of this sur-

vey that the right honorable member's friends at the border—as he describes them—shall give us a guarantee that they will consent to the construction of the line. That is the point. As a member of the Convention, the right honorable gentleman said inferentially that the only obstacle to his proceeding with the construction of this line as Premier of Western Australia was the disinclination of his "friends at the border" to meet him. I ask him to remember that fact. He went on to satisfy the delegates from the other States that, so far as railway construction—general railway construction, that is; not this particular railway—by the Commonwealth was concerned, they would be safeguarded. He said—

There will be quite sufficient security for the rest of Australia in the fact that, before a railway can be constructed, the Parliament of the Commonwealth will have to agree to it; and it seems to me that if the Parliament of the Commonwealth has to agree to the construction of a line, New South Wales need not be afraid—

the right honorable gentleman meant, of course, to include Victoria and Queensland—

because she will have a very large share of the representation in the lower House to guard her interests.

I would remind honorable members that according to the Treasurer we are here to guard the interests of the Eastern States. I wish to make a few more quotations before turning from the views of the Treasurer to other matters. The right honorable gentleman not only wished Western Australia to look to herself for her own development, but actually resisted the handing over of the railways of the States to the Commonwealth. He expressed one of his reasons for this attitude in the following terms:—

I know that in our Colony the railways are one of our great revenue-producing instruments. But that was not the reason why I voted against the proposal. I do not think any one voted against it because he was afraid of the responsibility of taking over the railways. As self-supporting and reproductive works, they would be amongst the best assets the Commonwealth could have. Taking the whole of the railways of Australia, they are not only self-supporting, but also reproductive, and, therefore, my honorable friend was altogether wrong when he said that we were afraid for the Commonwealth to take over responsibility for the railways. I would vote tomorrow for taking over all the railways of the Colonies, and not be afraid of the responsibility; but the reason why I voted against the provision was different altogether.

I invite the attention of honorable members to this statement—

We use the railways for opening up our territory—

He was referring to the territory of the States—

and giving a means of transit to our colonists, and we desire to extend them in any way we wish, at the time and in the direction where they are required, untrammelled by any other authority.

Here we have a statement by the Treasurer, clearly showing that he did not expect that the Commonwealth would ever be asked to enter upon railway construction, even for the benefit of Western Australia. He went to the eastern States, however, and asked for certain concessions in the way of a peculiar protection for the western State. I do not propose at the present juncture to quote the right honorable gentleman at any length on this phase of the question.

Sir JOHN FORREST.—I did not say anything about it at the Convention. I spoke of something else.

Mr. KELLY.—It is clear that the right honorable gentleman did not anticipate that the Commonwealth would be asked to construct this railway.

Sir JOHN FORREST.—This proposal has nothing to do with what I said about other matters at the Convention.

Mr. KELLY.—The Treasurer paid the greatest attention to the demand for a special Tariff for Western Australia, but perhaps I should be out of order in quoting his remarks on that subject. So far from his attending the Convention with a desire to make the views of Western Australia in regard to this railway heard, his only anxiety seemed to be to get away from it. On many occasions he complained of the protracted nature of the proceedings, so that it was not because of want of time that this matter was not brought before the Convention. Indeed the contrary appears to be the fact, since the right honorable gentleman said at one of the sittings—

We have devoted too much time to this subject—

a certain subject then before the Chair—

I have come a long way to do my duty, and I have not unlimited time.

He complained of the protracted nature of the proceedings of the Convention, and this bears out my statement that it was not for want of time that he failed to

bring forward the question. So much for the history of the Convention. The next step taken in this matter was the presentation of a report by a Select Committee appointed by the Legislative Council and Legislative Assembly of Western Australia, recommending that before that State joined the Federation the absolute authority for the Commonwealth to construct a railway in any State without the sanction of that State should be embodied in the Constitution.

Sir JOHN FORREST.—The recommendation was not so wide as that; it dealt with this one railway.

Mr. KELLY.—My memory led me to believe that the recommendation had, perhaps, a more national application than the somewhat provincial one which the right honorable gentleman gives it. The fact remains that the recommendation would, if accepted, have had the effect of forcing South Australia to give up portion of her land for the construction of the transcontinental railway. Despite this report, the Constitution was adopted by the five eastern States without any such power being vested in the Commonwealth.

Sir JOHN FORREST.—They did not feel justified in altering the Constitution, although we all were in favour of such an alteration.

Mr. KELLY.—If the right honorable gentleman said anything at the Conference of Premiers in regard to this subject, no mention is made of it in the official record. I do not think, if he had referred to it, he would have allowed his observations to go unrecorded.

Sir JOHN FORREST.—At that time it was thought there would be no difficulty in securing the consent of South Australia.

Mr. KELLY.—By whom was that opinion held?

Sir JOHN FORREST.—It was the opinion of every one. It never entered my mind that there would be any objection to power being given the Commonwealth to construct this railway.

Mr. KELLY.—Was the matter brought before the Conference of Premiers?

Sir JOHN FORREST.—I do not think it was. It was never thought of. Who would have thought that any one State would object?

Mr. KELLY.—If such an objection was unthought of, why did the Select Committee make a recommendation that the Commonwealth should be given power to

construct a railway in any State, with or without its consent?

Sir JOHN FORREST.—Because the matter was much discussed subsequently. I never thought that there would be any objection.

Mr. KELLY.—There is nothing more certain than that the five eastern States adopted the Constitution without the power suggested by the Select Committee being embodied in it, and that Western Australia herself afterwards accepted the Constitution in that form.

Sir JOHN FORREST.—Because we had an assurance in writing from the South Australian Government that there would be no difficulty about the matter. The honorable member knows that that is so.

Mr. KELLY.—I am speaking from memory, but I think that the Premier of South Australia at the time wrote that he would introduce in the House of Assembly a proposal in the terms sought by Western Australia.

Sir JOHN FORREST.—He said that he would carry it.

Mr. KELLY.—No.

Sir JOHN FORREST.—I shall hand a copy of the letter to the honorable member.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. KELLY.—During the adjournment, the Treasurer has handed to me a letter which the then Premier of South Australia wrote to him on this question.

Mr. FRAZER.—Who was the Premier of South Australia at the time?

Mr. KELLY.—The honorable gentleman whose loss to South Australia means our inestimable gain—I refer to Mr. Speaker.

Mr. FOWLER.—If he were on the floor of the House he would teach the honorable member a few things.

Mr. KELLY.—I hope that my honorable friend is not trying to canvass votes by saying what Mr. Speaker would or would not do under certain circumstances. That is hardly a proper remark. The honorable member is evidently anxious about the fate of this measure, and, on the merits of the proposal before us, has cause to be so. But his opportunity to express his opinions will come later on, when he rises to speak in favour of the Bill. As the Treasurer seems to attach great weight to the letter, I propose to read it before offering any criticism upon it. It is as follows:—

To assure you of our attitude in the matter, I will undertake, as soon as the Federation is established (Western and South Australia both

being States of the Commonwealth) to introduce a Bill formally giving the assent of this Province to the construction of the line by the Federal Authority, and to pass it stage by stage simultaneously with the passage of a similar Bill in your Parliament.

I honestly believe that on occasions in the past the representatives of Western Australia have allowed themselves to be gagged in regard to this matter. On a former occasion, when the Bill seemed to be in rather a predicament, the Treasurer was apparently the only one amongst them who could muster sufficient public spirit to speak in advocacy of the claims of his State.

Sir JOHN FORREST.—They all spoke in favour of the measure.

Mr. KELLY.—I am referring to an occasion when the other four representatives of Western Australia were silent, and the Treasurer alone burst into angry protest. It is a curious thing that the right honorable gentleman, if he really attached as much importance to the construction of the proposed railway as his writing to the Premier of South Australia would seem to show—

Sir JOHN FORREST.—When did I write to the Premier of South Australia?

Mr. KELLY.—The right honorable gentleman had a conversation with him on the subject, and apparently asked him to furnish a statement of the effect of that conversation. Had he, when the Convention was sitting, thought as much of the construction of the proposed railway as he apparently thought of it at the time of the writing of this letter, he would have made some mention of the matter. He was in a position at that time to know the aspirations of his own State, and yet, of all persons, he then ignored her claims. At any rate he said nothing about the construction of the line then. On the contrary, he said in Convention that Western Australia was prepared to furnish means for its construction from her own resources. But after the Convention had finished its work, he wrote to the Premier of South Australia, and now relies on his favorable reply to force the will of South Australia upon the other five States.

Sir JOHN FORREST.—The Constitution provides that the Commonwealth shall not build a railway through a State without the consent of that State, and the letter was written to inform me that the Premier of South Australia would undertake to place before his Parliament the Bill necessary to give the Commonwealth power to con-

struct the railway through South Australian territory. No other State had anything to do with the matter.

Mr. KELLY.—Does the Treasurer suggest that only South and Western Australia are concerned in this project?

Sir JOHN FORREST.—The letter deals only with the granting of parliamentary consent for the construction of a line through South Australian territory, and no other State but South Australia could give that consent.

Mr. KELLY.—Apparently the right honorable gentleman does not like his pre-Federal doings to be inquired into; but I must deal with another phase of the same question. He received directions from a joint Committee of the two Houses of the Western Australian Legislature to ask for the insertion in the Constitution of a provision to enable the Commonwealth to build a line through a State with or without the consent of that State.

Sir JOHN FORREST.—I do not know that those resolutions were passed by both Houses.

Mr. KELLY.—That is not the question. The Joint Committee of the two Houses of the Legislature of Western Australia made certain recommendations, and I take it that upon them the Treasurer approached the Premiers of the other States. He conferred with them in Melbourne, with a view to seeing whether certain modifications could not be made in the Constitution. As a result of that Conference, New South Wales received certain concessions. So if at the time he had thought the matter of any importance, why could he not have asked the Conference to deal with the subject referred to in this letter? He did not do that.

Sir JOHN FORREST.—I have already explained why. We did not think that this contingency would arise.

Mr. KELLY.—Apparently the Treasurer did not think that the railway would be built, because he did not mention the matter at the Convention. In the second place, he seems not to have thought that any difficulty would be thrown in the way by South Australia.

Mr. CARPENTER.—He had too much faith in human nature. The honorable member ought to justify that faith.

Mr. KELLY.—I do not feel called upon to abrogate my position as a representative of the people, and allow Western Australia without protest to dip her hand into the

pockets of the taxpayers of the Commonwealth, because of the Treasurer's peculiar faith in human nature! It is abundantly plain that Western Australia did not originally ask for this railway, and that the people of the eastern States had not heard of it when they voted for the Constitution.

Mr. FOWLER.—They heard of it, and indorsed it.

Mr. KELLY.—How did they indorse it?

Mr. FOWLER.—Their leading men were all pledged to support it, long before Federation.

Mr. KELLY.—Does the honorable member seriously suggest that the proposed construction of the Transcontinental Railway by the Commonwealth was put forward in the eastern States, either at the time of the first Federal vote, or when the Constitution came to be accepted?

Mr. FOWLER.—It was put forward when Western Australia was struggling to enter the Federation.

Mr. KELLY.—As a voter who took an active interest in Australian affairs at the time, I assure the honorable member that the proposal was not heard of by the masses of the people of the eastern States. It is not dealt with in the Constitution, and was not mentioned on any of the thousand platforms from which the electors were addressed.

Mr. FOWLER.—The honorable member is referring to a time when he was busy spinning his top.

Mr. KELLY.—Surely the honorable member does not envy me my one good quality. What is of importance in this Chamber is the views uttered, not the age of the person uttering them. The proposed construction of the Transcontinental Railway was not before the people of the eastern States when they were being asked to vote for the acceptance of the Constitution. I say that without fear of contradiction, except by the misguided representatives of Western Australia.

Mr. HUTCHISON.—There is no one here to contradict the honorable member.

Mr. KELLY.—Many of us have at times to speak in the absence of those who should be here to listen.

Mr. FOWLER.—The honorable member must have a bad case, since not one member of his party is present.

Mr. WILSON.—I call attention to the state of the House. [*Quorum formed.*]

Mr. KELLY.—I was flattered, if anything, by the absence of many honorable members. I took it as an expression of confidence in my views. I am, however, extremely gratified that the representatives of Western Australia are present, and I hope that, before it is too late, they will see reason to change their attitude in this matter. I shall say no more on the question whether an implied promise that the proposed railway should be constructed was obtained by the people of Western Australia from the people of the eastern States prior to Federation. I think that the history of the case proves that there is nothing in this contention. If there is nothing in it by itself, it can have no force in conjunction with other claims. I therefore hope that we shall hear nothing more about any implied promise to Western Australia. The next point that has been strongly urged by the representatives of Western Australia is the constitutional inability of that State to construct a line on its own account. It is pointed out, and very properly, that if the people of South Australia are opposed to the railway, they can refuse to connect their system with that of Western Australia, and thus defeat the project. In order to answer that plea it is only necessary to refer to sub-section xxxiv. of section 51 of the Constitution, which empowers this Parliament "to make laws for the peace, order, and good government of the Commonwealth" with respect to "railway construction and extension in any State," but only "with the consent of that State." It is obvious from this that this Commonwealth is in the same unfortunate position as is the State of Western Australia. We could not take any of the steps preliminary to the construction of the line without the consent of the State, and it is, therefore, self-evident that Western Australia has no claim upon us, owing to her being placed under a special disability in the matter referred to. The next point urged by its supporters is that the railway is necessary for the purposes of national defence. We are told that the eastern States must be free to help Western Australia if command of the seas is lost. I desire honorable members to treat this question in the same way that I have asked them to deal with the other points brought forward in favour of the construction of the railway. If the argument with regard to the defence aspect of the question is good at all, it must

rest absolutely upon its own merits. I would first ask honorable members whether the expenditure of £4,500,000 upon the construction of a railway through a waterless and inhospitable waste would be justified in the interests of Australian defence? We have been told that the first essential to our defence is sea command. If command of the sea is absolutely assured, Western Australia, in common with all other States, is safe. If we spent £4,500,000 upon increasing Imperial naval strength, we should probably place our command of the seas beyond all question, and thus insure the safety of the Commonwealth. I want to know, however, how the pouring of £4,500,000 into the desert would help the people of Australia, or the people of the Empire, to retain a command of the seas—a command which absolutely underlies the whole problem of Australian defence. In dealing with defence, we should discuss the questions relating to it in the order of their importance. I have dealt with the subject of sea command, and the next in order of importance is population. I would ask the Treasurer how an addition of £4,500,000 to the already overwhelming debt of Australia would offer additional inducements to persons abroad to come here and settle on the land? Obviously, it would do nothing of the kind, and I think I have shown plainly that the construction of the railway cannot be permitted to enter into our consideration of defence matters. Western Australia is safeguarded from invasion from overseas, not by the mere handful of people who live in the south-eastern corner of this Continent, but solely by the naval power of the great Empire of which Australia is only a small section. If command of the seas were once lost, the eastern States could not possibly succeed in repelling an invasion in the west. Honorable members may ask whether we would not do something to help Western Australia. That reminds me of the remark of Major-General Sir Edward Hutton in answer to a question addressed to him by the Treasurer as to whether the proposed railway would be useful to Australia from the defence point of view. He said that he did not think it would be of much use to construct a railway if we had not the troops to send across to Western Australia.

Sir JOHN FORREST.—He stated that our troops were not sufficiently equipped, but we are getting over that difficulty now.

Mr. KELLY.—I think that my memory is to be relied on, even if his version be correct. It must be plain to the Treasurer that if we are to spend money upon defence, the first object of our solicitude should not be a desert railway, but the equipment of our men.

Sir JOHN FORREST.—We have a million of men capable of bearing arms.

Mr. KELLY.—Even so, we could not repel an invading force in Western Australia if we lost command of the seas. If the railway was built, and an enemy had command of the seas, it would cost us an enormous sum of money to transfer a force, with the necessary equipment, from the eastern States to Western Australia. It would probably cost us £5 per ton for freight, and a large sum per head for the conveyance of our soldiers, whereas the enemy could forward his munitions to the seat of war at a cost of, perhaps, only 15s. per ton. What would be most likely the outcome of a struggle between our 4,000,000 people and, say, 60,000,000 people overseas, under such conditions as I have indicated? The answer is obvious. Owing to the vastness of our territory, and the fact that we are a mere handful of people, we have no defence against external aggression unless we retain command of the seas. The railway can be of no possible assistance to us as an element in our arrangements for defence. Now I propose to deal with another argument that has been brought forward in favour of the proposed railway. I refer to the alleged national expediency of its construction for development purposes. If we desire to spend our money to the best advantage, we should first develop the country that is likely to prove most valuable. We are now asked, however, to first select a desert which absolutely appalled the Treasurer when he cast eyes upon it. If we searched Australia through we should not be able to find any more dismal and unpromising tract than that through which the railway would pass.

Mr. FOWLER.—It is no more dismal or unpromising than the Riverina country appeared fifty years ago.

Mr. KELLY.—The honorable member is making a most extravagant statement. I would appeal to the honorable member for Cowper, or to the honorable member for Canobolas, to say whether they could not find within their constituencies large areas of land, without the services of a railway,

which would be infinitely more worthy of development than country such as that through which the proposed railway would pass. I think it will be clear to honorable members that if the taxpayers of Australia are called upon to shoulder the burden of constructing this line for the advantage of the people of Western Australia, and of a few residents of South Australia, they will to that extent be prevented from developing their own territory. The very basis of the Constitution under which we are working is that each State shall concern itself with its own railway administration. If four of the States have super-imposed upon them the burden of looking after the railway extension of Western Australia, their taxpayers will be so much less able to compass the development of those States. They have territory which is worthy of development, and which demands railway extension. There are many paradises in Australia, and we should endeavour to make them accessible rather than vainly try to make what I might almost call a "hell" like the Western Australian desert, reproductive. The facts which I have adduced completely dispose of the plea that the construction of this line would be a national benefit, because of the country that it would develop. I propose now to deal with the last of the main contentions which have been put forward. We have been assured that this line would benefit the eastern States as well as Western Australia. Indeed, the honorable member for Coolgardie declared that it would benefit the eastern States of the Commonwealth more than it would Western Australia. It is a curious feature in connexion with this aspect of the question, that those in the eastern States who are most concerned in securing the gold-fields' market for their produce have all along advocated the construction of the Esperance Bay line of railway, which, if carried out, would kill the proposal contained in this Bill. At a later stage, I intend to test the feeling of the House by submitting an amendment, making it a condition precedent to the passing of the Bill, that Western Australia shall consent to the construction of the Esperance Bay railway. The honorable member for Coolgardie, who is now an advocate of this Bill of no mean ability, has fortunately put upon record in *Hansard* his opinion of the necessity for the construction of that railway. Speaking in this House on the 9th October, 1902, he said—

Early last month I directed the attention of the leader of the Government to the burden
Mr. Kelly.

placed on trade between the eastern States and the Western Australian gold-fields, by the refusal of the Western Australian Government to give the gold-fields access to their nearest seaport. In reply to a series of questions then addressed to him, the honorable gentleman intimated that the question was one to be determined by the proposed Inter-State Commission, and that section 102 of the Constitution could hardly be relied upon to cover the case mentioned by me. It is my duty to combat that view, and I submit for the acceptance of this House the following proposition:—"That the construction of a railway between Esperance and Coolgardie, or some other point on the eastern gold-fields of Western Australia, is essential to the 'absolute freedom' of Inter-State trade contemplated by the Constitution."

He then proceeded to argue most clearly that the refusal of the Western Australian Government to construct this cheap means of trade transit to the gold-fields was an indirect infringement of the Constitution. As evidencing that he did not speak without a certain amount of heat upon this question, I quote the following passage:—

But the time has now arrived when this Parliament should be prepared to listen sympathetically to complaints from a minority in any State who are being cheated out of the chief benefit which they expected would follow from the Federal union.

The benefit to which he alluded was Inter-State free-trade, which he maintained could not be secured until the Esperance Railway had been constructed. He continued—

What are known as the Eastern or Coolgardie gold-fields embrace an area of about 450 miles from north to south, and of about 250 miles from east to west. Their southern fringe is little more than 100 miles from the ocean at Esperance, where there already exists a safe and commodious harbor. This port is about 220 miles from the main centre of population on the gold-fields, and is some 600 miles nearer than Fremantle to the eastern States. Fremantle lies to the extreme west, nearly 390 miles from Kalgoorlie. The whole of the passenger and goods traffic from the eastern States is thus carried some 600 miles by sea beyond the port nearest to its destination, and must then undergo an extra land carriage of 170 miles. For more than seven years the people have continuously agitated for the connexion of the goldfields with Esperance by rail. Every appeal has been ignominiously rejected by the Western Australian Parliament, whose latest act is the refusal of a Royal Commission to investigate the merits of the proposed railway.

I ask honorable members to pay particular attention to the statements of the honorable member for Coolgardie. When he assures us that for seven years the people of the gold-fields have continuously agitated for

the construction of the Esperance line we may accept his statement without any qualification whatever. He goes on to say—

That refusal imposes upon every passenger and every ton of goods from the eastern States an extra haulage of 800 miles.

He further says—

This extra and unnecessary haulage, the cost of which is the clear equivalent of an import duty, is in flat contravention of section 92 of the Constitution, which declares that "trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free."

He went on to quote precedents which I do not deem it necessary to recapitulate—they are all set out in *Hansard*—showing the judgments bearing upon this question which have been given in the United States. He then proceeded to advance a number of other arguments in favour of the construction of the Esperance line, and he actually appealed to the Commonwealth to override the State authority in this connexion. I ask the Treasurer whether he thinks the people of Western Australia would consent to the Commonwealth undertaking the construction of the Esperance railway? I hope that he will be able to enlighten us upon that subject, because it is one which is very vital to this discussion. I am afraid that the right honorable gentleman who is so prone to interrupt when his voice is not altogether necessary is unable to reply to my question. The honorable member for Coolgardie actually went on to argue that the mere difference between a tramway and a railway would enable the Federal authority to construct the Esperance line without violating that section of the Constitution which prevents the Commonwealth from building a railway through any State without first having obtained the consent of that State. He urged that the authority of the Western Australian Government should be overridden in order to give the inhabitants of the gold-fields simple justice. Nobody knows better than does the Treasurer that if we were to abandon the proposal to construct the Transcontinental Railway, so as to enable the inhabitants of the gold-fields to obtain cheap supplies by the building of the Esperance railway, the Parliament of Western Australia would be against us. That State would then talk of seceding from the Union because the views of its coastal districts were likely to be overridden for the benefit of the people of the gold-fields.

The honorable member for Coolgardie further said—

Two objections are urged against the construction of the line. The first is, that Esperance is not a safe harbor; and, second, that the railway would not be a commercial success. If either of these objections were sound, the proposal might be at once dismissed.

In view of the statement which he made in connexion with the Esperance line, I hope—now that we are able to show him that the construction of the Transcontinental Railway would result in an annual deficiency of £70,000—he will assist us to successfully oppose this Bill. He continued—

Esperance harbor is completely landlocked, and is approached by a surveyed, well-defined channel, from 20 to 60 fathoms deep. During his visit in May, 1898, Sir John Forrest, the then Premier, is reported to have said, "He was well pleased with their harbor. He thought it an excellent one, and very little was left to be desired in its accommodation. They had a very good start to become one of the chief ports of the Colony."

At a later stage I hope to afford the Treasurer an opportunity of proving the value of the protestations which he made upon that occasion. The honorable member for Coolgardie continued—

Let us leave mails, trade, and traffic out of the question, and consider the matter as it affects humanity. Here is a community of 50,000 people occupying a new territory destitute of any natural attraction, parched during nearly half the year by the fierce heat of a semi-tropical latitude. Water there is none, except what may be conserved or obtained by condensation.

Mr. MAHON.—There is now a river of water up there.

Mr. KELLY.—Is the honorable member satisfied with that? Is he no longer an advocate of the Esperance line?

Mr. MAHON.—I desired merely to correct the honorable member. I am not answering questions just now.

Mr. KELLY.—Certainly not that question! The honorable member said—

Water there is none, except what may be conserved or obtained by condensation. Food is at what would here be regarded as famine prices. The people live in tents or iron buildings, which offer little or no resistance to the heat and dust storms. They are ill-supplied with schools, and entirely destitute of the means of recreation available in cities. Conceive the sufferings of little children growing up under such hard conditions, and amid so much unavoidable discomfort. They are chained to the sunbaked plains, though within a few hours journey of the seaboard. The monotony of their lives must not be broken by a glimpse of the ocean, nor by a gambol in its surges, because the railway which would bring them to the coast might damage vested interests in Perth and Fremantle.

That, I suppose is the fear of the Treasurer—

I ask, must land values in the capital be kept up, even if the price be the lives of little children, who pine away for lack of the recuperating breezes of ocean and mountain top.

I commend that statement to the Treasurer. The honorable member for Coolgardie went on to say that—

It has been shown conclusively, I hope, that the refusal of this railway so outrages the spirit, if not the letter of the Constitution, as to demand soon or late decisive action by the Commonwealth, and that a gross injustice is being thereby inflicted on thousands who have laboured and suffered for the cause of Australian nationality.

The honorable member was referring to the Esperance Bay railway project.

MR. BRUCE SMITH.—That was before the river was developed.

MR. KELLY.—Exactly. The construction of the transcontinental line would defeat for all time the desire of those who favour the construction of the line from Esperance to the gold-fields.

MR. MAHON.—Not at all; they are both necessary.

MR. KELLY.—The little children and others living amid the unfortunate surroundings described by the honorable member for Coolgardie would have to continue to exist under those conditions. Since making his speech the honorable member has been and ceased to be a member of an Australian Ministry, and in consequence of that one accession to office he seems to have sacrificed the individual interests of his own constituents to the good of his party in Western Australia. Another parliamentarian from the gold-fields who was returned at the recent Western Australian elections as an ardent supporter of the Esperance Bay railway project, since becoming a member of a State Ministry, has had to think of the votes of the whole of the people of that State, and to go back upon the Esperance project. It is gratifying to know, however, that the people of the gold-fields are as anxious for the construction of the Esperance Bay line as ever they were. I have here some cuttings from the *Kalgoorlie Miner*, dating from 23rd May to 10th June, which were sent to me a few weeks ago. I propose to quote from them, to show that on the gold-fields the feeling is still strong on this question, although the political exigencies of great parties may have induced the representatives of the gold-fields in this Chamber to go back on the Esperance Bay pro-

posals. The *Kalgoorlie Miner*, which I understand is one of the largest journals on the gold-fields, writes as follows:—

The worst sample of all of evasion of the spirit of federation has been given in the matter of the persistent refusal to sanction the Esperance railway. One of the chief reasons for this refusal in the pre-Federal days was consistent enough from a protectionist point of view, that the building of the line would foster competition by the eastern States. After federation this reason, so utterly inconsistent with the spirit of union, was allowed to fall away into innocuous desuetude.

That seems to be the position taken up by the gold-fields in this matter. The people there desire their produce to be carried cheaply from the east, so that the farmers of Western Australia shall not have a monopoly of the gold-fields market. We are assured by the supporters of this proposal that the Transcontinental Railway will give an opportunity to the farmers in the east, but the exercise of the smallest amount of common sense will show the folly of such a suggestion.

MR. BRUCE SMITH.—The Chinese wall has been extended.

MR. KELLY.—That is so. We have it clearly shown that in pre-Federation days the State refused to sanction this line because of possible competition from the eastern States. If competition from the eastern States is what these honorable gentlemen require—if they desire cheap food for the people of the gold-fields—I shall give them an opportunity at a later stage to join me in a proposal that it shall be a condition precedent to the passing of this Bill that Western Australia shall give an undertaking to build the Esperance Bay railway. So far as this argument goes, it is clear that the farmers of the eastern States, for whom these honorable members have expressed so much concern, would be much better served by the Esperance Bay railway, which the Transcontinental Railway is certain to kill. The *Kalgoorlie Miner* continues—

The opponents of the line have, since federation, been content to refuse their support without troubling themselves to give a reason. Mr. Keenan is the first to revive the old reason, ignoring the fact that Western Australia is now in federation with the rest of the Commonwealth. He explains most elaborately that the Government is taking steps to encourage land settlement, and that it would be inconsistent with the policy it proposes to do any act which would encourage competition from the eastern States—the States with which Western Australia is nominally in free-trade.

I commend that extract from the great gold-fields journal to the attention of honorable members. According to Mr. Keenan, a keen Western Australian, the construction of the Esperance Bay railway would prove destructive to the Western Australian farming monopoly. For that reason he is a keen advocate of the Transcontinental Railway, which would relegate the Esperance Bay project for all time to the background. The *Kalgoorlie Miner* of 23rd May contains a leading article on the Esperance Bay project, in which it says—

Of course the opposition from Perth and its surroundings would be very great, and there would be a hard battle to fight. Private greed and utter selfishness and indifference to the rights of others are not easily to be overcome, but still firmness in so good a cause would assuredly prevail in the end.

What sort of firmness in this good cause do we find in this House? The honorable member for Coolgardie, by inference, is prepared to make us believe that the mere establishment of that water main to the gold-fields was enough to make him forswear his allegiance—

Mr. BRUCE SMITH.—The type of men who nail their colours to the fence.

Mr. KELLY.—And having nailed them firmly to the fence, never get off it. The *Miner* continues—

Many reasons more or less plausible or more or less mendacious have been given for the down-country opposition to the Esperance line, but not one broad and statesmanlike plea has yet been urged. Sir John Forrest, the arch-promoter of centralization, had several reasons of sorts on which to ring the changes. The newest case put forward is this:—"The Government is now building agricultural railways in order to enable our local farmers to meet the demands of the consumers.

"Local" farmers, I ask honorable members to remember.

It would be bad policy at the same time to construct a line to enable the other States to enter into competition with our own producers."

Is the Treasurer, who, I understand, accuses me *sotto voce* of "stone-walling," aware that this newspaper has charged him with making a certain statement?

Sir JOHN FORREST.—I do not care what it says about me. It has abused me for ten years or more, and is not likely to approve of my actions now.

Mr. KELLY.—Did it properly report the right honorable gentleman when it attributed to him the quotation I have read?

Sir JOHN FORREST.—When did I make that statement?

Mr. KELLY.—I am not in a position to say.

Sir JOHN FORREST.—I think someone else made it.

Mr. KELLY.—Mr. Kirwan is, I understand, the proprietor of the *Miner*, and the extract I have read is from an article published on 31st May last.

Sir JOHN FORREST.—I think it was the present Premier of Western Australia who made the statement in question.

Mr. KELLY.—I take it that a journal of repute would not attribute to the right honorable member a statement that he had not made.

Sir JOHN FORREST.—When did I make it?

Mr. KELLY. — The words appear in inverted commas.

Mr. SPEAKER.—Does the honorable member think that this has any bearing on the Bill?

Mr. KELLY.—I do, sir, because the Esperance Bay railway project will be relegated to the background in the event of the Transcontinental Railway Bill being passed. That being so we must consider what will be the effect of the passing of this Bill on the producers of Australia. The article from which I am quoting clearly shows that the producers in the eastern States could be served best by a railway from Esperance. Perhaps the farmers in the coastal districts of Western Australia are most anxious to secure the transcontinental railway, because they believe that its construction would kill off all opposition through the medium of a line from Esperance Bay.

Mr. WILSON.—Could they not be met by competition through the medium of the transcontinental railway?

Mr. KELLY.—No. I have made inquiries as to the freights likely to be charged, and the information I have obtained from those who ought to be able to speak on the subject is that, although live stock would be carried on the line owing to the necessity to convey it speedily to its market, all other produce would go round by sea in the ordinary way. That is my information, and it is obviously the view of the people of the gold-fields. They would not fight against the transcontinental railway, which would link them with the East, unless they considered its construction would not be in their interests. The *Miner* continues—

It is quite possible that the head and front of Perth opposition is that the healthy surroundings of Esperance would entice gold-fields people

away from the alluring attractions of Perth. . . . As to the Western Australian farmers, they have had nearly five years of special duties to defend them from the business encroachments of the rest of Australia, and so far they have not been able to provide for the increasing population of the State.

There is a complaint that the special Tariff about which the Treasurer was so anxious, has not effected its purpose!

Much has been said lately about the trans-continental railway, so vastly coveted by metropolitan land-owners; but it is quite possible that South Australia would never authorize the construction of that line so long as she is directly menaced by the refusal to connect the gold-fields with Esperance. There is no reason why South Australians should not be selfish as well as our metropolitan people.

The article attributes the advocacy of this proposal entirely to the people of Perth and Fremantle.

Sir JOHN FORREST.—Does not the honorable member know that the gold-fields' representatives have repudiated the statements of that newspaper?

Mr. KELLY.—Have they repudiated the Esperance Bay railway proposal? I have read some most pathetic appeals by the honorable member for Coolgardie in favour of that proposal.

Mr. POYNTON.—The owner of the newspaper from which the honorable member has quoted, lost his seat in this House chiefly because of the attitude which he took in regard to the proposed Kalgoorlie to Port Augusta railway.

Mr. KELLY.—I do not think so. I have here the report of a meeting held in Kalgoorlie, at which the honorable member for the electoral division of that name was twitted with having forsaken the Esperance Bay proposal after his election to this House.

Mr. MAHON.—As the honorable member appears to be so fond of making quotations, will he kindly read the passage I now place in his hands?

Mr. KELLY. — I am endeavouring to show the state of feeling on the gold-fields, and now the honorable member has handed to me an extract from an article in the *Sydney Morning Herald*, dated 7th September, 1905. But I do not wish to enter upon an irrelevant controversy. The article from which I have been reading concludes with these words:—

It is in a great degree to circumvent Adelaide that the opposition to the Esperance line has been so obstinately maintained.

That statement was borne out the other day by the attitude of the honorable member

for Coolgardie towards the motion of the honorable member for Grey, affirming the advisability of the taking over of the Northern Territory by the Commonwealth. The State of South Australia is anxious that in taking over the Northern Territory, the Commonwealth shall reimburse her the money expended upon it, and construct a railway from Oodnadatta to join with the line from Port Darwin, and the honorable member for Coolgardie moved an amendment to the effect that the Commonwealth must not do more than repay the actual expenditure of South Australia on the development of the Territory. His object was apparently to deprive that State of the chance of having a transcontinental railway built by the Commonwealth through its territory. His anxiety, like that of the promoters of the scheme before us, was to circumvent Adelaide.

Mr. FRAZER.—Is not the honorable member now imputing motives?

Mr. KELLY.—The motives are so transparent that I can hardly be said to be imputing them. I hope that South Australia will treat Western Australia in the same way as she is being treated, and refuse to entertain these iniquitous proposals. I have now examined each and all of the contentions put forward on behalf of this proposal. I spoke first of the alleged pre-Federal promise to Western Australia, and showed that there was no such thing. I next dealt with the line as a means of defence, and showed that its construction could not be justified solely on that ground. I then showed that it is not worth consideration as a means for the development of the Commonwealth, and I have lastly made it only too clear that its construction will not benefit the eastern States. The evidence of the plaintiff having thus broken down, there is no need to call evidence for the defendants—the general taxpayers of Australia. If it were necessary to bring forward such evidence, I would adduce, first, the Constitution under which we were elected, and, in the second place, the estimates submitted to this House by the experts who were appointed to inquire into the project now under consideration. This is from the summary of their report—

We estimate the probable expenditure in construction at £4,559,000. The probable revenue which may be depended upon after construction is, in our opinion, £205,860. . . . The probable annual expenditure in working and maintaining the line immediately after construction we estimate at £114,400, which, added to in-

terest on the cost of construction at $3\frac{1}{2}$ per cent. — £159,566—gives £273,966 for the total expenditure.

Reference to the Constitution shows that the Commonwealth has no power to construct this line, if South Australia refuses to allow it to do so, while the opinion of experts is that it will cost over £4,500,000 to construct, and that the general taxpayer will be faced with a yearly deficit of £70,000. A further reason why the line should not be constructed is furnished by the enormous indebtedness of the various States. It is time that the Commonwealth put an end to piratical forays upon its exchequer. The States have been intrusted with the construction and management of railways, and if we assist any one of them, we shall soon have the others coming forward with requests for similar treatment. Therefore, we must be firm at the outset, and let it be known that we intend to do our duty, leaving it to the States to adequately discharge their proper functions. Lack of firmness on our part may, by making each State desirous of gaining at the expense of its neighbours, be dangerous to the Union. We cannot build up a great nation on a basis of mutual suspicion and greed, such as the carrying of this proposal will create. We should rather endeavour to teach the scattered people of the Commonwealth that the true principle of nationhood is that each shall strive for himself, and for the good of all. Any other policy will inevitably lead to the disintegration of a unified Australian sentiment. On that ground alone I oppose the measure. There is a bar to the construction of the proposed line which the Senate very properly recognised. Paragraph xxxi. of section 51 of the Constitution prevents the Commonwealth from constructing a railway through the territory of any State without the consent of the people of that State. Therefore, if we authorize the expenditure of £20,000 on a survey of the proposed route — probably thereby committing the Commonwealth to an additional expenditure of £30,000 or £40,000 — we may, when the work is completed, find that South Australia refuses to give assent to the construction of that portion of the line which would pass through her territory, and we shall then be in a position at once humiliating and embarrassing. If we are determined that the line shall be constructed, we shall have to seek to amend the Constitution to force South

Australia to bend to the will of Western Australia; while, if we do not, we shall incur the bitter hostility of Western Australia. Therefore, I propose to divide the House on an amendment which follows the precedent set by the Senate. The Senate considered this measure, with due regard to States rights, of which it is the special guardian, and adopted an amendment upon the motion for the second reading, of which I now propose to ask honorable members to approve. I move—

That all the words after "be" be left out, with a view to insert in lieu thereof the words "not further considered until evidence that the Parliament of South Australia has formally consented to the Commonwealth constructing that portion of the proposed railway which would be in South Australian territory, has been laid on the table of the House."

That would make it a condition precedent to the passing of the Bill that the Government should obtain a guarantee from South Australia not to offer any obstacle to the construction of the railway.

Mr. CAMERON (Wilmot) [8.47]. — I have already spoken on the main question, but I now desire to express my approval of the amendment, and my very great admiration of the able speech delivered by the honorable member for Wentworth. His remarks must have been convincing to any person with an unbiased mind. The proposed railway line would traverse South Australian territory for a distance of 650 miles, and I remember that, when a measure similar to that now before us was under consideration last session, the then Premier of South Australia stated that, although personally he had no objection to the survey being proceeded with, he would require to know a good deal more before he would consent to the construction of the railway. I think that we are fully justified in regarding his attitude as entirely hostile to the work. The sum of £20,000 would be quite inadequate to defray the cost of the survey of a line that would extend for 1,100 miles through a trackless desert, very much like the Sahara. If we pass the Bill, we shall probably be asked to supplement the sum provided for by further amounts, and in all likelihood an expenditure of £150,000 will be incurred before the survey is completed. Presumably, those who are favorable to the survey believe that it will be attended with good results, and that the House will eventually be asked to approve of the construction of the railway. According to my experience, those who advocate the

construction of a railway always adopt the most hopeful view regarding its prospects. They invariably under-estimate the cost, and exaggerate the probable returns. I am afraid that the cost of constructing the proposed railway has been under-estimated; but, even assuming that the line can be built for £4,500,000, I should like to know where the money is to come from. At the very outset of our career as a Federation, the Labour Party laid down the principle, to which they have closely adhered ever since, and which has been indorsed by the present Government, that no money should be borrowed for the construction of public works. We know very well that, under the Braddon clause, we have to return to the States three-fourths of the Customs revenue, and that we have only between £2,000,000 and £3,000,000 per annum with which to play "ducks and drakes" at the present time. The chances are that the operation of the Braddon clause will be extended, because most of the States recognise that, otherwise, justice will not be done to them. Therefore, I ask where the money is to come from? I do not regard it as at all likely that the Labour Party will forego their principles, so far as borrowing money is concerned, and I would ask them whether they expect the money to be raised by means of a land tax?

Mr. MAHON.—Hear, hear.

Mr. CAMERON.—If the money raised by means of a land tax is to be devoted to the construction of the proposed railway, what provision will be made for the payment of old-age pensions?

Mr. CARPENTER.—There will be plenty of money for both purposes.

Mr. CAMERON.—The honorable member evidently has no land. Honorable members must see that, owing to the financial difficulty with which we are face to face, we cannot construct the proposed railway. Therefore, it is of no use for us to expend money upon the survey. We know that the people of South Australia do not desire that the railway should be constructed, and, furthermore, that many of the inhabitants of Western Australia are indifferent on the subject. The honorable member for Wentworth read newspaper extracts, which indicated that the residents on the gold-fields in Western Australia desired to secure the construction of a railway from Kalgoorlie to Esperance. Under these circumstances, it seems to me that the honorable member

for Coolgardie would be adopting a patriotic course if he supported the construction of that line, rather than the project which underlies the present Bill. It is perfectly true that a former member for Kalgoorlie was rejected by his constituents because of his advocacy of the Esperance line, and that his place was taken by a much less brilliant luminary, but, at least, he perished in a good cause. I suggest that the honorable member for Coolgardie should follow in his footsteps, and immortalize his name by recognising that the interests of the residents of the gold-fields would best be served by the construction of a line to Esperance Bay. I cannot understand the eloquence with which the Treasurer has painted the beauties of the desert, which he found so unattractive when he traversed it thirty years ago. I should like to know how he can reconcile his former statements with his present attitude. We know that he is an able man, and that he is also possessed of sound common sense. He, therefore, ought to know that, representing as he does, not only Western Australia, but the whole Commonwealth, he has no right to come forward, and ask the whole of the States to engage in an enterprise which in all probability would result in a ghastly failure. If I were a representative of Western Australia I should feel humiliated to come here, and plead that, although my State was one of the richest in proportion to population, the people were so poor, so mean, and so narrow-minded, that they would not put down their own money and construct the line, but preferred to come crawling to the Commonwealth. If they asked for assistance upon the grounds of their poverty, I should be one of the first to recognise their claim. But I cannot forget the attitude which was taken up by the Western Australian representatives in the Senate only a few weeks ago, when they declared against Federal expenditure being charged *per capita*, and asserted that the little State of Tasmania must do the best that she could. When such narrow-minded and parochial sentiments are expressed by the representatives of a country which ought to be above such meanness it ill becomes them to ask assistance from the representatives of the other States.

Mr. LONSDALE (New England) [9.1].—I intend to support the amendment because I hold that the proposed Transcontinental Railway should not be constructed

until we have obtained from South Australia her consent to it passing through her territory. I understand that that State has already given her permission for a survey of the line to be made, but she has not consented to the line itself being constructed. I do not think that we should incur any expenditure until that consent is forthcoming. I want her consent, because I realize that if a line is constructed, and if the taxpayers of the other States contribute to its cost, all the advantages which can be derived from it should belong to the whole Commonwealth. If it is to be a Commonwealth railway, all the advantages accruing from its construction should be used for Commonwealth purposes. But whilst we allow the land through which the line will pass to be held practically by South Australia and Western Australia, the benefits which will flow from its construction must remain with them.

Sir JOHN FORREST.—We get the money from the States.

Mr. LONSDALE.—The Treasurer injects that we get the money from the States. How do we secure it? Is it by land?

Sir JOHN FORREST.—No, by taxation. We are the same people.

Mr. LONSDALE.—Then I understand from the Treasurer that the capital cost of the railway is to be raised by the taxation of the lands of the Commonwealth?

Sir JOHN FORREST.—I did not say so.

Mr. LONSDALE.—I inferred that the cost of the railway would come out of loan funds. The Treasurer replied that it would not, but that it would be raised by land taxation.

Sir JOHN FORREST.—I did not say anything of the kind.

Mr. LONSDALE.—Then we do not understand each other. The cost of the line, I repeat, will be raised by means of a loan the interest upon which will be paid by the Commonwealth.

Mr. SPEAKER.—I wish to remind the honorable member that the amendment deals purely with the question of obtaining the consent of South Australia to the passing of the line through her territory, and I cannot allow any other matter to be debated.

Mr. JOHNSON.—Upon a point of order, may I ask if the submission of the amendment at the present stage precludes discussion of the main proposal?

Mr. SPEAKER.—At the present moment, the only matter before the House is the amendment of the honorable member for Wentworth. Until that has been disposed of, no other matter can be debated. After it has been dealt with, the discussion of the general question may be resumed.

Mr. LONSDALE.—It appears to me that I shall be in order in advancing reasons why, before we agree to this Bill, we should obtain the control of the land through which the projected line will pass. We must do that if we are to secure the enhanced value given to that land by the construction of the railway.

Mr. SPEAKER.—There is nothing whatever in the amendment concerning the control of the land through which the proposed railway will pass. The only question at present under consideration is whether the consent of South Australia to the construction of the line shall be obtained before the work is proceeded with.

Mr. LONSDALE.—It appears to me that I should be in order in discussing the other question, but I bow to your ruling in the matter. Personally, if I had submitted the amendment, I should have framed it in much stronger terms. Seeing that the whole of the Commonwealth will have to bear the cost of the construction of the line, we have a right to secure all the advantages which accrue from the undertaking. Under the present proposal the whole of those advantages will be enjoyed by South Australia and Western Australia. That being the case, surely the Commonwealth should be secured in some way for the advance which it makes.

Mr. SPEAKER.—The honorable member is not discussing the question.

Mr. LONSDALE.—The question appears to me to be a very narrow one. If I cannot debate it upon the lines I have been pursuing, it is idle for me to discuss it at all. I shall certainly not vote for the construction of the line until the Commonwealth is afforded some substantial security. Regarding the manner in which the necessary money should be raised, I would suggest that there are a couple of honorable members in this House who would be able to procure it in a very simple fashion. I refer to the honorable member for Perth and the honorable member for Brisbane. We might adopt their scheme for raising the necessary amount by means of a note issue.

Mr. WILSON (Corangamite) [9.12].—After the exhaustive speech of the honorable

member for Wentworth, we may fairly say that the question of the desirability of authorizing the survey of the proposed transcontinental railway has been thoroughly discussed. I fail to see how we can reasonably proceed any further with the Bill, unless the amendment which he has submitted is agreed to. But before discussing that question, I should like to direct your attention, sir, to the fact that a quorum is not present. [*Quorum formed.*] I was pointing out that the House was placing itself in a ridiculous position by authorizing expenditure upon a survey of the proposed line before the principal condition under which that line can be constructed, has been complied with. As the honorable member for Wentworth has pointed out, the preliminary survey may possibly cost £100,000 before it has been completed. That money, which has to be contributed by the whole of the States, would be absolutely wasted if South Australia refused her consent to the construction of the line through her territory. That is the crucial point in connexion with this Bill. If the South Australian Government refused its consent to the line traversing its territory, enmity would undoubtedly be created between that State and Western Australia. On the other hand, South Australia might be asked by this House to put its hand to something which might prove very costly. That State will have to bear a large share of the annual loss upon this railway, because there can be no doubt that its construction will involve a large annual loss. From the report of the engineers, I gather that that loss for the first ten years of its construction is computed at £86,696.

Mr. POYNTON.—Upon a point of order, I desire to know whether the honorable member is in order in discussing the cost of the proposed line?

Mr. SPEAKER.—I was not listening at the moment, but if the honorable member went beyond the scope of the amendment before the Chair he certainly was not in order.

Mr. WILSON.—With all deference to the honorable member for Grey, I would point out that I was dealing, not with the question of expenditure, but with the estimated annual loss on the maintenance of the Transcontinental Railway, and showing that a proportion of that loss would have to be borne by South Australia. The annual loss for ten years would be, it is estimated, than £86,696. If the South Australia-

lian Government would thus incur a loss of at least £100,000, in addition to the loss of the territory required for the construction of the line through that State, can it be reasonably asked to give its consent? The length of line running through South Australian territory would be 650 miles, and that running through Western Australian only 450 miles. It is obvious that the bulk of the loss of territory would fall, not upon Western Australia, but upon South Australia, whilst the actual loss on the working of the line would be borne on a population basis by all the States. South Australia has had a bitter experience of desert lines. Honorable members are aware that she has at the present time a line running through the desert to Oodnadatta, and it seems to me that if South Australia is to be guided by her experience in that regard, she is unlikely during the present century to consent to make such a sacrifice as the construction of this line would involve. When the people of Australia generally become apprised of the true position, they will be hostile to the project. We have to consider the character of the land in South Australia through which this line would pass. It is difficult to obtain any information on the subject, except from the report of the engineers-in-chief who made the preliminary survey, but the Treasurer has given to posterity some particulars of the country on the Western Australian side.

Mr. SPEAKER.—That has nothing to do with the question.

Mr. WILSON.—The extent of the sacrifice to be made by South Australia depends entirely on the nature of the country which she will be asked to hand over to the Commonwealth. If the land required for the purposes of this line were worth £40 an acre the sacrifice would be enormous, whereas if it were worth only $\frac{1}{2}$ d. per acre it would be a mere nothing. I have no doubt that the people of Western Australia think that an expenditure of a million of money is worthy of consideration, although it may be nothing to the Treasurer, who has so often asked, "What is a million?"

Mr. SPEAKER.—The only question is whether or not we should proceed any further with the motion in the absence of the consent referred to in the amendment. It seems to me that a consideration of the reasons why the South Australian Government may or may not consent is beyond the scope of the amendment.

Mr. WILSON.—I am endeavouring to show that it is absolutely ridiculous to proceed with the consideration of this Bill until the consent of the South Australian Government has been obtained to the construction of the line through their territory.

Mr. SPEAKER.—That is perfectly legitimate.

Mr. WILSON.—Quite so. I am also endeavouring to show what is involved in the proposal that a preliminary survey shall be made. If the survey prove satisfactory it must necessarily follow that at some time or other we shall have to ask the South Australian Government for the territory necessary for the construction of the line in that State. That being so, we have to carefully consider the nature of the sacrifice she will be asked to make.

Mr. SPEAKER.—That is where I part company with the honorable member. The question is not what action South Australia is likely to take, but rather what action we should take. We have to consider whether we should or should not proceed with this proposal in the absence of the consent named in the amendment.

Mr. WILSON.—I was endeavouring to proceed within those lines. Those who ask us to favorably consider this motion are seeking to place us in a ridiculous position, and are really acting unfairly to the people of the Commonwealth. We must remember that the cost of making this survey will have to be borne by the people of the whole Commonwealth, and we should therefore ask ourselves whether we shall be justified in incurring the expense when we have not even the consent of South Australia to the construction of the railway through her territory. The honorable member for Wentworth has mentioned the position taken up by that State. There have been some vague promises that she will at some time or other give her consent, but so far as we know no resolution has been passed by the local Parliament indicating that it is favorable to the construction of the line. In these circumstances, honorable members should not hesitate to vote for the amendment, since it outlines the only logical position that can be taken up. Honorable members of the Labour Party seem to have broken away from their convictions. One of the planks of their platform is that loans shall not be raised for the construction of railways.

Mr. CARPENTER.—This Bill is only to provide for a survey.

Mr. WILSON.—Honorable members of the Labour Party wish us to believe that if the survey is satisfactory no further action will be taken. We are the trustees of the people, and should be careful to refrain from incurring any expenditure unless satisfied that we shall secure the best possible value for our money. The amendment should be carried unanimously, for by supporting it honorable members would show that they were logical, and desired to further the best interests of the Commonwealth.

Mr. GLYNN (Angas) [9.28].—I approve of the amendment, considering that it would be regrettable if we spent £20,000 in making this survey without having at least an assurance that South Australia will consent to the construction of the line through her territory. The question of the likelihood of South Australia giving that consent is involved in this amendment, but, looking at the declaration of the policy of responsible persons in that State, it appears to me that the Government of South Australia is not likely to give it, at all events for some years to come.

Sir JOHN FORREST.—They will break their word if they do not.

Mr. GLYNN.—We are not going into that matter at this stage.

An HONORABLE MEMBER.—It would be a gross breach of faith.

Mr. GLYNN.—I am not to be tempted to discuss a matter that would be out of order.

Sir JOHN FORREST.—The honorable and learned member knows that my statement is correct.

Mr. GLYNN.—The right honorable member is always ready to throw out a challenge when he knows it cannot be accepted. The amendment precludes my dealing with that phase of the question, so that I shall not accept the invitation of the Treasurer. We ought to deal with the probability of the South Australian Government allowing this railway to be constructed through their territory in considering whether, without the consent of that Government, we should enter upon an expenditure of £20,000 on a preliminary survey. Apart from the question of whether a promise was or was not given, it is unlikely that that consent will be obtained for some years.

Sir JOHN FORREST.—I do not agree with the honorable member.

Mr. GLYNN.—I am sorry to differ from so eminent an authority.

Mr. FOWLER.—The consent might be consequent upon the survey.

Mr. GLYNN.—That trenches upon a further field of controversy that I am precluded from entering. I do not know that the probability is sufficient to induce us to agree to this expenditure of £20,000.

Mr. MAHON.—Would not the information gained by the proposed survey be useful at any time?

Mr. JOHNSON.—It might not be worth what the survey would cost.

Mr. GLYNN.—That is the point. Is it worth £20,000? It would, perhaps, be more useful to know the possibilities disclosed by the survey of a route for a line between Oodnadatta and Pine Creek, which would be a railway connexion of far more importance than that advocated. It is not an easy sea voyage from Adelaide to the Northern Territory, but it is a comparatively short trip from Adelaide to Fremantle.

Sir JOHN FORREST. — Hardly any one lives in the Northern Territory.

Mr. GLYNN.—We might well try to get people to live there.

Sir JOHN FORREST. — South Australia has been trying to do so for the last thirty years, but without success.

Mr. GLYNN.—It is generally thought, though I do not know that it is absolutely certain, that the Commonwealth cannot construct a railway through the territory of a State without the consent of that State. An experiment might be tried by continuing the Oodnadatta line northwards.

Sir JOHN FORREST.—South Australia has power to make that line.

Mr. GLYNN.—The point is, could the Commonwealth construct such a line without the consent of the State concerned?

Sir JOHN FORREST.—No.

Mr. GLYNN.—That is the prevailing opinion, because of a provision in section 51 of the Constitution. I do not say that it is certain that the consent of the State is necessary. In America there is no such provision in the Constitution, but there Congress has power to construct any line for the promotion of trade and commerce between the States which is clearly shown to be necessary to maintain communication. I do not know that it has been clearly shown that it is necessary to construct a line for about 1,000 miles across

a desert, in order to maintain communication with Fremantle. We are therefore confronted with two problems—first, as to our constitutional power, and, secondly, as to the necessity for the line for the maintenance of trade and commerce. To vote an expenditure of £20,000 on the survey on the off-chance—which is such as probably even Mr. Wren would not take—that the South Australian Government will, in its present temper, consent to the construction of the line, is merely pitching money away.

Sir JOHN FORREST.—I understand that the people of South Australia are now in favour of the construction of the line.

Mr. GLYNN.—In that case, the House should have no hesitation about agreeing to the amendment, because the carrying of it will create very little delay. All the Treasurer will have to do will be to appropriate a small part of his large surplus for the despatch of a telegram to the South Australian Executive, asking it to notify him of the consent which he says the people of that State are so desirous to give. Surely we should show South Australia the courtesy of making that request, especially if, as the Treasurer thinks, it is certain to be granted. I shall support the amendment.

Mr. McWILLIAMS (Franklin) [9.34]. —I shall support the amendment. One of the objections generally urged against Government enterprise is that less business aptitude is shown by Government officials than private persons display in dealing with their own affairs, and the amendment merely asks the Government to do what any private firm or individual would do if this were an ordinary business transaction. It asks the Government to obtain from South Australia, prior to the carrying out of the survey, its sanction to the construction of the line in the event of the survey proving satisfactory. The Treasurer has said that the members of the South Australian Government now favour the construction of this line.

Sir JOHN FORREST.—No. I said that the people of South Australia favour its construction. I have heard that a great change has come over their views.

Mr. WILSON. — The honorable and learned member for Angas denies that.

Mr. McWILLIAMS.—Any great change in the opinions of the people of South Australia will soon find its reflex in the opinions of the Government, and therefore there can be no harm in agreeing to the amendment. What would be the posi-

tion if, after we had spent £20,000, or even £30,000, or £40,000, on this survey—because public expenditure generally largely exceeds the first estimate—the South Australian Government refused to consent to the construction of the line? The evidence which we have goes to show that the South Australian Government are anxious to bring about an extension of the railway beyond Oodnadatta, which makes it likely that they will place an embargo upon the construction of the line under consideration, and although it has been suggested that the Commonwealth can under any circumstances construct this railway, the best opinion is that, under the Constitution, it has no such power, and the gravest complications may therefore result if any attempt is made to construct it against the wishes of South Australia. As the proposed railway would traverse a greater distance in South Australia than it would traverse in Western Australia, the former State is the more interested in this proposal, and it would be absurd for us to sanction expenditure for the survey of the route while it remains hostile to the scheme. No honorable member, and no sane man outside, would expend money on the survey under these conditions. We are asked to take too much for granted, and, before spending a shilling, should obtain the consent of South Australia to the construction of the line, in the event of the survey proving satisfactory.

Sir JOHN FORREST.—Even then the honorable member would not vote for the survey.

Mr. McWILLIAMS.—Not on the information which has been placed before us. The Treasurer, whose business capacity is well known, would not in private life act on the lines which he is asking the House to follow. We are asked to go to the States, whose citizens are already very heavily taxed, and ask them to provide money for the survey of a railway which will probably never be constructed, because South Australia will not grant her permission. I do not know of any such proposal ever having been brought before an Australian Parliament. So far as we can judge, from the information available to us, South Australia is hostile to the construction of the railway, and we shall have to take our chance of her refusal to allow the work to proceed. I trust that the amendment will be agreed to, and that Western Australia and South Australia will

join in having the line surveyed. When they have done this, it will be time enough for them to come to us and ask us to construct the railway. I am sure that if the Treasurer thought that South Australia would block the construction of the railway, he would not ask us to vote money for carrying out the survey, but he takes too optimistic a view of the case. Until we are assured that South Australia will agree to the construction of the railway, we should not pass the measure.

Mr. PAGE (Maranoa) [9.43].—I cannot understand the attitude of the Government with regard to this Bill. If the Government of South Australia are favorable to the proposed railway, why cannot the Government produce evidence of that fact?

Sir JOHN FORREST.—They have consented to the survey.

Mr. PAGE.—But they have not consented to the construction of the railway. Our position is similar to that of a man or woman causing a piece of land to be surveyed and plans to be drawn for a house subject to their being able to obtain permission to erect it upon a certain site.

Sir JOHN FORREST.—The South Australian Government desire to know what route the proposed line will take before they give their consent to its construction.

Mr. PAGE.—What is the use of their imposing any condition of that kind? The chances are that the £20,000 proposed to be voted will be spent before the survey is more than half completed, and that we shall be called upon to spend a very much larger sum.

Sir JOHN FORREST.—Those remarks do not come with very good grace from the honorable member.

Mr. PAGE.—I am merely telling the truth. The State I represent would have to pay its proportion of the cost.

Sir JOHN FORREST.—Western Australia pays something for Queensland too. We pay for her mail subsidy and her sugar bonus.

Mr. PAGE.—Does not Western Australia, as well as Queensland, get the value for her money? I am here to protect the interests of Queensland in the same way that the Treasurer seeks to protect the interests of Western Australia.

Mr. CARPENTER.—Queensland will get her money's worth out of any contribution she may make towards the proposed survey.

Mr. PAGE.—I doubt it very much. I do not see why Western Australia should come to us cap-in-hand, and ask us to perform for her work which the other States have had to do for themselves.

Mr. SPEAKER.—I would remind the honorable member that the question before the Chair is an amendment requiring the consent of the Government of South Australia to the proposed survey to be notified before the Bill is proceeded with. It is not in order for the honorable member to discuss the main question.

Mr. PAGE.—I quite understand the position. As we are to be called upon to find the money for the proposed survey, I think that it is necessary that we should have some evidence that the Government of South Australia are willing to allow the work to proceed. Under the circumstances, I shall oppose the second reading of the Bill. From the observations that I was able to make when I was recently in Western Australia, and from the reports published in the newspapers, I believe that half the people in Western Australia do not want the survey made.

Mr. CARPENTER.—That is not correct.

Mr. PAGE.—I could quote the case in which the Mayor of Kalgoorlie—

Mr. SPEAKER.—Order. That has nothing to do with the amendment.

Mr. PAGE.—I think it has a great deal to do with the amendment. The survey might be started from the Kalgoorlie end of the proposed line, and, unless the South Australian Government permitted the work to be completed, the expenditure incurred would be so much money wasted. Unless the Treasurer can give us some definite assurance with regard to the attitude of South Australia, I shall oppose the Bill. Will South Australia consent to the survey being proceeded with in her territory?

Sir JOHN FORREST.—They have said so.

Mr. PAGE.—They have said that we can spend £20,000 on a survey, but they have to decide what shall be the route. For that reason alone I think that the Government should have no hesitation in accepting the amendment of the honorable member for Wentworth.

Mr. DAVID THOMSON (Capricornia) [9.50].—I wish to explain the vote which I shall give upon this question. I am diametrically opposed to the railway, but at the same time I intend to vote against the amendment, because it seems to me that

those who vote for it will be pledging themselves to support the construction of the railway, in the event of South Australia giving permission to make the survey through the territory of that State. The Government of South Australia would be standing in its own light if it refused permission for the survey to be made. The construction of the railway would benefit that State, because the other States of Australia would bear the expense. I do not think that the amendment is of any value, because I believe that South Australia will not refuse its consent to the survey.

Mr. JOHNSON (Lang) [9.51].—I do not desire to detain the House for more than a few minutes; but I wish to move a further amendment. I hold the view that it is desirable in connexion with the construction of any railways in Australia—and especially in connexion with any that may be constructed by the Commonwealth—that the lands upon the route proposed to be surveyed should be conserved in the public interest. It is in furtherance of that view that I propose to move a further amendment. I believe that honorable members generally are in accord with the principle which I have stated. The terms of the amendment are similar to those which were adopted by this House in connexion with that portion of the line which would pass through Western Australian territory. The Western Australian Government readily fell in with the suggestion. But we obtained no promise from the South Australian Government that it would take similar action. My amendment is, therefore, designed to bring South Australia into line with Western Australia in this connexion. The amendment will read as follows:—

That all the words after the word "until" in the amendment be left out, with a view to insert in lieu thereof the following words:—"The Parliament of South Australia has agreed that all the available Crown lands for a distance of 25 miles on each side of the line should be placed under the control of the Commonwealth, so that the proceeds from the disposal of such lands shall go towards making up any deficiency that may occur in connexion with the expenditure upon the proposed line."

Question.—That the words proposed to be left out stand part of the question—put. The House divided.

Ayes	...	...	...	32
Noes	...	...	...	12
				—
Majority	...	...	...	20

AYES.

Bamford, F. W.
Batchelor, E. L.
Bonython, Sir J. L.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Fowler, J. M.
Frazer, C. E.
Higgins, H. B.
Hughes, W. M.
Hutchison, J.
Isaacs, I. A.
Liddell, F.
Lane, Sir W. J.
Mahon, H.
Mauger, S.

McCay, J. W.
McColl, J. H.
McDonald, C.
O'Malley, K.
Phillips, P.
Poynton, A.
O'rick, Sir J.
Ronald, J. B.
Thomas, J.
Thomson, D. A.
Watkins, D.
Watson, J. C.
Webster, W.

Tellers:
Cook, Hume
Carpenter, W. H.

NOES.

Brown, T.
Cameron, D. N.
Culpin, M.
Glynn, P. McM.
Johnson, W. E.
Kelly, W. H.
Kennedy, T.

Lonsdale, E.
Page, J.
Storrier, D.

Tellers:
McWilliams, W. J.
Wilson, J. G.

PAIRS.

McLean, A.
Maloney, W. R. N.
Wilkinson, J.
Skene, T.
Groom, L. E.
Chapman, A.

Salmon, C. C.
Tudor, F. G.
Conroy, A. H. B.
Robinson, A.
Edwards, R.
Fysh, Sir P. O.

Question so resolved in the affirmative.

Amendment (Mr. KELLY's) negatived.

Mr. JOHNSON.—I should like to know, sir, if I would be in order in moving that all the words after "be" in the original motion be omitted with a view to inserting entirely different words from those upon which honorable members have just voted?

Mr. SPEAKER.—The honorable member will see that the division which has just been taken resulted in favour of the words of the motion standing. The motion, therefore, reads—

That the Bill be now read a second time.

No portion of those words can be struck out, and no fresh words can be inserted.

Mr. KELLY.—Upon a point of order, I desire to know whether it would be in order for an honorable member to move an addition to the motion to the following effect:—"Provided that the States of South Australia and Western Australia, either collectively or individually, undertake to grant to the Commonwealth the absolute ownership of all the territory through which the line passes for a distance of twenty-five miles upon either side of it." Such a proposal would in no way nullify the vote

which has already been taken. It would merely represent an addition to the original motion.

Mr. SPEAKER.—As the motion stands, it orders "that the Bill be now read a second time," and therefore no words can be inserted in it which would have the effect of delaying its second reading. What the honorable member suggests is now only possible in Committee.

Mr. JOHNSON (Lang) [10.5].—It is a pity that the House has not had the benefit of the opinions of the representatives of South Australia upon this question. I understood that one or two of them did intend to speak, with a view of throwing some light upon the probable attitude of the South Australian Government towards the proposal embodied in the Bill. It would be merely a waste of time to proceed with the measure, and subsequently to learn that the South Australian Government were hostile to the construction of the line through its territory. We ought to be sure that there will be no obstacles placed in the way of a survey of the route being undertaken. We must recollect that, of the 1,100 miles to be surveyed, 650 miles are in South Australia. I do not intend to discuss the merits or demerits of the proposed railway, on account of the lateness of the hour. But it would only be fair to ask South Australia and Western Australia, which would chiefly benefit by the construction of the line, to bear a very large proportion of the cost of the proposed survey. It seems to me that those States should also guarantee the Commonwealth against any loss which might occur in connexion with the working of the line. I understand that the Western Australian Government has undertaken to bear a certain proportion of that loss for a period of ten years; but no such offer has been made by South Australia, and, before proceeding further with the Bill, it would be advisable for the Government to endeavour to secure a similar guarantee from that State. The construction of the proposed line will involve an outlay of at least £4,500,000, apart from the cost of the survey. It therefore behoves us to seriously consider whether we are at the present time justified in committing ourselves to such a huge expenditure. I do not wish to detain honorable members at this late hour; but when the Bill reaches Committee I shall avail myself of the opportunity to submit an amendment upon the lines I have indicated.

Sir LANGDON BONYTHON (South Australia) [10.10].—As there is an evident desire on the part of the House to proceed at once to the second reading of the Bill under consideration, I will, although I had intended to speak on the general question, confine myself to a sentence or two. When the Commonwealth has determined that a railway running east and west across the Continent is desirable, I am sure that South Australia will put no unreasonable obstacles in the way, provided there is a disposition to meet the wishes of that State in regard to route and gauge. I regret that in this matter I have to differ from the honorable and learned member for Angas. I approve of the survey being proceeded with. No one can take exception to the position which South Australia takes up. The Government have given their approval of the survey for the railway being carried out. As to the railway itself, they will consider that at a later stage, when the results of the survey are known, and when the route and gauge of the line can be determined. Of course, as to these matters consideration will have to be given to the wishes of the State; but of this I am certain, that the demands of South Australia will not be unreasonable. They will, I am confident, be of such a character that the Commonwealth Parliament, if it decides to construct the railway to Western Australia, will be able readily to accept them. Personally I agree with the honorable member for Angas that a railway from Port Augusta to Port Darwin is of much greater importance to Australia as a whole than a railway from Port Augusta to Kalgoorlie.

Mr. DAVID THOMSON (Capricornia) [10.12].—When this exploitation Bill was before the House last session, I voted against it. Since that time no new arguments have been brought forward to induce me to alter the opinion I had then formed. The Minister of Home Affairs, in introducing this Bill, put forward the same old argument, used so often before, that some irresponsible person, at the time the Federal Conventions were being held, bribed the right honorable member for Swan to induce the State of Western Australia to enter the Union. I do not feel disposed to give a vote which will plunge the Commonwealth into an expenditure of £5,000,000 because one person in South Australia made a promise to the right honorable member for Swan to induce him to bring Western Australia into the Federation. I cannot see how this rail-

way is to pay for axle grease. The expenditure involved in the construction of the line, the borrowing of the money, and working expenses connected with it, will amount to quite £5,000,000, and I should like to know where honorable members expect to get the interest upon such a sum from the working of such a railway. There is no railway in Australia that, in similar conditions, could be made to pay working expenses. We know that railways cannot compete against water carriage in the transport of goods, and this line must depend solely on the passenger traffic. Is there any member of this House sanguine enough to believe that the passenger traffic over this line will be sufficient to pay interest on £5,000,000? Some honorable members have said that they will not pledge themselves to vote for the construction of the railway, but when they are prepared to vote £20,000 for the survey of the line it is evident that they are prepared to vote for its construction.

Mr. POYNTON.—Rubbish!

Mr. DAVID THOMSON.—Why should honorable members be prepared to throw away £20,000 if they are not prepared to vote for the construction of the railway within the expense which has been estimated? The rubbish is to be found in the proposal to vote £20,000 for the survey of a railway of this sort. It is all very well for honorable members, who represent districts through which the line would pass if constructed, to support this proposal.

Mr. POYNTON.—Queensland is making a little out of sugar.

Mr. DAVID THOMSON.—People in the other States have an equal right with the people of Queensland to grow sugar if they please. So far as this railway is concerned, there is not the slightest prospect that it will pay, and the Commonwealth should not be run into an expenditure of this kind. I am surprised that members of the Labour Party should go back upon the principle they have adopted in opposing the borrowing of money for public works in the Commonwealth. Opposition to such a course is one of the planks of the Labour platform, and if this line is not to be constructed of borrowed money, it can only be by the adoption of the scheme for making money, which has been put forward by the honorable member for Brisbane. Honorable members appear to be prepared to vote £5,000,000 for the construction of this line, no matter what the surveyors say.

We know the surveyors are bound to report that there is territory through which such a railway can be built. We have heard a good deal of the proposal to hand over a strip of land 25 miles wide on each side of the proposed line. But of what use will such barren, desert country be?

Mr. POYNTON.—The honorable member has never been there.

Mr. DAVID THOMSON.—I know as much of desert country as does any member of this House, and I know something of a better class of desert country than that which will be traversed by this line. I was in Western Australia some years ago. I know something of the best portions of that State, and cannot help wondering what the worst are like. I have been on the Blackwood River, and other portions of the State that are looked upon as good land. I have been also in the Kalgoorlie and Coolgardie districts.

Mr. POYNTON.—Broken Hill is in desert country.

Mr. DAVID THOMSON.—Never mind about Broken Hill. The place is a desert. South Australia and Western Australia are unable to open up this country, because it is of no value. Honorable members have only to consider the rainfall of the territory to be assured of that. Wherever there is good country in Australia there are rivers or creeks, but there is not even a water-course, to say nothing of a creek or a river, in the whole of the territory through which this line will pass.

Mr. BATCHELOR.—What is the rainfall in Kalgoorlie?

Mr. DAVID THOMSON.—I think it is about 5 inches per annum. There are no creeks or rivers there until you get down to Northam. That says sufficient for the country. It is proposed that the Commonwealth shall be given a strip of country twenty-five miles wide on each side of the railway, but it is country that will not feed a grasshopper to the acre. If honorable members will travel through Western Australia they will find that there is scarcely any animal life in the State. There is very little, even of insects. All that can be found in this territory are ants and flies, and yet we are being asked to put a railway through such country at an expense of £5,000,000 to the other States in the Federation. I say that the proposal is nothing but a buccaneering, filibustering job of the worst kind. In the State of Queensland we have been suf-

ferers from Federation because we have never received our full share of three-fourths of the Customs and Excise revenue collected by the Commonwealth in the State. I can give the right honorable member for Swan credit for what he did at the Federal Convention. The right honorable gentleman took very fine care that in joining the Federation Western Australia should be entitled to impose a special Tariff. I am very sorry that the Premier of Queensland at the time did not impose the same condition. The right honorable member for Swan saved his State by that special Tariff, whilst we in Queensland have had to suffer. Honorable members talk about sugar, but in Queensland we have the only big industry of the kind in Australia. We have built up that industry ourselves, and there is £500,000 of the money of the State invested in it. We should be given credit for that.

Mr. FRAZER.—Queensland gets cash as well as credit for it now.

Mr. DAVID THOMSON.—Magnanimous Western Australia says to us, "You make this railway, and we will give you some territory, but no cash." Then when we come to deal with South Australia we have another magnanimous State, and she says, "We will give you a strip of land two chains wide on which to make the railway"—that is, of the valuable territory through which the line will pass. I am surprised that some honorable members from Western Australia have not submitted a word picture of the great country which will be traversed by this railway. Why have they not painted a magnificent trip across the continent from Adelaide to Fremantle, in gorgeous carriages, passing through mountain scenery, and crossing valleys and grassy slopes? It is a wonder that they have not done something of that sort. They ought to have asked the honorable member for Gwydir to paint the picture for them. They have told us of the grand territory which they possess; but they have never opened it up. They have taken fine care not to spend any of their money upon such an undertaking. On the contrary, they seem anxious to bleed the other States. I say so because they expect the Commonwealth to build 1,100 miles of a railway through comparatively worthless land. I am opposed to the expenditure of any public money on a survey, because the people in the other States would

derive no benefit from the construction of the railway. I do not blame South Australia for stating that if she consents to a survey being made the railway must be built by the route which she favours. Posterity would have to bear the loss upon the railway when constructed; therefore South Australia has a perfect right to demand that it shall be built through the best portion of her territory. I do not feel inclined to vote any money for the construction of such a rotten railway.

Mr. WEBSTER.—What about the defence of the Commonwealth?

Mr. DAVID THOMSON.—I do not think that we want any defence. We have already provided quite enough defence. Indeed, we have spent too much public money in that direction. I am opposed to any defence system. I am not afraid of any nation coming to invade Australia, and I do not believe in maintaining officers merely to wear togger. I do not consider that the construction of this railway has any relation to our defence system. Certainly, I do not look upon it as a factor in the effective defence of the Commonwealth. It has been interjected that leading members of the House support this Bill. Why has it commanded their support? Most of those who are known as leading members in the House have been in the Ministry. With them it has been merely a question of concession in return for support. That is the long and short story of this business. Those who have not been in the Ministry have been free to vote as they like. The honorable member for Kalgoorlie has been hobnobbing with honorable members, and trying to hoodwink them into voting for the survey of this railway. I give him credit for his action, and perhaps if I were in his place I would act similarly. I do not blame him for trying to induce any honorable members to vote for the survey of this railway, however unreasonable the proposal may be from a Commonwealth stand-point. It is all very well for leading members to vote for the Bill, because they have got support, or hope to get it. I trust that the Bill will be relegated to its proper place, and that is the waste-paper basket. I cannot forget that if the railway were constructed the people in Queensland would have to bear a share of the loss on its working. I trust that if the House does not reject the Bill—and I do not expect that it will—the Senate, which seems to be stronger, and perhaps less shackled than we are,

will take that step. It is because our members are practically shackled that they intend to vote as they do. No argument has been adduced to justify a vote of £20,000 for a survey. Every one knows quite well that the construction of the railway would cost £5,000,000 at least, because that is the lowest estimate which has so far been furnished. In my opinion, £20,000 is a very large sum to pay for the survey of a line 1,100 miles long. I have had a little to do with surveying, but I have never known a case where it cost about £20 a mile to make a survey over country which is practically flat, and where the surveyor could take long sights.

Mr. CONROY.—The honorable member forgets what a terrible desert it is. That is why it is to cost so much per mile.

Mr. DAVID THOMSON.—The honorable and learned member, as a surveyor, knows that £20 a mile is an exorbitant price to pay for making a survey for that distance.

Mr. CONROY.—I could make a very fine profit out of it at £2 a mile.

Mr. DAVID THOMSON.—Yes, and I should like to be in partnership with the honorable and learned member when he was making the survey. I have had some experience in connexion with long railway connexions, and I know what a survey costs per mile. I submit that £20 a mile is an exorbitant price to put down for making a survey over practically flat country. If the railway had to be constructed over mountains, such as are met with in New South Wales or Queensland, I could understand that rate being charged, because the surveyor would have to take short sights in order to get his levels. In this case, however, he could take five or ten chain, or even longer, sights. Practically there is no obstruction in the way, because the country is fairly open, and free from scrub. There is very little mountainous country—in fact, no hill of any consequence, so that no one can say that there is any engineering difficulty to overcome. There is no creek or river to cross. There is no filling or cutting of any importance to make. No argument has been adduced to show that any one would be justified in supporting this measure at the present time, therefore I intend to oppose its second reading.

Mr. CONROY (Werriwa) [10.27]—I quite agree with the denunciations which have been hurled at the Bill by the last speaker. The very course which is being

pursued in regard to the Bill by the Treasurer, a representative of Western Australia, is quite sufficient to put every honorable member on his guard. It must be remembered that no man in Australia has a better knowledge of the nature of the country north of the Great Australian Bight than has the right honorable member for Swan. No less than thirty-five years ago he went over that part of Western Australia, and no one who has read his descriptions of his travels will wish to visit the place. Let us see exactly what the Treasurer has done. For four years, when he sat in a Ministry, he never brought forward a measure for this purpose. He has now been in office for twelve months, and the Bill has only just been brought forward in a casual kind of way.

Sir JOHN FORREST.—I was beaten only last session.

Mr. LONSDALE.—It is brought forward because there is a general election coming on.

Mr. CONROY.—Unfortunately, the Bill is being held up as a sort of bait to some persons in Western Australia—to show them what their representatives are doing for them.

Sir JOHN FORREST.—The honorable and learned member voted for the Bill last time.

Mr. CONROY.—Under very different conditions, as I shall explain. At the present time it would be highly undesirable on the part of the House to pass a vote for a survey, when it really has no intention of authorizing the construction of the railway. In proof of my statement about the character of the country, I might instance the sum which the Minister in charge of the Bill has put down as likely to be the cost of levelling. I suppose that every one knows that through a great part of South Australia and central New South Wales, the regular charge for levelling is £2 a mile, and out of that rate men pay for the equipment of their camp, and make a profit ranging from £500 to £1,500, or £2,000 per annum.

Sir JOHN FORREST.—Is the honorable member speaking of levelling in connexion with railway surveys?

Mr. CONROY.—I would undertake to level the whole country, from Coonamble to Oodnadatta, and to make a handsome profit at £2 per mile.

Sir JOHN FORREST.—I do not think that the honorable and learned member could do so.

Mr. CONROY.—There would be a big margin to work upon. The right honorable gentleman knows that between those points I should not go beyond a gradient of 1 in 50. So far as the bulk of that country is concerned, the gradient would, perhaps, be only 1 in 1,000, and one could take sights of 10, 20, or 30 chains each. The average would be 10-chain sights. I have been able to level 10 miles a day in country similar to that through which this line would pass, and 10 miles a day, at £2 per mile, would mean a handsome profit. The Treasurer, however, has asked that a sum of £20 per mile shall be allowed for this work, and probably that amount will not be sufficient, since the moment one leaves the coast one has to carry water on camels. That proves the nature of the country through which this line would pass. Long ago I took up country to the north of Eucla.

Mr. WEBSTER.—Would it cost much to make a search for minerals along the route, and to report?

Mr. CONROY.—It would cost many lives; just as many lives were lost in prospecting for gold in Western Australia before it was found there.

Mr. HUTCHISON.—There is a gold-field along the proposed route; I refer to Tarcoola.

Mr. CONROY.—That is a good deal to the north of the proposed route. The fact that the Treasurer is compelled to ask the House to vote £20 per mile to carry out this work, instead of £2 or £3 per mile, is a striking commentary on the character of the country through which the proposed line would run.

Sir JOHN FORREST.—I have consulted engineers, and several honorable members agree with them that the amount is, if anything, too small.

Mr. CONROY.—I should say that it is. In view of the difficulty of procuring water, I should be sorry to recommend any man to undertake the work at £20 per mile.

Mr. DAVID THOMSON.—The honorable member is making the country appear really worse than it is.

Mr. CONROY.—I am not quarrelling with the amount which we are asked to vote; I think that it is insufficient.

Mr. HUTCHISON.—A man made the overland journey on a bicycle.

Mr. FOWLER.—I know a man who brought his stock over, and he told me that they were in better condition at the end of the journey than when they started.

Mr. CONROY.—Probably they kept within five miles of the coast.

Mr. FOWLER.—No.

Mr. CONROY.—I do not know any other point, except north of Eucla, at which the overland journey could be made.

Mr. FOYNTON.—The honorable and learned member has never been there.

Mr. CONROY.—There are patches of rich soil, but the trouble is that there is practically no rainfall. There is no water available.

Sir JOHN FORREST.—The honorable and learned member has never been there, while other people who recommended the proposal have.

Mr. CONROY.—I have travelled over miles of similar country, and am accepting the Treasurer's own description of the route. If it be an accurate one, a worse desert does not exist.

Sir JOHN FORREST.—The honorable and learned member is absolutely wrong. He should read what Mr. Muir, who was there the other day, has to say on the subject.

Mr. CONROY.—No one is disputing the existence of large tracts of fairly good country along the proposed route, but the trouble is that they are destitute of water. Another objection is that, if this railway were constructed, it would enter into competition with the suggested line of Commonwealth steamers.

Sir JOHN FORREST.—That is a splendid argument.

Mr. CONROY.—Does the right honorable gentleman think that if the Commonwealth established a line of steamers it would be prepared to run through a barren country a railway which admittedly would not pay. Does he think that it is going to expend £4,000,000 on the construction of a line that would enter into direct competition with a State-owned line of steamers, and would not even return 1 per cent.

Sir JOHN FORREST.—The honorable member last session voted for the second reading of the Bill.

Mr. CONROY.—But I have since secured a great deal more information on the subject. It was not suggested at that time that we should spend £4,000,000 or £5,000,000 on a Commonwealth line of steamers. It is perfectly certain that if the proposal of the honorable member for Barrier is to be carried into effect honorable members who favour it cannot be in earnest in supporting the Bill now before us.

Mr. FOWLER.—Why not? Is there not room for both?

Mr. CONROY.—No; and even if there were, there is certainly not sufficient funds at our disposal to carry out both schemes. Without pledging myself to the course that I shall adopt in future, I may say at once that there are far more arguments in favour of our assuming control of a line of steamers than there are in support of this project. There is no question that the one might return full interest on the money expended, while the other would obviously not do so. Sometimes we are not absolutely free to vote as we please.

Mr. WEBSTER.—What! Not on the Opposition side of the House?

Mr. CONROY.—Nor on any other side. There are occasions when honorable members rely to a large extent upon the statements of others. When this Bill was previously before us I said that I would be prepared to vote for it, but I was careful to say that I should not commit myself in any way to the construction of the railway itself.

Mr. FISHER.—Does the honorable member think that this Bill commits us in any way?

Mr. CONROY.—I am inclined to think, in view of the many votes on this question, that we are committing ourselves much further than was first intended.

Mr. FISHER.—It is said that the Bill commits us in no way.

Mr. CONROY.—I have come to the conclusion that, under the circumstances, my previous vote was rather a mistake, and that, in view of the extra information furnished to us, it is not desirable to hold out a sort of promise not likely to be fulfilled. It is clear that we should at least have to ask South Australia and Western Australia to construct branch lines; and Western Australia would not be likely to grant such a request. But it is clear that it would be ridiculous to construct the main line without the opportunity to connect with one or two of the only ports on that coast. Three years ago I was somewhat in favour of granting a sum for the survey.

Sir JOHN FORREST.—That is only eighteen months ago.

Mr. CONROY.—At that time, however, I was quite unacquainted with the developments in mechanical traction that had, and have since, taken place. The improvements have been so great in this respect that we

bear of loads being carried on the road at as low a rate as 2d. per mile.

Mr. TUDOR.—What weights are carried at that rate?

Mr. CONROY.—At that rate loads of 10 tons have been carried at a pace of 5½ miles an hour, and lighter loads at 7 miles an hour. In support of what I say, I refer honorable members to a supplement to the *Commercial Motor*, an English publication, in which the results of this road traffic are shown to be really surprising. There are, for example, omnibuses, themselves a tremendous weight, which each carry from thirty-four to fifty passengers, and run 100 to 120 miles a day, and there are steam waggons employed on the road, and travelling 50 miles a day regularly, at a speed of from 5 to 12 miles an hour. In the face of these facts we may be prepared for great developments in this direction in a country like Australia. If produce can be carried in this way, it is clear that road traction, except where there is very great traffic, may to a large extent take the place of light railways. These mechanical tractors are able to call at farms, and then return to the road and resume their journey, and some of the heavier lorries are so constructed that flanges may be placed on them with little or no trouble when they reach the railway line, and, being of the proper gauge, they can be attached to a train without in the least disturbing the load. Under these circumstances, it is quite clear that many of us who on the previous occasion were able to support a proposal of this kind cannot give a similar vote on the present occasion. Even the advocates of this railway only look to the passenger traffic: and we must remember that at the present time, as at Paris the other day, motor cars are running on ordinary roads at nearly one mile a minute. Doubtless some honorable members have travelled in a motor car at a speed of 45 miles an hour, and, with all these developments in view, the construction of a railway which would cost so much and be used so little, would be a very doubtful experiment. If Western Australia were to construct a line from Kalgoorlie to Esperance, or elsewhere, I would say that the matter required further consideration. An entirely new aspect of the case would then be presented to us, and, under the circumstances, although I would not pledge myself, I might heartily support, not only a survey, but even the construction of the

line, always keeping in view, however, the development in mechanical traction to which I have referred. In my opinion, it would be wrong to pass a measure which may lead the people of Western Australia to believe that a line will be constructed. Such a step might lessen the chances of the people of Kalgoorlie getting the line they desire from the gold-fields to the nearest port. I think it is extremely likely that, by taking advantage of some heavy clay deposits, and mixing the clay with the sand, a road might be constructed, over which motors could run just as safely and speedily as vehicles could on any type of railway likely to be constructed in that part of Australia.

Mr. FOWLER.—Why worry about land traction when we may have locomotion in the air?

Mr. CONROY.—The developments in land traction are actually before us, and I venture to say that nineteen out of twenty honorable members have no idea of their magnitude. At any rate, I can say for myself that, although I have read a good deal on the subject, I have but little appreciation of the progress made in these means of travelling. I do not propose to go into this matter in detail, and shall not do more than state that, in the opinion of many sound judges, the days of road transport are coming back, and that, except where the traffic is very heavy, steam and petrol road waggons will largely do the work of railways. I am sure that, where there are good roads connecting our living centres with railway stations, the means of transport will be greatly available, and requests for small branch lines will become fewer. Vehicles such as I have spoken of have proved so useful in England and on the Continent of Europe, that it is practically impossible for the maker to supply the orders which are pouring upon them, and any one sending from here would probably have to take those of pattern four or five years old. Under these circumstances, I cannot repeat the vote which I gave on a former occasion and must oppose the second reading.

Question—That the Bill be now read second time—put. The House divided:—

Ayes	...	...	29
Noes	...	...	11
Majority	...	...	18

AYES.

Bamford, F. W.
Batchelor, E. L.
Bonython, Sir J. L.
Brown, T.
Carpenter, W. H.
Chapman, A.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Fowler, J. M.
Frazer, C. E.
Hutchison, J.
Isaacs, I. A.
Liddell, F.

Malon, H.
Maloney, W. R. N.
McCay, J. W.
McColl, J. H.
McDonald, C.
Phillips, P.
Quick, Sir J.
Ronald, J. B.
Thomas, J.
Watkins, D.
Watson, J. C.
Webster, W.
Tellers:
Cook, Hume
Poynton, A.

NOES.

Cameron, D. N.
Culpin, M.
Glynn, P. McM.
Kennedy, T.
Lonsdale, E.
McWilliams, W. J.

Storrer, D.
Thomson, D. A.
Wilson, J. G.
Tellers:
Conroy, A. H. B.
Kelly, W. H.

PAIRS.

Lyne, Sir W. J.
Higgins, H. B.
Mauger, S.
Groom, L. E.
McLean, A.
Skene, T.

Page, J.
Fysh, Sir P. O.
Tudor, F. G.
Edwards, R.
Salmon, C. C.
Robinson, A.

Question so resolved in the affirmative.

Bill read the second time, and committed *pro forma*.

FEDERAL CAPITAL SITES.

MR. SPEAKER.—I have to intimate to the House that reports, accompanied by plans, dealing with certain Federal Capital Sites in the Yass and Lake George districts, were laid on the table on the 15th June last, and were ordered to be printed. The reports have been printed accordingly, but, as it would cost over £100 to print the plans, it has been considered that this heavy expenditure should not be undertaken without the express consent of honorable members, and I propose to direct that until it is given they shall be displayed in some position convenient to honorable members, probably in the corridor leading to the entrance to this chamber.

ADJOURNMENT.

MOTIONS FOR LEAVE OF ABSENCE.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. HUTCHISON (Hindmarsh) [10.59]

—I wish to draw attention to the need for an alteration of the standing order relating to the granting of leave of absence. Standing order 45 says—

Leave of absence may be given by the House to any member, on motion, after notice, stating

the cause and period of absence; and such motion shall have priority over other motions, and shall not be debated.

That standing order should, in my opinion, be amended to allow of debate, which is the practice of another place. To-day the honorable member for Dalley moved that leave of absence be granted to the right honorable member for East Sydney, on the ground of urgent public business, and it might appear that, in allowing the motion to be passed on the voices, we approved of the absence of the right honorable gentleman. I would point out that, when members of the Tariff Commission desired to absent themselves from their places in Parliament, in order to attend to really urgent public business, the right honorable member for East Sydney disapproved of their going away to Western Australia, Tasmania, and South Australia whilst the House was sitting. So strongly did the honorable and learned member for Illawarra feel upon the subject that he considered that it was his duty to be in his place in the House, rather than to absent himself, even for the purpose of taking part in the proceedings of the Tariff Commission elsewhere than in Melbourne. I do not think that the right honorable member for East Sydney is attending to urgent public business. When it was sought to grant a month's leave of absence to the leader of the Labour Party in the Senate, who was a member of the Tariff Commission, not only did honorable senators belonging to the party led by the right honorable member for East Sydney object to leave being granted, but they forced the matter to a division. The honorable senators who voted against the motion were Senators Baker, Dobson, Gray, McFarlane, Symon, Walker, and Clemons. Honorable members will find the division recorded at page 3342 of *Hansard*. The right honorable member for East Sydney is now in Queensland urging the electors to vote, and yet he is himself absenting himself from the House, and neglecting to vote upon matters of the highest importance. I think that he might have shown a better example. What is his record in regard to attendance in this House? On the 4th July Senator Higgs pointed out that during the first session of the first Parliament the leader of the Opposition attended only 93 out of 215 sittings; that is to say, he was absent upon 122 days. During the second session he attended only 27 out of 68 sittings. In the first session of the

second Parliament he attended 90 out of 122 sittings.

Mr. BRUCE SMITH. — He did that in order to keep me company.

Mr. HUTCHISON. — I would like to point out that during that year, when the right honorable member's attendance was a little better than usual, he occupied the position of Prime Minister. During the second session of this Parliament he attended 29 out of 90 sittings, and was therefore absent upon 61 days. We have seen very little of the right honorable gentleman during this session. He was not here to express his opinion upon what has been described by members of his own party as one of the most far-reaching measures that has ever come before this or any other Australian Legislature. I think that it was his duty to be present, not only to speak, but to vote. It would appear, from the action of some honorable members of the Opposition, that the right honorable gentleman was very glad to be absent. Some of his supporters put up a great show of opposition to the Australian Industries Preservation Bill, but not a single member had the courage to call for a division upon the motion for the third reading. In 1904, when the honorable member for Barrier directed attention to the absence of certain Ministers, the right honorable member for East Sydney stated that it was their duty to be here, and that they were paid to be here. Now he is absent from his place in Parliament, and is endeavouring to undermine the positions of honorable members who are here doing their duty. If it is an urgent matter for the right honorable gentleman to conduct a campaign upon the lines he is now following, it is equally urgent for honorable members representing Queensland to be in that State looking after their own interests. The right honorable gentleman is reported to have stated that he had given up the present Parliament, and was now appealing to the electors. If that be so, instead of seeking for leave of absence, he should have sent in his resignation. I trust that the Standing Orders will be amended, so as to enable honorable members, before granting leave of absence, to satisfy themselves that the member who is seeking to be relieved for the time being from attending to his duties in the House is engaged upon urgent public or private business. I am sure no one would raise his voice against leave of absence being

granted to an honorable member who had really urgent business to attend to.

Mr. CONROY (Werriwa) [11.7]. — I am surprised that honorable members should object to the absence of any individual member. It seems to me that that is a matter for his constituents rather than for us. Many men may be transacting the business of the country, even though they may not be present in Parliament. I have always thought that it was a mistake on the part of the Federal Convention to require that the attendance of honorable members should be recorded like that of schoolboys. The mere act of walking in and out of the Chamber does not constitute attention to parliamentary duties.

Mr. LONSDALE. — Many honorable members walk in and out of the Chamber, and nothing more is seen of them.

Mr. CONROY. — I do not wonder at that. I have done the same thing myself, and I shall do it again. The fact that that course of conduct is pursued is largely due to our sitting days being too numerous to permit of our giving proper attention to our work, and making ourselves thoroughly acquainted with the measures which we are called upon to consider. An honorable member's attention to his public duties should be judged by his public acts, and not by the mere record of his attendances in this Chamber. Certain honorable members who have the best records in the matter of attendance have done so little actual legislative work that when they make a proposal we merely smile. I remember that last week I characterized one honorable member as the most stupid man in this Chamber. Another honorable member interjected, and upon looking at him I had to acknowledge that perhaps I was mistaken. My regard for the truth compelled me to withdraw my remark. They are both remarkable for their attendance. We are going much too far in placing any value upon the mere attendance of an honorable member. Of course, Ministers ought to be in their places, but I do not think that in our hearts we regard regular attendance in this House as any guide as to the mental effort which one is making in the discharge of his legislative duties. Of course, if the honorable member for Hindmarsh admits that he has called attention to this matter merely for political purposes, there is nothing more to be said. I was very thankful to-day that, even after the outburst of two or three honorable members, when they

found that their object was sufficiently attained they did not call for a division on the motion for leave of absence.

Mr. CARPENTER.—They were more generous than the honorable member's party was in the Senate towards Senator McGregor.

Mr. CONROY.—I must say that it shows the nature of some persons when they would do such a thing. I regard a motion of this kind as being purely of a formal character. No good purpose would be attained by altering the standing order in the manner suggested. Indeed, if I had my way, so far from having a standing order regarding attendances, I would not allow them to be recorded, especially after what I have seen take place in this Chamber when important matters have been considered in the absence of a quorum.

Mr. DAVID THOMSON.—If all honorable members were like the right honorable member for East Sydney, there would never be a quorum.

Mr. CONROY.—In that case, this Parliament would be doing no harm, and we should arrive at a happy negative state of affairs that we do not seem able to attain now. The honorable member for Capricornia is one of those who sit so frequently in the Chamber that we cannot very well complain of his protest. But when there are so many of us who offend, and who feel it to be necessary at times to leave the chamber for purposes of relaxation, we ought not to complain. Indeed, some of the best work I have ever done has been when I have been out of the Chamber looking up matters in connexion with work that had to be done here. I could not have dived so much into history if I had not taken advantage of opportunities to leave the Chamber for the purpose of looking up authorities. It would be a most dangerous thing if a motion for leave of absence were not at any time allowed to be taken as formal.

Mr. FISHER.—Except in a case where a member leaves the country and shows that he is taking no interest in the proceedings of Parliament.

Mr. CONROY.—Of course in such a case the circumstances would be entirely different. I trust that the greatest warmth of political feeling will never allow us to descend to such a level as to refuse formal leave when it is asked for.

Mr. WEBSTER (Gwydir) [11.15].—I do not think that the matter under discussion is that which has been suggested by the

honorable member for Werriwa. It is not a question whether the attendance record is correct or not, or of whether honorable members should on occasion be granted leave of absence. It is purely a question of whether a member holding the prominent position that the leader of the Opposition holds—a responsible position on a level with that held by Ministers of the Crown—should be absent for such long periods as he is. We cannot say that the right honorable member for East Sydney stands in the same position as a private member. Further, I venture to say that the honorable member for Werriwa, with his knowledge of political history and parliamentary precedent, cannot point to any case in Australian history where a leader of the Opposition has left Parliament sitting to conduct an electioneering campaign in a distant part of the country.

Mr. CONROY.—Sir Henry Parkes did the same thing, and gave as his reason that Parliament did not truly represent the electors.

Mr. WEBSTER.—Sir Henry Parkes never left Parliament sitting to engage in an electioneering tour. I watched the career of Sir Henry Parkes from the moment when I first entered the State of New South Wales, and I know of no such case as the honorable member has referred to. It is deplorable that the leader of the Opposition should take upon himself the task of going into the electorates of honorable members while they are attending to their duties in this Parliament, and should endeavour to cut the ground from beneath them, whilst at the same time he asks for leave to enable him to do so to a greater extent than he has already done.

Mr. CONROY.—Surely he is doing good work in stirring up the electors to vote at the next election.

Mr. WEBSTER.—I venture to say that if the Minister of Trade and Customs were to ask for leave of absence from this House while he was going through the electorate of Werriwa, the honorable member would be one of the first to raise an objection. If it is right and proper for the right honorable member for East Sydney to leave Parliament while it is sitting, it would be equally right for every member of this House to retire to his own electorate for the purpose of campaigning. But to what position would Parliament be reduced if that were done? We might as well shut up at once; and possibly some honorable members might consider

that that would be a good thing. But we have not closed the Parliament. The Government have decided that there is important business to be done, and whilst this House is anxious to discharge its duty to the electors, it is disgraceful for it to grant honorable members prolonged leave of absence.

Mr. SPEAKER.—The honorable member must not reflect upon a vote of the House.

Mr. WEBSTER.—I am not reflecting upon it. I merely say that we are not acting in a way that is creditable to us as a deliberative assembly, when we allow an honorable member to neglect his duty in the way that the right honorable member for East Sydney is doing.

Question resolved in the affirmative.

House adjourned at 11.21 p.m.

Senate.

Thursday, 19 July, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

RIFLE TEAMS.

Senator DOBSON.—I desire to ask the Minister of Defence, without notice, whether he is prepared to consult the Cabinet and inform the Senate what scheme, if any, they are prepared to adopt for subsidizing rifle teams proceeding to Great Britain or other places in order to compete at rifle matches?

Senator PLAYFORD.—If a definite scheme is placed before me I shall consider it, but as regards paying the whole expense of sending teams to Bisley and other places—

Senator DOBSON.—I did not ask whether the Government would pay all the expenses, but whether they would subsidize rifle teams.

Senator PLAYFORD.—If the honorable senator will submit to me a definite proposal, I shall give him an answer. I am not prepared to say off-hand whether we shall subsidize any rifle teams. It will entirely depend upon whether we think that a scheme, when placed before us, is worth subsidizing or not.

Senator DOBSON.—Does the Minister prefer that we should formulate a scheme?

Senator PLAYFORD.—Let the honorable senator formulate a scheme, make a proposal, and ask us to give a subsidy, and then we shall give him an answer. That is the straightforward way of proceeding.

INTER-PARLIAMENTARY CONFERENCE.

The PRESIDENT.—I have to intimate that from Lord Castlereagh, who is Chairman of a number of members of the House of Commons, who have formed themselves into a committee for the purpose of meeting members of other Parliaments, I have received a communication requesting the attendance of members of the Senate at a conference of the Inter-Parliamentary Arbitration Union at Westminster on the 23rd July. The invitation is a little belated, but I only received it the day before yesterday.

Senator MILLEN.—Is it for the 23rd July of this year?

The PRESIDENT.—Yes. Of course, it is impossible, as the writer states, for the members of the Senate to attend, and why the communication was sent I do not know.

PRINTING COMMITTEE.

RIGHTS OF THE SENATE.

Report presented by Senator HENDERSON, and read by the Clerk as follows:—

The Printing Committee, having had before it a letter addressed to the Chairman of the Committee by Mr. Atlee Hunt forwarding, by direction of the Prime Minister, a communication addressed to the Prime Minister by the Chairman of the Printing Committee of the House of Representatives, calling "attention to the unnecessary printing and extra expense incurred by the Senate in printing Regulations under the Post and Telegraph Act 1901, as set out in the *Journals* forwarded herewith," and reciting the following resolution passed by the Printing Committee of the House of Representatives:—

"That the attention of the Honorable the Prime Minister be again called to the fact that these Regulations (see p. 11 of the *Journals* of the Senate) are published under the Rules Publication Act, and that there is no necessity for their being printed as Parliamentary Papers"—

have come to the following resolutions:—

1. That it is the right of the Senate to order the printing of any paper laid on the table of the Senate.

2. That the action of the Senate in ordering any paper to be printed is not open to review by the Printing Committee of the House of Representatives.

3. That it is not proper that the action of the Senate should be brought by the Printing Committee of the House of Representatives under the attention of the Prime Minister.

4. That the Chairman of the Printing Committee of the Senate make report to the Senate accordingly.

G. HENDERSON, Chairman.

19th July, 1906.

Senator HENDERSON (Western Australia) [2.40].—I desire to move that a copy of the report be transmitted to the Prime Minister.

Senator MULCAHY.—The report has not yet been adopted by the Senate.

The PRESIDENT.—It is only open to the honorable senator to move that the report be printed and taken into consideration on another day.

Motion (by Senator HENDERSON) agreed to—

That the report be printed, and taken into consideration to-morrow.

BOOKKEEPING SECTIONS: CONSTITUTION.

Senator PEARCE asked the Minister representing the Treasurer, *upon notice*—

Will the Minister apply to the State Government of Western Australia for copies of the reports tabled in the House of Assembly, compiled by Government officials of that State, showing the operations of the bookkeeping sections of the Constitution, and the probable effect on the revenue of that State if they were abolished?

Senator PLAYFORD.—Yes.

LEAVE OF ABSENCE.

Motion (by Senator CLEMONS) agreed to—

That one month's leave of absence be granted to Senator Matheson on account of urgent private business.

ELECTORAL BILL.

Motion (by Senator PEARCE) agreed to—

That leave be given to bring in a Bill to amend the law relating to parliamentary elections.

Bill presented, and (on motion by Senator PEARCE) read a first time.

QUARANTINE BILL.

Motion (by Senator PLAYFORD) agreed to—

That leave be given to introduce a Bill for an Act relating to quarantine.

PRESS MESSAGES: PACIFIC CABLE.

Senator STANFORTH SMITH (Western Australia) [2.43].—I move—

That, in the opinion of this Senate, a limited number of press messages on matters of public interest should be carried free over the Pacific Cable in order to increase the knowledge and community of interests between the various portions of the Empire linked together by the cable.

I objected to the motion being taken as "formal" because my object is not so much to carry a motion as to initiate a discussion upon what I conceive to be a matter of considerable importance. The Pacific Cable Company is, so far, the greatest commercial enterprise undertaken by the various portions of the British Empire. It is one which I believe has resulted in great benefit to the four portions of the Empire, which are linked together by this submarine cable. The total expenditure up to the 31st March was £1,993,993—practically £2,000,000 sterling. Working expenses, the cost of the repairing steamer, salaries, and matters of that kind, amounted to £51,000 for the year ending the 31st March last, and the total receipts came to £82,000, showing a net profit of £31,000. The annual contributions to the sinking funds—and there are various sinking funds—necessitated a payment by the partners in the cable of £75,849; and the Commonwealth share of that, which is one-third, amounted to £25,283. I might say here that the Pacific Cable is paying better than the cable owned by the Eastern Extension Company, which communicates with the the Commonwealth of Australia, because that company's cable, at the present time, I learn on the best authority, does not pay much more than working expenses. It is an undoubted fact that the Pacific Cable has reduced the cost of cabling for ordinary private message from 9s. 4d. to 3s. a word. The saving thus effected to the commercial community of Australia has been enormous. Eliminating press and Government messages, about 2,000,000 words are sent every year over the various cables connected with Australia. The difference in cost between 9s. 4d. and 3s. a word means an annual saving to Australia of £600,000 per annum. The people of the Commonwealth, in conjunction with their brethren in New Zealand, Canada, and Great Britain, have assumed this liability, and have brought into existence this great Inter-Empire ser-

vice. The service was created for the common good of the inhabitants of the countries which are thus linked together. But, as a matter of fact, the cable up to the present has been of special benefit only to a few thousands of people in the Commonwealth—those who use it for commercial and other purposes. While I approve of that advantage, and while I believe that there has been an indirect advantage to the whole Commonwealth, I yet think that it would be possible to add to the beneficent effects of the cable by enlarging the ambit of its usefulness. Sir Sandford Fleming, in a communication published in pamphlet form, and issued by the Board of Trade of Canada, laid down the object of this Inter-Empire Cable. He said—

It is held that the Empire cables should be State-owned for the following and other reasons, namely :—

1. In order that they may be wholly removed from the control of companies, whose chief object is to make profits by maintaining as high rates as possible on messages.

2. In order that the cost of telegraphing throughout the Empire may be reduced to a minimum.

3. In order that the British people, geographically separated by the oceans, may be brought within touch by a means of intercourse as free and as unrestricted as possible.

That was the object for which the cable was laid down. The proposal now before the Senate is that we should enlarge the usefulness of the cable service by carrying over the line certain press messages of national interest free of cost. The messages which I have in mind would relate to the national development of the countries concerned, and the industrial and commercial development of the Empire, as well as to matters which are of general interest to the public. If those messages were supplied to every newspaper throughout the Commonwealth it would give us a better and fuller knowledge of the conditions that obtain in other parts of the Empire, and would consequently be of great advantage to the communities represented within the Empire. This proposal of mine is no novelty. It was proposed by that great statesman, Sir Sandford Fleming, the man who inspired the construction of the Pacific Cable, and who, for many years, fought strenuously until he brought the scheme to a successful issue. He urged that the co-operation of the press would be an immensely beneficial factor in relation to the cable. He said,

in his report on "State Cables and cheap Telegraphy"—

It has been suggested that for high Imperial reasons the co-operation of the press should be sought. The press has much in its power to promote unity and progress; its highest functions are to spread knowledge, enlighten the people and mould their destiny. But the press must have freedom, and it should enjoy advantage in performing its beneficent work which science can devise.

Further on he said—

I am thoroughly satisfied that the cable, during a portion of each day could not be turned to any better account. Two hours a day would easily admit of 10,000 or 12,000 words being transmitted each week. This full volume of news published simultaneously in the chief centres of the Empire would have a wonderful influence. The good to result from a mutual interchange of information and sentiment is beyond calculation.

Senator KEATING.—When was that published?

Senator STANFORTH SMITH.—In July, 1905. With regard to the time that is at present occupied by the ordinary press, Government, and private messages sent over the Pacific Cable, I will read another extract from a letter by Sir Sandford Fleming. He wrote—

The State-owned cable across the Pacific is engaged in transmitting ordinary traffic only a few hours each day, and lies idle at the bottom of the ocean not less than twenty hours in every twenty-four. It is shown to a demonstration that a free press service can be established during a portion of the idle hours of the cable without adding in the least to working expenses.

He went on to say—

To accelerate the process of evolution, I am satisfied that the most certain course is to begin by utilizing to the fullest extent that heaven-sent means of transmitting human words across the ocean, and by cultivating the freest and most friendly intercourse between all those people who go to make up the Empire.

He added—

An Intelligence Department controlling the circle of State telegraph cables known as the "Empire Cables," during a portion of each day for the exchange and transmission of mutual knowledge between all the great political groups of British people would prove, as I have elsewhere pointed out, to be of the highest practical value. By such means, information of common interest collected in all parts of the Empire would be published simultaneously in the daily newspapers of each country. The effect would soon be to remove much of the ignorance which prevails, and gradually bring the whole British people in both hemispheres to a good understanding of each other through an intimacy heretofore quite impossible of attainment.

With regard to the number of words that can be sent over the Pacific Cable, I will read a further extract from this communication of Sir Sandford Fleming. He stated—

The cable, with duplex and curb automatic working, attains a speed of 168 letters per minute, and I have heard of no good reason why this working speed should not be maintained in transmitting a continuous stream of telegraph matter. On this basis, taking the words at eight letters, the transmitting power of the cable is 30,000 words per day of twenty-four hours. Excluding Sundays, that is equal to more than 9,000,000 words per annum.

I have mentioned that the total number of words, apart from press and Government messages, sent over the whole of the cables from Australia at present amounts to 2,000,000 per annum; whereas the Pacific Cable is capable of transmitting 9,000,000 words by itself.

Senator CROFT.—Continuously?

Senator STANFORTH SMITH.—Yes.

After making due allowance in ordinary traffic for all necessary service messages, the line is quite capable of carrying 25,000 paying words per day without to any appreciable extent adding to the present working expenses.

The whole of our partners in the Pacific Cable—Great Britain, Canada, and New Zealand—are anxious that the system that I advocate should be inaugurated. But it was opposed by the Commonwealth—for what reason I am unable to ascertain—and by the Pacific Cable Board. There is only one objection to the inauguration of the scheme in its entirety, and that is the fact that from the Pacific across Canada to Great Britain the telegraph lines are owned by private individuals. But that is an objection which I believe will be rectified by the Government purchasing the lines or laying down a line of its own.

Senator KEATING.—The honorable senator is looking a long way ahead if he expects that to happen in Canada.

Senator STANFORTH SMITH.—I do not know that I am. It is stated in a circular issued by the Canadian Board of Trade, which is an exceedingly important body—

The proposal to establish the first of these four divisions (United Kingdom to Pacific) has for some time been before the Canadian public, and I feel warranted in saying that it is regarded with much favour. It cannot be doubted that in the event of the Canadian Government proceeding to nationalize the telegraph service between London and Vancouver it would be accepted with general satisfaction throughout the Dominion.

So that we have every reason to believe that that continuation will be completed before many years.

Senator KEATING.—Canada is going to allow another private company to construct the Grand Trunk line.

Senator STANFORTH SMITH.—It is possible that the Government will purchase one of the lines.

Senator KEATING.—The big fight has been over the question of purchase, and the people who wanted to grant a franchise to the Grand Trunk Company have triumphed.

Senator STANFORTH SMITH.—Opinions on such matters change in democratic countries, and it is quite possible that after another election the decision of the people will lead to the reversal of what has been done. In the meantime my proposal is of a more practical nature—that we should at present inaugurate a partial application of the system which I advocate between Vancouver in Canada and Southport in Queensland. That is the object of the motion, because I deal only with State-owned Empire cables. I understand that England, Canada, and New Zealand are favorable to the idea, and it only remains for Australia to express approval in order to enable the scheme I have suggested to be carried out. It is a matter of very serious regret that at the present time we in Australia receive practically no cable news from Canada. The Dominion is an immense territory, inhabited by people who are amongst the most progressive in the world, and whose ideals are very much the same as our own. The same remark may be applied to New Zealand; and we have much to learn from both countries in connexion with political problems and industrial and trade development. At present we receive cable news from Canada only about once a month, and we are not kept as fully informed as is desirable on matters of national interest in the sister Colony of New Zealand. As Sir Sandford Fleming has pointed out, the Pacific Cable is not in use for twenty hours out of the twenty-four; and, seeing that the cable was inaugurated for the benefit of the portions of the Empire which it serves, there is no reason why, during those idle hours, when the operators are merely waiting for any messages which may come to hand, informative press messages should not be conveyed without expense. Of course, if a scheme of free press messages be devised and carried out, they must be despatched

from an unbiased source in each country. I admit that there is possible difficulty in the creation of a body or tribunal which would not only be unbiased, but fully informed in matters of great public interest. However, this seems to me to be a difficulty of detail which is not insuperable—a difficulty which could be got over by those who have an intimate knowledge of cable matters in connexion with the press. It is probable that the various Agents-General would be the tribunal chosen to decide on the messages to be sent from England to Canada, Australia, and New Zealand, and to receive in return cables for circulation to the British press. The messages from Australia might, of course, be sent to a press agency in England for distribution there. As to Canada and New Zealand, I think it probable that the Commonwealth Government will find it necessary to appoint commercial agents in the two latter countries; and these gentlemen might form the nucleus of a body to supervise the transmission of free press messages dealing with trade, the opening of new markets, the state of industries, and so forth. However, at present my only desire is to give some broad idea of a scheme which would prove of immense advantage to the Empire, and be attended with very little cost. I do not even desire to press the motion to a division, if honorable senators should think such a course inadvisable. I think, however, that free press messages of the kind would prove of great benefit in relation to our trade and commerce, our industrial progress, legislation, and general development, and I suggest to the Government the advisability of referring the matter to the Pacific Cable Board and the Board's representative here, in order that, if possible, some arrangement of the kind may be made.

Senator DOBSON.—Would the Pacific Cable Board now agree to such a proposal, seeing that they have previously declined to do so?

Senator STANFORTH SMITH.—The Pacific Cable Board is composed of the representatives of Great Britain, Canada, Australia, and New Zealand, and three of the partners are already favorable to the idea. It follows, therefore, that if Australia consents, the Board will be in favour of the scheme. I further suggest that this question should be brought forward at the Imperial Conference to be held in London next April, when other matters connected with the general welfare of the Empire

will be discussed. Some decision might then be arrived at, not only as to the desirability of free press messages, but as to the method to be adopted.

Senator MILLEN.—Does the honorable senator not think that the obligation rests on him to show that such a scheme is practicable?

Senator STANFORTH SMITH.—I am quite incompetent to go into the details, although I do know something technically about ocean telegraphy. The details will have to be worked out, but it appears to me, as I have already said, that there are no insuperable difficulties. The chief difficulty is the appointment of somebody in each country affected, to form an impartial tribunal to decide on the information to be distributed, but here again I think a satisfactory arrangement could be made.

Senator DOBSON.—If the Pacific Cable were earning a profit, would the honorable senator still expect press messages to be carried for nothing?

Senator STANFORTH SMITH.—We are the Cable Company.

Senator DOBSON.—Yes, in a way.

Senator STANFORTH SMITH.—Australia owns one-third of the cable, Great Britain and Canada four-fifteenths each, and New Zealand two-fifteenths; and these countries are, therefore, the owners of the cable. If a system of free messages can be inaugurated without cost, and yet will result in great benefit by the diffusion of knowledge, there should be no objection, or any difficulty in a scheme being carried out by experts. I am sure that a man like Sir Sandford Fleming, who has spent a lifetime in improving the cable services, could give material assistance in overcoming all difficulty.

Senator FINDLEY.—What would be done with the cables when received?

Senator STANFORTH SMITH.—I am glad that the honorable senator has asked the question. In regard to Australia, I suggest that 2,000 or 3,000 words per day should be received at Southport in Queensland, and that then the responsibility of the Commonwealth Government should absolutely cease. The hundreds of newspapers of Australia might have a press agency or representative at Southport, who would distribute the messages in the same way as private cable news is distributed at the present time. Instead, however, of sending the information to only certain newspapers, all the newspapers of the

Commonwealth, who cared to pay the cost of the internal telegrams, would be supplied. This would be done, not with the object of benefiting the newspapers, but in order to supply important information to the community generally, who are the owners of the cable.

Senator DOBSON.—Is there not a difference between being a guarantor and being an owner?

Senator STANFORTH SMITH.—We are practically the owners, because we take the responsibility in regard to interest and sinking fund. The British Government supplied the £2,000,000, and Australia practically appropriated one-third by undertaking an obligation, which, if necessary, we shall have to liquidate.

Senator DOBSON.—I am trying to ascertain whether we have the right to suggest that the Cable Board should carry these messages free of expense.

Senator STANFORTH SMITH.—The whole of the money necessary for the cable was raised in Great Britain; but Senator Fraser, who was at the first Conference held in connexion with this service, could probably inform us fully on the matter.

Senator DOBSON.—But was it not private capital?

Senator STANFORTH SMITH.—There was no private capital. The money was raised by the British Government, and, although Australia did not assist in that, we became liable for one-third, on which we have to pay interest and sinking fund if these be not provided by the profits. If the messages were received at Southport, as I have suggested, any newspaper in any of the States, except Tasmania, where, I think, there are special rates, could receive the telegrams at the internal cost of 3s. for the first 100 words, and 1s. for every subsequent fifty words. I do not believe there is any daily paper, however small, that would not take advantage of the opportunity to obtain such valuable information at so cheap a rate.

Senator MILLEN.—Is it quite logical to propose to bring the information from Europe for nothing, and to charge for transmitting it in Australia?

Senator STANFORTH SMITH.—Australia would assist so far as it did not mean any expense to the Commonwealth. As I have already said, England, Canada, and New Zealand are favourable to the scheme; but a year or two ago when I was

discussing this matter, Senator Playford interjected that not only the Commonwealth, but the Pacific Cable Board objected.

Senator PLAYFORD.—So I have been informed.

Senator MILLEN.—In what way has England given an expression of opinion—through the Government?

Senator STANFORTH SMITH.—I cannot say; I am relying on the statement made by a reliable authority that the only person on the Board who objected was the representative of Australia. I am now merely making the broad suggestion that the Government should obtain from the Pacific Cable Board, through its representative here, an expression of opinion as to the practicability of the scheme—as to whether the difficulties which have been suggested by myself, and by others in interjection, can be overcome. I further ask the Government to consider the advisability of making this a subject for discussion at the Imperial Conference to be held next April.

Senator PULSFORD (New South Wales) [3.13].—The proposals made by Senator Smith are in many respects alluring, but, like many other alluring proposals, they may probably lead to a good deal of disappointment. The honorable senator talks about the free transmission of 2,000 or 3,000 words every day; and that number I believe, represents about two columns of any of our great daily newspapers.

Senator FINDLEY.—It all depends upon which newspapers; some would make a whole newspaper of that number of words.

Senator PULSFORD.—The conductors of any of our great daily newspapers will tell us that the pressure on their pages is so great that they have the utmost difficulty in using the information that now comes to hand. I have much doubt whether, if this mass of matter were brought to their doors day by day, it would be used by the editors.

Senator STANFORTH SMITH.—Then the quantity could be reduced.

Senator PULSFORD.—I am quite certain that the great bulk would not be used at all.

Senator O'KEEFE.—All would be used if it was of sufficient interest.

Senator PULSFORD.—I say that the great bulk would not be used.

Senator FINDLEY.—Why say that?

Senator O'KEEFE.—It would be used in place of the cables which are now paid for.

Senator PULSFORD.—They pay for a certain amount of matter; that payment they would cease to make, and the revenue of Australia would be correspondingly decreased. If they are to be presented with messages which they receive from Europe at the present time, we shall have a greater amount of loss to make up on the operations of the Pacific Cable. That does not seem to me to be a very good move to start with. From my experience of the press—and I know a great deal about press matters in Sydney and elsewhere—I am certain that the pressure on the space of the great newspapers is so great that those conducting them watch very closely everything that is put into them, and they put in only what their readers desire. I am very sorry to have to confess that newspaper proprietors say that a very great deal of matter of first importance is sacrificed for matter of secondary importance, because their readers look for the latter. I feel sure that very little of the mass of matter which the honorable senator suggests should be collected from all parts of the Empire would find a place in our newspapers.

Senator STANFORTH SMITH.—Would they not publish information from Canada?

Senator PULSFORD.—They would publish a little, no doubt. But if information from Canada were published and were not read, the proprietors of the newspapers would say, "Why should we continue to insert this matter?" If there is anything damned as a matter of news it is that which costs nothing. If we could afford to do so it would be very wise to considerably reduce the cost of cabling, so that whenever any event of importance were transpiring the press could supply their readers with information concerning it at much less cost than they are able to do now. But to arrange for a certain mass of telegraphic matter day by day, whether there is anything of vital importance transpiring or not, is not a course which commends itself to my judgment. I think that we are indebted to Senator Smith for ventilating the subject. It is one which might very well be further considered, not only in the light of the information the honorable senator has supplied, but from the points of view I have mentioned. I should be delighted to see a greater ventilation of the affairs of the Empire. Nothing would please me better than to see a great public demand for it. But I apprehend

that the true course for us to adopt is to try to reduce the cost of cables to the lowest possible point. Senator Smith made some reference to a body with whom would rest the exercise of discrimination as to the news which was to be forwarded. This is really a very grave matter. If certain people are to select the matter which is to be sent, it may well be that their selection will not be considered suitable, and that news which many people here would desire to obtain may be overlooked. Even from this point of view I very much doubt whether the proposal would be likely to eventuate successfully. The matter is one which may very well be debated at the Conference to be held in London next year, and if anything can be done to draw the various parts of the Empire more closely together by an easier and cheaper promulgation of news, a step in advance will have been taken. However, I do not think that is to be secured by the circulation of a huge mass of telegraphic matter day by day, absolutely free of cost to the newspapers.

Senator KEATING (Tasmania—Honorary Minister) [3.21].—I take it that the honorable senator who is responsible for the introduction of this motion has now fairly achieved the object with which he set out when he put it on the notice-paper. We may take it from the honorable senator's concluding remarks that what he really aimed at was to bring under the notice of the existing Government the necessity for establishing closer communication than already exists between Australia, Canada, and the United Kingdom. The honorable senator's concluding remarks would lead us to believe, at any rate, that all he desires is that this matter shall be further considered, and, if possible, shall form a subject of consideration and debate at the forthcoming Imperial Conference.

Senator STANFORTH SMITH. — Hear, hear.

Senator KEATING.—As his remarks have shown, Senator Smith is aware that this matter has been already considered. Not only recently, but some years ago, it was brought under the notice of the Pacific Cable Board. Whether it was on account of the particular difficulty suggested by the honorable senator, or other difficulties suggested by the interjections of honorable senators during the course of his speech, the Pacific Cable Board, at any rate, has been averse to the

establishment of any such system as is contained in this motion. Senator Smith has said that our partners in the Pacific Cable enterprise—Canada, New Zealand, and the United Kingdom—are agreeable to the establishment of some such scheme. He was pertinently asked by Senator Milten in what particular way the United Kingdom, for instance, had indicated agreeableness. I am at a loss to understand in what way the United Kingdom has signified its willingness to accept such a scheme.

Senator STANFORTH SMITH.—I assume that the Imperial Government empowered their representative on the Board to express agreement with it.

Senator KEATING.—I do not know, either, how agreement with such a scheme has been expressed by New Zealand or Canada. Senator Smith has stated that the representatives of those countries on the Pacific Cable Board have favoured the scheme. What evidence the honorable senator has of that I do not know. So far as I have been able to ascertain by looking through the papers on the subject in the possession of the Government, they contain no evidence to that effect. So far as Canada is concerned, she occupies a position with regard to the Pacific Cable totally different from that occupied by the Commonwealth. The Commonwealth owns and operates the whole of the telegraphic systems throughout the States—that is to say, all the land wires. That is not the position of the Canadian Government. Although Senator Smith may fancy that the Canadian people at an early general election will reverse the established policy of the Dominion in this respect, much as I should like to agree with the honorable senator, I feel that the facts do not warrant any such assumption.

Senator STANFORTH SMITH.—The honorable and learned senator does not desire that the present Canadian Government shall be opposed.

Senator KEATING.—The present Government of Canada, at any rate, are not in favour of the establishment of State-owned means of telegraphy or of transit. As a matter of fact, the most violent opposition offered to the existing Government of Canada during the whole course of their existence was that evoked by their proposals to grant the concessions enjoyed by the Grand Trunk Railway Company.

Senator STANFORTH SMITH.—That is what I say; there is a very strong feeling in favour of it.

Senator KEATING.—The whole of the telegraphic communication across the Dominion of Canada is operated by the Canadian Pacific Railway Company. I do not say that that is a very desirable state of things, but it is the state of things existing at present in Canada, and I mention it now to point some remarks which I propose to address to the Senate in a few moments. Again, the connexion between Canada and the United Kingdom is held by one or more of the Atlantic Cable companies. So that, so far as messages from the United Kingdom *via* the Pacific are concerned, the press rates of 1s. per word contribute to the revenue of a number of distinct bodies—the Atlantic Cable Company, that takes the message; the Canadian Pacific Railway Company, that transmits it across the Dominion; the Pacific Cable Board, who transmit the message from Vancouver to Southport; and then the Commonwealth Government. These messages, as I have said, cost 1s. per word, and that cost is distributed as follows:—Of the 1s., Australia receives 2d., the Pacific Cable Board 4d., the Canadian Pacific Railway Company 1d., and the Atlantic Cable Company and Great Britain receive 5d. So that, in fact, if we were to ask the Pacific Cable Board to remit their charges in respect of press telegraphic messages, they would still have to pay 8d. per word, because we could not induce private corporations like the Canadian Pacific Railway Company to remit their charges.

Senator STANFORTH SMITH.—I am not proposing to include England until the line is taken over by the Government.

Senator KEATING.—I am dealing with messages coming from Great Britain, and, so far as they are concerned, 8d. out of every 1s. per word charged on those messages is contributed to administrations other than that of the Pacific Cable Board. If it is proposed to load the Pacific Cable, quiet though it may be during certain hours of the day, with an extra 2,000 words per day, and if the Pacific Cable Board is to transmit these messages for nothing, they will derive no benefit, while the auxiliary corporations with which it must work in the transmission of these messages will continue to derive considerable benefit. In other words, the proposal would increase the revenue of the Canadian Pacific Rail-

way Company and the Atlantic Cable Company, and, of course, the revenue of the Commonwealth Telegraphic Department; while the Pacific Cable Board will be the one administration of them all that will get nothing out of the proposal.

Senator FINDLEY.—Indirectly they will.

Senator KEATING.—No; not even indirectly.

Senator FINDLEY.—There will be the advertisement.

Senator KEATING.—I do not know that that would be sufficient to induce them to send 2,000 words a day over their cable for nothing.

Senator STANFORTH SMITH.—Then say 1,000 words. It is merely an arbitrary number.

Senator MILLEN.—The advertisement would be no more an advertisement for the Pacific Cable Board than for the other administrations, who would continue to be paid.

Senator KEATING.—The others would get the traffic, the advertisement, and also the revenue. I am not saying that the matter is one which should not be discussed; but I merely direct the attention of honorable senators to these circumstances connected with it. Perhaps no one in this Parliament knows better than does Senator Smith that the Pacific Cable Board, since the cable has been established, has laid down for its adoption solid business lines.

Senator STANFORTH SMITH.—I do not know that it has.

Senator KEATING.—It has always determined that its administration shall be characterized by business methods. Senator Smith has given to the Senate the figures in connexion with the revenue, expenditure, and appropriations towards sinking funds. The honorable senator knows, as do other honorable senators, that in the controversy that has taken place between the Eastern Extension Telegraph Company and the Pacific Cable Board—if such can be said to have taken place between the parties—the Pacific Cable Board has been referred to on different occasions as carrying on an enterprise which is not paying.

Senator FRASER.—It is paying if we consider the sinking fund.

Senator KEATING.—Exactly; that is just what I am coming to. In a paper sense, it may not be paying in comparison with similar undertakings in other parts

of the world; but the defence of the Pacific Cable Board—and it is a legitimate defence—is that they provide sinking and amortization funds, which do not find a parallel in the management of other corporations. That is the point, and it is therefore correct to say that the Pacific Cable Board is run on business lines, and should continue to be run on business lines. If there is one thing which will ever sap the foundation of such a huge public enterprise as that which has been entered into by Great Britain, Canada, New Zealand, and Australia, it will be when it is conducted on unbusinesslike lines. We all agree that many advantages would be gained. If we could get increased traffic over the line it would bring us closer to our brothers in Canada, and to our cousins in the United States of America. But we cannot afford to sacrifice the interest of this huge enterprise, and at the same time to give private undertakings which are carried on conjointly with it, so to speak, a considerable increase in their revenue, which would make the contrast between the two classes of enterprises all the more striking, and all the more disadvantageous to the Pacific Cable Board. When Senator Smith referred to Sir Sandford Fleming's statement as to the possibility of using this line for such a purpose as indicated in his motion, I asked what was the date of the representation, and he said that it was made in 1905. I asked the question for a purpose, because so far back as 1903 this matter was considered by the Pacific Cable Board. That will go to show that, so far as the partners in this enterprise are concerned, it has not escaped their notice and consideration. The Pacific Cable Board then decided that it would be inopportune and inexpedient to adopt such a system as is indicated in the motion. I do not know how that came to be considered by the Board, but if I remember rightly, Mr. Seddon contemplated a project of this sort, or at any rate the newspapers announced that he did. He may have communicated directly with the Board, or his intentions may have been communicated in another manner, and the Board may have considered the practicability of carrying out such a proposal; at any rate, so far back as 1903 they decided that it was inopportune and inexpedient. Since then we have the testimony of Sir Sandford Fleming, who was, I believe, a projector of this cable, quoted by Senator

Smith. But quite recently the Board have been approached, and they have adhered to their former attitude. I think it is only due to honorable senators that I should communicate to them a portion of a letter on this very subject, which was addressed by the Board on the 31st March, 1906, to the Colonial Office, London—

With respect to the suggested transmission of 10,000 to 12,000 words for simultaneous publication in the chief centres of the Empire, I am to state that it seems unnecessary to deal with a proposal for the gratuitous transmission of a mass of business over a costly cable.

The fact is, as I have pointed out, that the Pacific Cable Board, by increasing the traffic over their line from which they would get no revenue, would at the same time be considerably increasing the traffic over privately-owned lines, which would receive the ordinary revenue for that increased traffic, and would thereby be placed in a position which would be very disadvantageous to a very great public enterprise. It cannot be forgotten that, so far back as 1903, when this matter was first mooted, the Pacific Cable Board urged, as one of the reasons why they could not fall in with such a scheme, that by one of its rules the International Telegraph Union prohibited the differential treatment of messages over the same line, and that objection was alleged to be insurmountable. I mention these facts in order that honorable senators may see the difficulties which confront this enterprise in carrying out such a scheme as is suggested in the motion. They will see that it has been under consideration, and that it is open to objections, some of which are said to be insurmountable, and others of which tend to show that it would be very disadvantageous for the Pacific Cable Board to carry out the scheme unless in conjunction with private corporations. I feel sure that Senator Smith, after having ascertained the view of the Senate generally, will see the wisdom of adhering to the course which he indicated that he might follow, and that is asking leave to withdraw the motion.

Senator FRASER (Victoria) [3.35].—I should be very glad if the road were clear to comply with Senator Smith's wish; but I must confess that the statement of Senator Keating has great force. From a national aspect, it is possible that the land lines of Canada might agree to carry the messages free. I do not know whether they would, but I should imagine that

they might do so, for the sake of the nation, and in the hope of increasing the trade between Australia and Canada. But the cable between Canada and London is on a very different footing.

Senator STANFORTH SMITH.—I do not propose that that should be brought in until there is an Empire line.

Senator FRASER.—If that line be left out there will be less objection to the motion, because undoubtedly the owners of the cable between Canada and England would not give their consent. They look upon the transmission of messages as a business transaction, and it would interfere with their other work if they were to render a free service. I doubt whether the lines in Canada would transmit free messages. Evidently there is not much trade between Canada and Australia. If there was much trade between the two countries there would be plenty of cabling done. No doubt in the Empire sense there is a strong community of interest. Of course, if there were a British-owned cable from Australia to Canada it would be a very proper service to render, and could not be objected to. But there are difficulties in the way at the present time.

Senator DE LARGIE.—The Canadians do not approve of sending much money to Australia.

Senator FRASER.—If there was trade to be done, the Canadians would act in the same way as we would act. There is only trade in timber, and, perhaps, a little fish. Between New Zealand and Canada, however, there is considerable traffic, because the boats are running constantly. I do not see much hope of the trade between Australia and Canada increasing. It will be remembered that if a cable is sent to Canada *via* London the cost is greatly increased. I do not suppose that there is any traffic of that kind. Of course in times of stress or in times of Empire trouble it would be very advisable to send free cablegrams. If the Empire owned cables extending round the world we could do what we liked, but commercial interests exist, and I am afraid that we cannot interfere with them.

Senator STEWART (Queensland) [3.40].—I feel that something might be done along the lines indicated by Senator Smith. I am sure that we have all felt the inadequacy of the present cable service, as it affects Australia, other portions of the Empire, and the rest of the world.

The news we get is very limited. Very often it is of no consequence to the ordinary citizen at this end, and so far as I have been able to discover, the Australian news published in the British press is absolutely next to nothing. Take, for instance, the cablegrams in to-day's *Argus*. To begin with, we have three long cablegrams, namely, one about the King, one about the German Emperor, and one about a late South African millionaire. No doubt the King is a most interesting personage, and the people of Australia are waiting with bated breath to know that he has received an invitation to visit Canada, and that he has declined. I have no doubt that very soon we shall have Senator Dobson moving that His Majesty be invited to visit Australia.

Senator DOBSON.—I wish he would.

Senator MULCAHY. — Why should he not?

Senator STEWART. — There is no earthly reason why he should not, and I expect that within a very limited period a motion will be placed upon the notice-paper. It gave me quite a shock when I discovered from the press that His August Majesty the German Emperor has become a grandfather.

Senator FRASER.—The honorable senator had better be civil to His Majesty, because he is a great fighting man.

Senator STEWART.—I am at a great distance from the German Emperor, and can afford to talk somewhat disrespectfully about him, or to talk very much more freely about him than I could if I happened to live in Germany. It appears that he has not granted an amnesty to certain prisoners. No doubt that is a very important fact to the people of Australia. Then we have a cablegram about the death of the late Mr. Beit—I suppose one of those poor, miserable, down-trodden South African millionaires who were ruined by Kruger. It appears that this gentleman has left a fortune of between £25,000,000 and £30,000,000. I do not know why that fact was cabled to Australia, unless it were to make us envious of the riches which, unfortunately, he could not take away, perhaps on account of the climate to which he was going.

Senator PLAYFORD. — That statement has been already contradicted. It is said that he left £9,000,000.

Senator STEWART.—Then we have a cablegram about a Native Rising in Natal, Musical Copyright, and Charlemagne. I do not know if many of the people of Australia know who Charlemagne was, and I suppose that a great many more do not care. Then we have a cablegram which is of a little interest—about the Education Bill and Welsh Home Rule. There is a cable about the canning of meat. It appears that Sir Thomas Lipton, that great bacon curer and tea merchant, is about to enter into the meat-canning business. Then we have cables about some fighting republics in South America, about amateur cricketers, gipsies in England, and so on, and so on. I think it must be clear to all of us that the cables that are sent out to Australia day by day are lacking in interest to the people of this Continent.

Senator MCGREGOR. — They are not selected by a Socialist.

Senator STEWART.—They are not the kind of cables that the people of Australia require. They are not selected by a Socialist, as Senator McGregor interjects. I suppose that the news is sent out by some gentleman who moves in select aristocratic circles in London, and we in Australia are supposed to read it with awe and reverence. If the cable service is unsatisfactory at our end, I submit that it is much more so at the other end. The people of Great Britain get very little reliable information about Australia. What they do get, if we can believe what we hear, is poisoned by the enmity of the people who send it from this end of the cable.

Senator MCGREGOR.—The English people get stinking meat from America, and "stinking fish" from Australia.

Senator STEWART.—We have what is known as a "stinking fish" party in Australia, and the members of that party send distorted information about Australia over the cables day by day. The effect is that Australia is depreciated in the eyes of the British people, and that, instead of there being a friendly feeling existing towards us, there is an attitude of semi-hostility. In short, nothing like the truth is known about us or told about us. If Senator Smith's proposal were adopted, and if we had a good editor at this end, we could daily send to Great Britain, Canada, and Europe, news of an important character regarding Australia. We could send news as to our industrial developments, mining, squatting,

agricultural, and as to our various commercial activities. We could also keep the people in Europe well posted with regard to social and political matters. In that way we could present to them day by day a comparatively honest picture of life as it at present is in Australia.

Senator MCGREGOR.—We might let them know that Mr. Reid is in Rockhampton.

Senator STEWART.—I think it would be a most important fact to telegraph to the other end of the world that Mr. Reid, the great anti-Socialist champion, was holding meetings in Queensland, and that large numbers of people attended those meetings, and cheered him to the echo.

Senator MILLEN.—We might also tell them that some nervous people in another place wanted to object to Mr. Reid getting leave of absence.

Senator STEWART.—I do not know that I ought to refer to that subject; but I can remember when just such another exhibition of bad taste—for I call it that—was made in this Chamber. If Senator Mil- len does not recollect it—

Senator MILLEN.—I do not.

Senator STEWART.—Well, I do. In any case, I have no doubt that the people of Great Britain would be very much interested to know that St. George had set out to assail the dragon of Socialism in Australia, and was surrounded by great gatherings of people, who came from afar, if not to laugh with him, at least to laugh at him, in his extraordinary endeavours to slay that dreadful monster. In short, I believe that probably the best way to develop Australian interests would be to adopt the suggestion thrown out by Senator Smith.

Senator TRENWITH.—Who is to control these telegrams? Who is to be the author of them?

Senator STEWART.—That is a matter for the Government of the day. Senator Keating has pointed out that the Pacific Cable Board has raised certain objections. Of course, every one would expect the Pacific Cable Board to object to a proposal of this kind. But we ought to remember that we are shareholders in the Pacific Cable, and that our contribution towards the loss in carrying on the business is about £27,000 per annum. We ought to have something for our money. Senator Smith has told us that the cable is idle for about twenty hours out of every twenty-four. Ought we not to insist upon getting

something for the £27,000 that we pay? It would not add to the cost of running the business to send through a thousand, or a couple of thousand words per day.

Senator TRENWITH.—Would it not reduce the revenue? If messages were sent free, the same number of messages would not require to be paid for.

Senator STEWART.—The messages to be sent free would not be in connexion with business or private concerns.

Senator MILLEN. — Press messages are now paid for. If they were sent for nothing they would not be paid for.

Senator STEWART.—Even if that were the case, I think that the profit to Australia would be very much more than it is at present. We should have all the advantage of the additional information with regard to the Continent of Europe being circulated in this country, and we should have the advantage of information regarding Australia being circulated in Europe and America. That information would be much fuller, much clearer, and much more honest than it is at present. Surely, that advantage would be sufficient to balance any loss of private business that might occur. Looking at the whole matter broadly, I think that the adoption of the proposal would be advantageous to Australia. It is a highly socialistic proposal, and for that reason it commends itself to me. Then, as I pointed out at the beginning, it would insure messages of greater interest to the great mass of the community being transmitted from our end of the cable. The information would be unbiased from both ends, and that is more than can be said at present.

Senator FINDLEY.—What guarantee is there that the information would be unbiased?

Senator TRENWITH.—That is the danger, I think. For instance, if the Reid Government were in charge, and were sending its messages over the cable, does the honorable senator think that they would be just what he would like?

Senator STEWART.—I do not think that the person in charge should be under the control of any particular Government. With the rapid communication that exists nowadays between countries, I am of opinion that no man could continue to send unfair or untrue messages for any length of time. He would very soon be found

out, and, if he did not do his duty honestly and fairly, would probably be speedily dismissed.

Senator MILLEN.—Dismissed by whom?

Senator STEWART.—Dismissed by his employers—the Government. We have no guarantee now. We are absolutely in the hands of private individuals. The messages, we know, are coloured every day. How does it happen that the various Agents-General have continually to be writing to the press in London denying slanderous lies circulated about Australia by pressmen from this end of the cable? That is the case at present. I do not say that the system proposed by Senator Smith would be perfect, or that absolutely perfect results would be achieved by it, but we should have some control over the news sent over the cables from both ends. The advantages appear to me to be so abundant that the Government ought to do everything in its power to persuade the other partners to the Pacific Cable to do something on the lines suggested by Senator Smith.

Senator KEATING.—What about the privately-owned lines connecting the Atlantic with the Pacific?

Senator STEWART.—I think that arrangements might be made with them.

Senator TRENWITH.—We could only make arrangements to pay them. We could not get messages sent free over those lines.

Senator STEWART.—We might, in time, persuade the people of Canada that it would be very much better for them if the telegraph lines were owned by the States rather than by private individuals, as at present.

Senator DE LARGIE.—So long as they get their present payment for each telegram they will not see matters in that light.

Senator STEWART.—There are obstacles in the way which would have to be overcome, but I have not the slightest doubt that they could be overcome. In any case, the better knowledge that would be obtained by different peoples of each other by this means would be productive of general good, not only to the people of Australia, but also to Europe and America. For that reason, I think that we ought to do everything in our power to help forward the object of the motion.

Senator MILLEN (New South Wales) [3.58].—The last speaker has expressed the confident opinion that the important and practical difficulties pointed out by Senator Keating could be overcome if those upon whom the obligation rests addressed

themselves to the task. I am forced to an entirely different conclusion. It seems to me that the statement of the Minister, pointing out the actual facts of the case, leaves very little room for hope that a practical working scheme can be devised by which we can give effect to this motion. But I am not going to point to those difficulties again. The Minister dealt with them very fully and very lucidly. But I do wish to affirm this—that even if we could overcome those commercial and practical difficulties, we should only be face to face with what, after all, would be our grave danger and our great difficulty, and that is as to the messages to be sent, and the control over them. I have always held, and I do not think that there is any one in this Chamber who will dispute the opinion—that one of the greatest privileges enjoyed by a free people is the possession of an absolutely free press. We have only to contrast our press with the official organs to be found in most of the continental capitals of Europe, to see that the advantage we have is no visionary one. What will happen if we start with official cablegrams?

Senator STANFORTH SMITH.—Our official organ, the *Government Gazette*, is not biased.

Senator MILLEN.—I am reminded that we have one official journal; and I am not aware that there is any wild rush on the part of the public to secure copies. But let it be decided that we are to have official cable messages; and some one will have to be appointed by the Government, I presume, to collect and send them. I cannot conceive of honorable senators sitting quietly in their places if the messages happened to come in conflict with their political views. That is the first danger I see. The cable messages received consist, not only of a recital of facts, but very often of expressions of opinion; and it is most desirable to know, in regard to a public matter, what is the public sentiment. Some event, for instance, happens in Australia, and the chronicler or reporter, whose duty it is to record it, is frequently also called upon to state what is the public view in the locality. Supposing that an official sent to England a report of some fact, and also stated that the public opinion in Melbourne or Sydney was so and so; I venture to say there would be two opinions in this Chamber—probably

more, but certainly two—as to whether he had accurately represented the public view.

Senator FINDLEY.—If a reporter did not send all details, that might alter the whole complexion of the message.

Senator MILLEN.—Exactly. Senator Findley supports my contention that there would be great difficulty in employing any one to send messages under official control, without there always being a suspicion of colour or bias. As Senator Trenwith interjected, it is quite conceivable that an appointment which would commend itself to one Government might seem obnoxious to another Government. I hardly think, for instance, that if the members of the Labour Party, as members of a Government, had to make an appointment of the kind, their choice would fall on the same gentleman that I should select. We see at once the difficulties which would present themselves when we started to depart from the golden rule of an absolutely free press. Senator Stewart has referred to misrepresentations which frequently take place in the private cable messages now sent, and to the fact that the Agents-General have frequently been called upon to correct those misrepresentations. Let me remind honorable senators that not long since it became the duty of the Government of New South Wales to restrain its Agent-General from presenting too florid a view of conditions in that State. Mr. Coghlan, undoubtedly with the best of intentions, allowed his zeal to outrun his discretion, and made such representations in the public prints regarding certain matters in New South Wales, particularly relating to land settlement, that the Government were called upon to intimate to him that they did not desire him to go to such advertising lengths as he appeared inclined to go. There is a danger illustrated in a very simple way. I feel that if we had State cable messages sent by an official under the control of the Government, there would always be a tendency to, and ground for, very strong suspicion that they were largely coloured, not by the political views of the individual sending them, but by the views of the Government to whom he was responsible.

Senator STANFORTH SMITH (Western Australia [4.5]).—The Honorary Minister has referred to difficulties connected with the private ownership of the cable between Great Britain and Canada. I remind the honorable gentleman, however, that that matter does not come within the scope of my proposal, which is that those

portions of the Empire, already linked by cable, should be able to communicate with each other on matters of national, commercial, and industrial importance. The honorable gentleman also pointed out that great difficulty would arise in sending messages over the privately-owned land telegraph lines of Canada; and I do not attempt to deny the fact. I believe, however, that the difficulty would not be insuperable, in view of the fact that the cost of press messages is very small. What would be the cost, for instance, of sending 2,000 words across Canada? Without possessing exact knowledge, I venture to think that the cost would be no larger than that of sending a similar message across Australia.

Senator DE LARGIE.—It would be much larger; private messages in Canada are charged double the rates that prevail in Australia.

Senator STANFORTH SMITH.—Private telegraph companies always make the press rates as low as possible, because they do not desire, as private monopolies, to lose the support of the press.

Senator MILLEN.—As a general rule, press messages are charged much lower rates than are private messages.

Senator STANFORTH SMITH.—The cost of sending messages over the land lines, if borne by the Government of Canada, would be very small. Canada has adopted a very different outside policy from that of Australia. The Dominion pushes trade in every quarter, and, unlike Australia, appoints commercial agents in various parts of the Empire. Therefore, there is ground for belief that the Canadian Government would be willing to pay the cost of sending the messages over the land lines, if these messages were free from Vancouver to New Zealand and Australia. However, that is a matter which requires consideration, and in regard to it I am not able to express more than an opinion. As to the nature of the information to be sent, I think Senator Millen has mentioned an undoubted difficulty—namely, the difficulty in creating some body which, in the first place, would be absolutely unbiased, and, in the second place, would be possessed of sufficient knowledge to supply national information of real importance to the various portions of the Empire. But I do not think the formation of such a body presents an insurmountable obstacle. At the present time, the press supplies special cable messages

relating to political, commercial, industrial, and sporting matters. These messages are sent out every day, and are distributed to press organs of diametrically opposite views. Yet I have not heard any complaint that the cable news is biased.

Senator MILLEN.—There have been frequent complaints as to cable news.

Senator STANFORTH SMITH. — I read the files of the English newspapers, and I think that usually the information cabled out is fairly good. If private individuals, who are paid salaries by newspapers, can collect and send out information without laying themselves open to any serious charge of bias, surely it is not impossible for the Government to do likewise in connexion with official bodies. The Agents-General in London have their offices, I believe, close together, and they could send out information regarding trade and commerce day by day. Of course, on some days it might be necessary to send only a few hundred words, whereas on other days thousands of words might be of advantage. That suggestion could be carried out only when the Government line was extended from the Pacific to Great Britain; but with regard to New Zealand, the Government have already considered the question of appointing commercial agents, and these gentlemen could cable useful information. As to political news, no question could be raised in regard to matters of fact, and as to matters of opinion, any difficulty could be overcome in exactly the same way as by the press of Australia.

Senator TRENWITH. — There is often a very strong difference of opinion as to the presentation of matters of fact.

Senator MILLEN. — For instance, is a meeting large or small, successful or not successful?

Senator STANFORTH SMITH.—Those difficulties are overcome daily by private individuals. The men who send the information to the press may personally be conservatives or liberals, free-traders or protectionists, but it appears to me that the messages they send are usually unbiased.

Senator MCGREGOR.—The honorable senator means that the newspapers supply the bias when the messages arrive?

Senator STANFORTH SMITH.—So far as cable news is concerned, I do not

think that it is biased, but that it is generally a correct representation, in very limited language, of events in various parts of the world. Our trade with Canada is exceedingly small. Last year our imports from the Dominion were represented by £231,000, and our exports to Canada reached the wretched value of only £43,000. Canada is as large as Australia, and is situated in another hemisphere, with seasons differing from ours; and there ought to be an immensely larger trade. One reason for the small trade is, I believe, the absence of information likely to stimulate inquiry; and if there were a free press service on matters of general importance, and a Commonwealth Commercial Agent in Canada, the trade would, in my opinion, be increased fourfold. The general tendency of nations to-day—especially progressive nations like Germany—is to use every possible agency in finding markets. Some of the Australian States have been taking steps in that direction recently in connexion with Oriental countries, but there has been no general effort to find markets for surplus products and manufactures.

Senator MILLEN.—The Commonwealth would not allow surplus manufactures to be sent here.

Senator PLAYFORD.—We have a protective Tariff.

Senator MILLEN.—And an Anti-Trust Bill.

Senator STANFORTH SMITH.—Only less important than creating and developing industries is the finding of suitable markets; and I believe that free press messages would greatly increase knowledge and stimulate community of interest with most beneficial results commercially. I hope this matter will not be allowed to drop, but will be brought up either by Australia or Canada at the Imperial Conference; in any case, I intend to give a reminder to Sir Sandford Fleming. I hope the Commonwealth Government will not take up the attitude that the question is settled, and no further inquiry need be made, but, on the other hand, will see whether the difficulties which have been foreshadowed cannot be overcome. In conformity with the suggestion of Senator Keating, I now ask permission to withdraw the motion.

Motion, by leave, withdrawn.

PRESENTATION OF ADDRESS-IN-REPLY.

Motion (by Senator PLAYFORD) agreed to—

That the Address-in-Reply to the Governor-General's Opening Speech be presented to His Excellency by the President and such Senators as may desire to accompany him.

EMINENT DOMAIN BILL.

SECOND READING.

Debate resumed from 18th July (*vide* page 1393), on motion by Senator KEATING—

That the Bill be now read a second time.

Senator Sir JOSIAH SYMON (South Australia) [4.15].—In moving the second reading of this Bill, the Honorary Minister, Senator Keating, said that it is very complicated and intricate. I do not think that that was an exaggeration in describing the nature of the Bill. It was certainly no exaggeration in that it sufficiently described a measure which requires in its preparation care and experience, and in its consideration at the hands of honorable senators, patience and judgment. I think we may all feel that it is a merit of this Parliament, as it is of most English Parliaments, that measures of this description—and, indeed, all measures of important public concern—are proceeded with with a great deal of care and patience, and that as a general rule very few are passed as the result of mere impulse. Very often, where that does happen, as no doubt it sometimes does, the result is unsatisfactory, and we find undone in one session what was done in another. We have in this particular Bill an example and a warning. It is barely four years since a Bill for exactly the same purpose, so I understand, was placed on the statute-book as one of the machinery Bills required to be passed for the purpose of enabling the Commonwealth engine to work satisfactorily and promptly. If there are defects in that measure I dare say that some, if not all, are due to the fact that most of us treated it as largely a machinery Bill, and relied largely upon the care which we supposed had been devoted to its preparation by the Parliamentary Draftsman, and to the care and consideration, which we assumed had been given to the scheme embodied in it by the Government of the day. This particular Bill, Senator Keating says, is in substitution of that measure of 1901, on two grounds—

one, that the drafting of the earlier measure was not so up-to-date that the ordinary reader could easily understand its provisions; and, secondly, that it had been found that in operation it inflicted many hardships. I really have some difficulty in understanding why this Bill has been introduced. I am not complaining of its introduction. If it is necessary that a Bill passed even last session should be revised from top to bottom in this session, whilst that may not be exactly reasonable or a precedent that should be encouraged, it is right that it should be done in order that the statute-book may be purged of defects, inaccuracies, and inconvenient enactments inadvertently made. But the mere inartistic drafting of a Bill in one session would scarcely justify the introduction in the next session of a long measure of similar purport and enacting a similar scheme. If there were hardships inflicted under the original measure, they should be redressed, but Senator Keating did not refer us to any of the hardships that he might have had in mind as inflicted upon the citizens of the Commonwealth under the existing measure. There may be such, but the honorable and learned senator did not point them out in moving the second reading of this Bill. It may be that when we get into Committee some of them will be brought under our notice. It is, however, remarkable, that, so far as the Senate is concerned, no particular instances of hardship arising under the existing measure, and towards which any new provisions of this Bill are directed, have been brought before us. It is therefore difficult to understand for what particular reason this Bill has been introduced. I have a sort of feeling that there is some purpose, which at the moment may not be very apparent, in some of the provisions of this Bill, which is the moving reason for its introduction. So far as hardships are concerned, there are two things observable about this Bill. In the first place, I am afraid I must say that the marginal notes exhibit a considerable degree of carelessness in their insertion. A large number of them do not accurately describe the provisions of the Bill from which they purport to be taken. I propose to mention a few, not in any spirit of mere criticism, but because, relying upon the information that we receive, we are in the habit of asking that marginal references shall be placed in Bills in order to facilitate their considera-

tion. It is extremely important that this should be done, but it is of still greater importance that the marginal references when they are supplied shall be accurate. I particularly desire to direct the attention of Senator Keating and other honorable senators to a few of the marginal references in this Bill, in order that in future greater care may be taken to see that such notes are accurate and not misleading. I refer honorable senators first of all to clause 5—the definition clause. The marginal note to that clause is “Cf. 1, No. 13, 1901, s. 2.” That is to say, “Compare section 2 of the Act of 1901.” That does not assume that every one of the definitions in this clause are the same as those in section 2 of the Act of 1901. The greater number of these definitions are new. The definition of “owner” and of “land” are altogether new, and the definition of “land” extends beyond and emphasizes, what honorable senators will see, when I come to refer to one or two of the other clauses, is at least a very important portion of this measure. Clause 6 is said to be identical with section 5 of the Act of 1901. That is misleading, because it is very greatly different from that section. Clause 8 is said to be identical with section 4 of the Act of 1901, but it is different.

Senator KEATING.—It is not said to be identical with it, but there is a reference to it.

Senator Sir JOSIAH SYMON.—These clauses are said to be identical with the sections referred to. My honorable and learned friend will see that where they are not said to be identical, the marginal note used is “Cf.”—compare. Clause 8 is said to be identical with sub-section 1 of section 4 of the Act of 1901.

Senator KEATING.—No; the word “ibid” is generally used where that is intended.

Senator Sir JOSIAH SYMON.—No.

Senator KEATING.—Will the honorable and learned senator look at the marginal note to clause 7, which refers to section 48 of the existing Act. He will see that the note there is “Ib. s. 48.”

Senator Sir JOSIAH SYMON.—I will refer my honorable and learned friend to clause 12, where the marginal note is “ibid.” I mention the matter in order that these marginal references may be corrected. The honorable and learned senator will see that where it is not indicated that the clauses are identical, the note used is

“Cf.”—that is, that we should compare the two provisions. That is done where there is some variation between them, though, perhaps, not an important one.

Senator KEATING.—I think I explained very fully yesterday that many of these clauses are redrafts.

Senator Sir JOSIAH SYMON.—That is so, but I am dealing at present with what is certainly evidence of carelessness in the preparation of these marginal notes. Yesterday, Senator Keating properly, and I think, instructively, directed attention to a large number of variations to be found in clauses of this Bill, which purport to be copied from the existing Act. I may say that that is the reason why yesterday, although upon points of principle in the Bill I had intended following my honorable and learned friend at once, I thought it was due to him, in consequence of the care he had taken in referring to certain alterations in the existing Act that, before speaking on the second reading, I should take an opportunity of comparing them myself, which I did. The marginal notes to clauses 11 and 12 are misleading, since they show that these clauses are identical with the sections of the existing Act referred to. Clause 16, which contains a highly important provision, is not merely section 6 of the existing Act, as the note would indicate. In the marginal note to sub-clause 2 of clause 16 we have the very expression Senator Keating has referred to—“Ib. s. 6,” and yet this sub-clause differs from the section of the existing Act referred to, and not only so, but as Senator Keating explained yesterday, it omits the provision in the section requiring the publication of the notification in a newspaper as well as in the *Gazette*. Sub-clause 2 of clause 17 contains a highly important departure from the existing Act, and yet is noted “Ib. s. 8.” Clause 18 is noted “Ib. s. 11,” and yet it is different from that section. The marginal note to clause 19 omits the expression “Ibid,” and uses the “Cf.”—“compare.” That is a fair suggestion that a comparison should be made, and that this clause should not be accepted as absolutely identical with the section of the existing Act referred to. Again, the marginal note to clause 20 is “Ib. s. 12,” though the clause very seriously differs from the section referred to, because it omits the provision under which the owners of land shall be entitled to compensation for any

damage which they may have suffered by reason of the intervention or of the exercise of the powers of the Minister consequent thereupon. So on, with the marginal notes to other clauses. I refer honorable senators, for instance, to clause 22.

Senator KEATING.—These provisions are found later.

Senator Sir JOSIAH SYMON.—There is a provision, but whether it goes to the same extent or not is a different matter. What I am pointing out to my honorable and learned friend is that it really would be better that we should not have these marginal references at all than that they should lead us improperly to assume that certain clauses are identical with the sections of an existing Act, when, in fact, they involve very serious departures from them. There may be other clauses which make up that part of the enactment, or there may not. They may have the same effect or a different effect. I merely mention these as instances—I daresay there are others which I have not had an opportunity of seeing—which show that, at any rate, greater care might well be taken in regard to Bills affecting important and complicated matters, and which are to supersede Acts of Parliament. We should be able to rely implicitly upon marginal references as indicating whether or not the clauses are identical with existing provisions. My honorable friend has not pointed out any of the existing hardships which are sought to be remedied. There appear to me to be instances where, if the existing law bears hardly upon individual owners, the Bill bears even more hardly, in so far as these specific enactments in regard to compensation and damage are concerned. There are omissions which may be sought to be remedied by other clauses, but which are not so clearly indicated for the guidance of those who are not skilled in examining and analyzing an Act of Parliament. For instance, clause 20 omits the specific compensation for damage done which is provided by the existing Act. Later on in the Bill there is a general provision which may or may not cover that matter. It is open to consideration whether it was not better and more intelligible to the individuals affected that it should be set out in the same section which enabled Parliament to declare void the notification of the taking of the land, that compensation would be payable if what was done under the notification produced injury to the individual. In clause 22, again, it is expressly pro-

vided, in connexion with the making of surveys, that any damage occasioned thereby should be made good to the individual owner of the land. Clause 16 omits the notification in a newspaper of the taking of land by the Commonwealth, and limits the notification to the *Gazette*. As the Minister mentioned yesterday, this provision was the subject of discussion when the Bill of 1901 was before the Senate, and it was decided here that, in fairness to the individual owner, it was desirable that the notification should be inserted in the ordinary newspaper, where he was more likely to find it, rather than be confined to the mysterious pages of the *Gazette*.

Senator TRENWITH.—Would he not get official information?

Senator KEATING.—On Senator Symon's suggestion the Senate decided that the notification should be directed personally to the owner, in addition to any publication.

Senator Sir JOSIAH SYMON.—Yes, in addition.

Senator KEATING.—But the Bill, as introduced here, contained a provision for notification in the local newspaper.

Senator Sir JOSIAH SYMON.—If it did, it was distinctly considered that it was desirable that the amplest possible publicity should be given.

Senator TRENWITH.—The land-owner ought to know.

Senator Sir JOSIAH SYMON.—Certainly, because there is the possibility of miscarriages. It may seem a small matter, but there is no reason why the existing provision for publication in a newspaper as well as the *Gazette* should be omitted from this Bill. It imposes a little additional trouble upon the clerk who has to see to the giving of the notices, and to their publication, but that is all it does.

Senator MCGREGOR.—It puts a little more expense upon the community.

Senator Sir JOSIAH SYMON.—Very little. The provisions of this Bill are more drastic than the provisions in the Lands Clauses Consolidation Act, and in the corresponding Act of South Australia, and it is desirable that the notification to the man whose land is taken away should have every possible publicity.

Senator TRENWITH.—What is the advantage of the publicity if we are assured that he has received information? There is no

other person interested, and so long as he knows, what does it matter about any one else?

Senator Sir JOSIAH SYMON.—Because it is the publication of the notice which takes the land from the owner.

Senator MCGREGOR.—Why should the notification be published in a newspaper when he knows all about it, and it is already published in the *Gazette*?

Senator Sir JOSIAH SYMON.—The owner might not know of it. The object of publishing in the *Gazette* is to give the notification. Otherwise it might be said that the signing of his name by the Governor-General should be sufficient to take away land from a man without any reference to him, otherwise than by the particular notice for which provision is made.

Senator MULCAHY.—There might be a dispute as to his title, too.

Senator Sir JOSIAH SYMON.—Of course there might. All I am pointing out now is that we have not had pointed out the hardships which have occurred under the existing Act, and that here is an instance of omitting a provision in favour of the land-owner. So that, instead of there being hardships to cure, apparently there are hardships being imposed; that is, hardships as far as they go. Then, also, in clause 24, there appears to me to be a very serious disadvantage to the owner. This is the provision which empowers the Minister to take clay, earth, stone, and so on, from certain lands. It is declared in the existing Act that that power is not to be exercised in respect of a quarry or place belonging to an individual proprietor, which is "commonly in work." That provision is omitted from this Bill, and the power is limited—that is to say, it may be exercised by the Commonwealth against the will of the owner if at the moment that it is exercised it does not happen to be in actual work.

Senator KEATING.—Not at the moment.

Senator Sir JOSIAH SYMON.—My honorable friend will see that there is no limitation. The words of the clause are "in actual work."

Senator KEATING.—The words in the present Act are "in work at the commencement of this Act." This provision gives the man an extended protection:

Senator Sir JOSIAH SYMON.—Perhaps I had better read the clause—

1. The Minister and all persons authorized by him may, in connexion with the carrying out of any public purpose, exercise on or in relation to

any land occupied by him under this part of this Act all or any of the following powers:—

(a) To take clay, stone, gravel.

There is a considerable alteration there from the wording of the provision in the existing Act.

2. The power to take stone, clay, or earth shall not be exercised in respect of any stone or slate quarry or brick field in actual work.

Of course, that means at the moment when the power has got to be exercised.

Senator KEATING.—The present provision is that material shall not be taken from a quarry which is in work "at the commencement of the Act."

Senator Sir JOSIAH SYMON.—The provision in section 53 of the present Act is as follows:—

Provided that no stone or slate quarry, brick-field, or other like place which, at the commencement of this Act, is commonly worked or used for getting materials therefrom for the purpose of selling or disposing of the same, shall be taken or used by the Minister for any purposes lastly hereinbefore mentioned.

Senator TRENWITH.—That certainly wants to be altered.

Senator Sir JOSIAH SYMON.—I think it would not be unreasonable to use these words—"which at the time of the exercise of such power, or at the time of the taking of the land." If the clause were left in its present form, a natural interpretation of the words would be "in actual work at the moment of the exercise of the power," and if the owner had stopped operations the day before, or the week before, simply because there happened to be no demand for the particular material to be supplied from the quarry, this power could be exercised in spite of the will of the owner, who would be deprived of the opportunity of working the material with his own men, and selling it to the Commonwealth, if he chose.

Senator KEATING.—That would be a very narrow interpretation.

Senator Sir JOSIAH SYMON.—I think not.

Senator MCGREGOR.—Could we not insert an interpretation of "actual work"?

Senator Sir JOSIAH SYMON.—I hope we shall have an opportunity of hearing from the Minister what particular hardship to individuals is cured by the Bill.

Senator TRENWITH.—There are some hardships to the Commonwealth which are cured.

Senator KEATING.—Those are the hardships to which I was referring.

Senator Sir JOSIAH SYMON.—That is certainly a new development. I thought that the Minister was referring to hardships to the individual. He says that he was referring to hardships to the Commonwealth.

Senator KEATING.—To some.

Senator Sir JOSIAH SYMON.—I do not know what the hardships are, because none are enumerated.

Senator TRENWITH.—There is the matter of the investment of money at the risk of the claimant.

Senator Sir JOSIAH SYMON.—I do not quite know that it is a hardship for the Commonwealth to be possessed of the money of some one else upon which it is not compelled to pay interest.

Senator TRENWITH.—But the Commonwealth cannot use it, and has to keep an account of it.

Senator Sir JOSIAH SYMON.—The Commonwealth can use it. The unfortunate claimant—unfortunate in the sense that his property has been taken from him, and that he is given nothing for the sentimental value of it, or for what we call the “amenities”—has been awarded an assessment. The money is deposited in the Treasury, but he gets no interest upon it.

Senator TRENWITH.—The Commonwealth cannot use money that is payable at call without notice.

Senator Sir JOSIAH SYMON.—It may be inconvenient, but surely my honorable friend, who is a master of the English language, would scarcely call that a hardship?

Senator TRENWITH.—Not after the honorable senator has expressed it so nicely!

Senator Sir JOSIAH SYMON.—The money is there, and it is entirely at the will of the Commonwealth whether it shall be invested or not. If it is invested, it is at the risk of the claimant. That is the only alteration made in the existing Act. That, in itself, would not be a reason for the introduction of this Bill. I wish honorable senators to try to find the reason why the Bill has been brought in. I do not think that they can find it in the making of that alteration, because, although the existing Act does not contain the words “at the risk of the individual proprietor,” it leaves the matter open as to whether the investment shall be made entirely at the determination and will of the Minister. I do not think that, so far as draftsmanship is concerned, this Bill is any improvement whatever upon

the existing Act. It contains alterations which certainly do not improve our legislation. I will give one or two reasons for thinking so. This is not the kind of Bill which ought to be dumped down before a drafting clerk, so that he may work his own sweet will upon it. It contains principles of a very far-reaching character, which I strongly feel ought to be embodied in a measure which is the result of the most careful consideration, not only by the law officers of the Crown, but by the Government as a whole. The principles of the Bill involve a grave departure from what we have been accustomed to in measures of this description. I will mention one more instance. Senator Trenwith has led me to mention one, namely, the investment at the risk of the claimant. That imposes a liability upon the owner to which he was not subjected before. That liability may be rightly or wrongly imposed. I merely mention the fact. Clause 25 says that where there is temporary occupation of land under a power conferred by the Act—

the Commonwealth shall pay to the owner or occupier of the land, as the case requires, a rent for the occupation of the land.

That is not a very adequate provision. It is new, and it departs from existing provisions of this description. The existing provisions require that the occupier shall be paid the value of any crop or dressing that may then be on the land. That is omitted in the present Bill, and it is simply provided that the Commonwealth shall pay to the owner or occupier a rent for the occupation of the land. There is another provision to which I will draw attention—that

Nothing in this section shall take away the right of any person to compensation for damage sustained by reason of the exercise of any power under this part of this Act.

How far that is a sufficient provision for the protection of the individual owner is very obscure. I hope that in Committee we may have it elucidated. Let us look at the substance of the Bill. I quite agree, and we must all agree, with what the Minister said, that a measure of this description is essential for the good government of every State. The rights of the individual proprietor must, when necessary, be subordinated to the interests of the community as a whole. It is in order to give effect to that principle that we have Acts of this description existing, I think, in every State of Australia, and in every country where there is government upon the British model.

Section 51 of the Constitution provides in paragraph 31 for the making of laws with respect to the acquisition of property "on just terms"—following in that respect the American Constitution—

from any State or person, for any purpose in respect of which the Parliament has power to make laws.

The title of this Bill describes it as a Bill—

relating to the acquisition by the Commonwealth of land required for public purposes, and for dealing with land so acquired, and for other purposes connected therewith.

Then there is a short title to which I take very grave exception. It is called "The Eminent Domain Act 1906." The expression "Eminent Domain" is one which is not known to English municipal law. It is a term which is known to international public law as expressing in theoretical terms the sovereignty of an independent sovereign over his own territory in which no other sovereign has jurisdiction. The term has been applied in the United States to the theoretical source of the power of the Government of that country to take land for public purposes within its particular territory. The origin of its use in the United States was due to the fact that in that country there is no sovereign. The phrase was adopted to express the power of the United States, not merely to take land, but to take every kind of property, from the individual. The expression in this Bill is misleading because it is altogether inconsistent with the long title. This is not an Eminent Domain Bill, because it is confined to a certain portion of the subject-matter of that which is affected by the power that theoretically has its source in the United States in the doctrine of "Eminent Domain." In the next place, the use of the term is complicated here by the mixing up of State lands and the lands of individual owners—a condition of things that does not exist, as honorable senators are aware, in the United States. The difference between territorial ownership and jurisdiction in the United States of America and in the Commonwealth of Australia, is, that here the public lands are owned by the States, whereas in America it is otherwise. Here, by virtue of our Constitution, we have a new departure which does not exist in America. It is extremely doubtful how far the term applies in Australia, and whether it does apply at all to lands which are owned by the States. As I have said, there is no

reason why we should use the term "Eminent Domain," which even to the initiated, who have subjected this matter to study, is new fangled; whilst by the uninitiated, to whom the short title of a Bill is of importance—the object of a short title being to guide the eye and the understanding of the casual reader—it would certainly not be understood. It does not express even as applied in its technical meaning what this Bill is intended to carry out. There is a long title which expresses the object of the Bill, and I suggest that we should not introduce these Yankee notions into our legislation.

Senator MCGREGOR.—I thought the honorable senator objected to too much detail.

Senator Sir JOSIAH SYMON.—I do not object to detail. I am very desirous for details, but the details I want—

Senator MCGREGOR.—The honorable senator was objecting yesterday.

Senator Sir JOSIAH SYMON.—I was not. I do not object to details; the honorable senator is thinking in conundrums. The long title of this Bill is not exhaustive of what Eminent Domain is in America; and I do not see why we should not simplify the title, and call this the "Lands Acquisition Act of 1906." This Bill simply deals with the acquisition of land, and not with the doctrine of Eminent Domain. It might be desirable to import that doctrine, but I do not think it necessary, because the power is already inherent in the Crown.

Senator TRENWITH.—If we have the Bill we can take material off the land.

Senator Sir JOSIAH SYMON.—As the honorable senator knows, earth is part of the land, but when it is severed, it ceases to be land. Under the law of Eminent Domain, the Government may take a man's personal property—everything he possesses—if the exigencies of the State demand such a step.

Senator MCGREGOR.—Why should not the Commonwealth have that power?

Senator Sir JOSIAH SYMON.—I have no objection to the Commonwealth having that power. But here we have a title which imports, even from the point of view of the jurist in America, that we are exhaustively dealing with the subject of Eminent Domain, whereas, in reality, we are dealing only with the acquisition of land. The title is misleading, even to the technical lawyer, and, therefore, must be much more misleading to the uninitiated. I shall

favour an amendment of the kind I have suggested when we reach the Committee stage.

Senator MCGREGOR.—When land is taken are not all improvements and everything on the land also taken?

Senator Sir JOSIAH SYMON.—They are part of the land; whatever is affixed to the freehold is part of the land. But if there were 1,000 bushels of wheat in a barn, this Bill would not enable the Government to take that wheat. Under the American law of Eminent Domain, however, the Government, in case of public necessity, could take that wheat as well as the land. The law of Eminent Domain is altogether inapplicable in Australia, where the inherent right lies in the Crown; and the reason it was imported into the United States was, in the absence of the sovereign, to attribute the power to the sovereign people. I should also add, for the information of honorable senators, that even in America the law of Eminent Domain has only become a subject of treatises, and so forth, within the last twenty or twenty-five years. It is not an expression known in our law, and it would be better for us not to use outside terms unless for very excellent reasons. There are three aspects of the Bill which, it seems to me, require the consideration of honorable senators. First, the Bill combines the power to take land with the machinery necessary to the taking. The present Act was similarly drawn; and it is worth discussing whether it is desirable to continue the system. Secondly, the Bill provides for the compulsory taking of Crown lands from the States; and, thirdly, it provides for the taking of land from private individuals. It is a pity, in my opinion, that we have not followed the example of England where there is the Land Clauses Consolidation Act—one of the best drawn Acts ever placed on any statute-book. It is confined entirely to the machinery for acquiring land. In England the power to take lands is, of course, conferred and regulated by special Acts; and the great advantage of that method is that Parliament never loses control of the taking of land, or of the public purposes for which it is to be taken. Under this Bill, the power of taking land is sought to be conferred, so that unless Parliament interferes after the notification is published in the *Gazette*, or, if Parliament is not sitting, within fourteen days after it meets, there

is no direct control by Parliament of the public purpose for which the land is to be acquired. I submit for serious consideration the fact that under the Bill the power of the Commonwealth to take land may be construed to confer that power on any delegated authority. In England, the power all emanates from the sovereign, as the theoretical source, and is conferred by special Acts on companies, and public bodies; and the same power might be conferred under this Bill in cases where the Commonwealth Parliament deals with company law. It may be unnecessary to confer the power by any special Act, if under this Bill, when it becomes law, the authority given to the Commonwealth is construed to include an authority delegated to certain persons or bodies. It would have been very desirable if the Bill were confined entirely to machinery and made a Commonwealth Lands Clauses Consolidation Act. The power to take land for public purposes, such as railways and so forth, would then be conferred by special Act; but the moment the special Act was passed the machinery Act would come into play. It would be much better for the Commonwealth, and the law would be much more easily understood if that plan were adopted. It would be a pity if the Bill, with all the machinery embodied, were to be construed as not applicable to delegated bodies, but confined merely to the taking of land by the Commonwealth for Commonwealth purposes. Of course, the Bill might be recast, and, in my opinion, time would be well spent with that object, so that the power to take land might be eliminated, to be specifically conferred, in every instance, by the assent of the Legislature.

Senator MCGREGOR. — Can the honorable senator suggest any companies or bodies beyond municipalities which could or would require public land in Australia?

Senator Sir JOSIAH SYMON.—There might conceivably be other companies or bodies, but, of course, fewer conceivable instances in the case of the Commonwealth than in the case of a State.

Senator MCGREGOR. — Railways and water conservation are in the hands of the States.

Senator Sir JOSIAH SYMON.—Not all. In connexion with the River Mur-

ray, for instance, an example may arise at any moment. The Commonwealth has control of the navigation of the Murray.

Senator MULCAHY. — The Commonwealth has only a limited control of the river.

Senator Sir JOSIAH SYMON.—There is full control for all purposes of navigation.

Senator TRENWITH. — Except that the Commonwealth must allow a reasonable quantity of the water for irrigation.

Senator Sir JOSIAH SYMON.—Senator Trenwith is substantially quoting the Constitution on the point. I do not anticipate it would, but the power might be conferred and exercised in the way suggested by Senator McGregor; though, of course, all this is more or less speculative. I am not alluding to matters such as those dealt with under the Postal Act, the Defence Act, and so forth, in connexion with which there is, and ought to be, some general provision for the taking of lands, without the necessity for a special Act in each case. I am making these suggestions with no intent whatever to embarrass the Government, but merely to show the desirability for a simplification of the measure—for making it merely a machinery Bill, leaving the taking of land to be dealt with in general Acts relating to defence or postal matters, or in special Acts relating to special purposes. The second aspect to which I draw attention is far more important. We in Australia are in a very different position from the people of the United States, or the people in England. The States which constitute the Commonwealth retain all their powers not expressly delegated to the Commonwealth, and to that extent are sovereign States with the entire ownership of the public lands of Australia. The Bill is a new departure not covered by any precedent or practice elsewhere, and, therefore, it behoves us, in order to keep in harmony with the States, to walk very warily indeed. Whatever justification there may be for taking drastic powers as to private land for public purposes—and private lands are protected by the Constitution, inasmuch as they must be taken on just terms—it seems to me to be unwise and a fatal mistake to apply to the States the same compulsory and drastic method that is applied to the owners of private land. I shall show honorable senators how very serious this is. It strikes me that it is due

to the States that provision should at least be made for the taking of Crown lands by a separate Bill. It would be only fair that they should be, I will not say consulted, but apprised of what the Commonwealth contemplates doing.

Senator TRENWITH. — Clearly we must take the power to acquire for public purposes the lands of either States or individuals. It is difficult to suppose a State refusing to give us land; but if we required land for defence purposes, and such an attitude were adopted by a State towards the Commonwealth, we would have to take the necessary power to acquire the land.

Senator Sir JOSIAH SYMON. — Yes; but I propose to show the honorable senator the way in which it is provided that we shall take it under this Bill. With every word that Senator Trenwith has said I thoroughly agree. In every other country enactments of this description deal only with the lands of private individuals. Australia is the first country to establish a precedent and rule of procedure in this matter, and it has occurred to me that, to prevent irritation and friction with the States, it would be well that they should be communicated with as to the best or smoothest methods by which the compulsory taking of land, if it should become inevitable, shall take place. Being an entirely separate matter, it would be a good thing if it were dealt with in a separate Bill. There is no reason for mixing it up with this. What I plead for, as a State representative, is that, where the Crown lands of a State are required, the State should be, I will say, consulted.

Senator TRENWITH.—That would be dangerous.

Senator Sir JOSIAH SYMON.—No, I think not. We shall have the right, but I speak merely as to the method. Whether the States are consulted or not, we should, at any rate, carry out the transaction in some more pleasant way than by merely putting a notice in our *Gazette*, and giving notice to the States that we are going to take a certain portion of their land.

Senator WALKER.—Is any limit put upon the area which may be taken?

Senator Sir JOSIAH SYMON.—I shall come to that presently.

Senator TRENWITH.—The clause would never be applied until negotiations had been resorted to.

Senator Sir JOSIAH SYMON. — My honorable friend must see what a dangerous thing it is to put on the statute-book a provision which would, in its operation, be equivalent to suspending a drawn sword over the head of some person with whom we were going to negotiate.

Senator MULCAHY. — But we must do that; we must have the necessary power.

Senator TRENWITH. — We should certainly do it as nicely as possible.

Senator Sir JOSIAH SYMON. — Exactly; and I wish to show my honorable friend the way in which it is proposed to be done by this Bill. The situation is unique. It is the Crown, represented by the Commonwealth, compulsorily taking land from the Crown, represented by the State. That is an anomalous position.

Senator TRENWITH. — It is due to the peculiar character of our Constitution. We form a sovereign Federation composed of sovereign States.

Senator Sir JOSIAH SYMON. — Of course; and, naturally, there must be the necessary power in the Commonwealth.

Senator MCGREGOR. — Either the States or the Commonwealth must be subordinate.

Senator Sir JOSIAH SYMON. — Of course, the public interests of the Commonwealth must be provided for effectively, but I am pointing out that there are different ways of doing it. I wish, from my place here, to make the States understand, and my own State in particular, the kind of measure which is being put upon the statute-book, under which, by means merely of a notification in the *Commonwealth Gazette*, and a notice to the States that it is to be done, the Commonwealth Government can take land without consultation with a State, and irrespective of what the authorities of that State may or may not desire. Let honorable senators look at what it will involve. I ask their attention to clause 6. Of course, it may all be very proper with regard to individuals; but surely some courtesy must be shown to the sovereign States who own the lands, and have the sole power of dealing with their lands, except in so far as it may be necessary that part of them shall be taken for the public purposes of the Commonwealth. I do not think that the States are likely to approve of clause 6, which provides that—

The Governor of a State, acting with the advice of the Executive Council thereof, may (by force of this Act, and notwithstanding anything

to the contrary in the law of any State), sell or lease to the Commonwealth any Crown land of the State which is required for any public purpose.

The provision in the existing Act merely enables the Governor of a State to execute the grant, and that is all that is necessary. This is a new provision introduced into this Bill, which practically enables the Executive of a State to override any existing law of the State, and makes that authority responsible to the Commonwealth, instead of to its own Parliament.

Senator MULCAHY. — Only with regard to certain properties required by the Commonwealth.

Senator Sir JOSIAH SYMON. — But my honorable friend must see that, while we should make provision for the acquisition of land that is required for the public purposes of the Commonwealth, we have no right to legislate in such a way as to say that the Governor and Executive Council of a State may do certain things, notwithstanding anything to the contrary in any law of the State. That takes away the responsibility of the Executive of the State to their own Parliament and laws.

Senator TRENWITH. — Is not every Executive responsible to its Parliament for every Executive act?

Senator Sir JOSIAH SYMON. — But the Executive of a State, under this provision, would not be responsible to its Parliament. No one denies that the Commonwealth can compulsorily acquire land from a State.

Senator MULCAHY. — Does not this provision remove any doubt which might arise as to the power of a State Executive to transfer land to the Commonwealth?

Senator Sir JOSIAH SYMON. — No; because there can be no doubt that the Commonwealth can acquire the land. It becomes vested in it upon the publication of the notice.

Senator KEATING. — But this is in connexion with negotiations.

Senator Sir JOSIAH SYMON. — Exactly; and if it is in connexion with negotiations, and an agreement, I say that the Government and the Executive Council of a State have no right to enter into an agreement to part with land to the Commonwealth without the approval of their Parliament.

Senator MCGREGOR. — They would not do it.

Senator MILLEN.—This is to take away the necessity for that approval.

Senator MULCAHY. — It seems to me rather to do away with the necessity for having the approval of a State law which might possibly not be in accord with the proposal made.

Senator MILLEN.—If a State Parliament, by passing an Act, expressed its disapproval of the acquisition of certain land by the Commonwealth, clause 6 would enable the Government and the Executive Council of that State to act in defiance of that Parliament.

Senator MCGREGOR.—And then that Parliament would put the Executive out of power very quickly.

Senator MILLEN. — And the Commonwealth would put them into gaol if they did.

Senator KEATING.—No; we should have the compulsory power of acquisition.

Senator Sir JOSIAH SYMON.—What Senator Keating has said shows that this point has not been considered. This is in the nature of an agreement; and the Bill provides a power to enable the Executive of a State, by force of this measure, and in defiance of any existing State Act, or State Parliament, it may be, to enter into an agreement and convey lands to the Commonwealth. I say that no Executive has the right to do that without the authority of its Parliament. It may be that the Commonwealth, if there were any trouble, should exercise these compulsory powers, but this is intended to have effect, as the Minister says, in cases of mutual agreement, and clause 6 is a declaration that by a Commonwealth Act a State Executive may give the go-by to its State Parliament.

Senator MCGREGOR.—They would not do so unless they knew that their Parliament would approve.

Senator Sir JOSIAH SYMON.—But I am pointing out that this provision is wholly unnecessary. Why should the Commonwealth Parliament empower the Executive of a State to enter into an agreement to convey State lands in defiance of a State Act of Parliament or of the State Parliament itself? What right have we to do that?

Senator MILLEN.—We could not force them to come to an agreement, anyhow.

Senator Sir JOSIAH SYMON.—Either the provision is altogether useless, or it is merely a rock of offence to the States and the States Parliaments.

Senator MILLEN.—Would the honorable and learned senator mind reading the corresponding section of the existing Act?

Senator Sir JOSIAH SYMON.—Certainly; section 5 of the existing Act is the corresponding section, and it is sensible and right. It provides that—

In the case of any Crown lands of any State purchased under this Act, the Governor of the State may grant such land, in the name of the King, to the Commonwealth.

That is to say, he may execute the conveyance. That is a perfectly proper provision, but why has it been expanded in the way it has been in this Bill? I propose to ask the Minister a question, and perhaps the honorable and learned senator will tell me now whether this Bill or any of the provisions contained in it is intended to deal with the Federal Capital Site.

Senator KEATING.—No; not so far as I know.

Senator Sir JOSIAH SYMON.—I am very glad to have that assurance.

Senator MILLEN.—The Minister says "Not so far as I know."

Senator KEATING.—I think I am able to give honorable senators an absolute assurance to that effect.

Senator MILLEN.—It would be very comforting if the honorable and learned senator could.

Senator KEATING.—Honorable senators will perhaps remember that when the existing Act was introduced it was stated that it would not be used for such a purpose, and that a special Act would be required for the acquisition of the necessary lands for the Federal Capital Site.

Senator DOBSON.—Would not this Bill cover the acquisition of the lands necessary for the Federal Capital Site?

Senator KEATING.—Probably it would.

Senator Sir JOSIAH SYMON.—I am sure the Minister will forgive me for being a little suspicious on the point. If there is one thing more than another in connexion with which the power to acquire should be dealt with by a special Act it is certainly the acquisition of the Federal Capital Site. If we are to remain an harmonious Commonwealth, it would never do to seek, insidiously, by some expressions introduced into a Bill such as this, the power to take that land by riding roughshod over New South Wales. I have no sympathy with many things which have been done in connexion with this matter, but it would be intolerable to most of us

that anything of that kind should be done. It is for this reason that I put the question to the Minister, and I am glad to hear that he will be able to give the Senate an assurance upon the point.

Senator KEATING.—When I say "so far as I know," it is because it is only within the last two minutes, when Senator Dobson mentioned the matter to me, that I have heard such a thing suggested.

Senator Sir JOSIAH SYMON.—I am merely repeating what was talked about out of doors when I say that it was stated that the present Attorney-General, in reference to this matter, said last year that he would have an easy way of overcoming any difficulty on the score of acquiring the land. I certainly entertained a fear lest, in the expanded phraseology of this Bill, it might be intended to cover anything of that kind. I hope we shall have a positive assurance to the contrary from the Government. In any case, the matter could easily be put beyond doubt by the insertion of two or three words in the Bill. That was one of the first clauses which attracted my attention in that regard, because it says, "Notwithstanding anything to the contrary in the law of any State." In Part II., there are only two provisions to which I wish to call attention. Clause 16 provides what does not appear to me to be a very nice method of compulsorily taking lands from a State. It says—

1. The Governor-General may direct that any land may be acquired by the Commonwealth from the owner by compulsory process.

It will be borne in mind by honorable senators that the word "owner" includes a State—

2. The Governor-General may thereupon, by notification published in the *Gazette*, declare that the land has been acquired under this Act for the public purpose therein expressed.

It will be seen first of all that even the Parliament has no control over that public purpose. It is determined, in the first instance by the Governor-General, that is to say, the Executive. He determines that the notification shall be published, and then he determines that the land by that notification has been acquired under this Act for the public purpose therein mentioned. Do honorable senators think that the States would like so summary and drastic a method of taking away their public lands, to be brought into operation? It

is true that under sub-clause 3, the notification has to be laid before both Houses of the Parliament—

within fourteen days after its publication in the *Gazette*, if the Parliament is then sitting, and if not, then with fourteen days after the next meeting of the Parliament.

We all know how unsatisfactory it is to have that method of obtaining parliamentary control. It brings about that state of things in which everybody's business is nobody's business. In important matters of this kind, there is nothing so desirable as a direct application to Parliament for its sanction. I think that before the Crown lands of a State are taken for any public purpose, the direct sanction of the Parliament should first be obtained.

Senator TRENWITH.—See how difficult it would be if we wanted the land hurriedly for defence purposes.

Senator Sir JOSIAH SYMON.—The Commonwealth would not want the land so hurriedly as the honorable senator suggests.

Senator TRENWITH.—That just occurred to me.

Senator Sir JOSIAH SYMON.—How could we? "For defence purposes" means an area for drill or barracks, or a fort.

Senator PLAYFORD.—Or for a camp.

Senator Sir JOSIAH SYMON.—A camp would not be permanent; it is not likely that the Commonwealth would require a big area for that purpose. I merely ask each honorable senator whether he thinks that his State would like this particular method to be applied. In America there is a proceeding that takes place, and certainly it might be applied to State lands. Whether it ought to be applied to individuals or not, I do not know. The proceeding is that an application is made upon petition to have what is called an order of condemnation, that is an order declaring that the land is wanted for a public purpose, and that it ought to be withdrawn for that purpose, and then there is an opportunity for the State to be heard upon application before a Court, showing that that area was subject already to public interests or public requirements, and that there was other land adjoining, or somewhere else convenient which might be adapted to the requirements of the Federation. It is only proper that there should be an opportunity afforded to two sovereign bodies—each sovereign within its own sphere—to discuss and settle a matter of that kind. If they could

not settle it between themselves, then some body, as in America, might be called upon to intervene, and judicially determine the point at issue. I do not pretend to have thought out carefully the proper course which might be adopted. But whatever method is adopted, certainly it is not very courteous to the States that this method should be embodied in our legislation, intimating to them that at any moment the Governor-General can notify in the *Gazette* that a certain area of land, without limitation, may be taken for some particular public purpose, that by means of that notification it will be taken, and that the State will be merely in the position of a claimant for compensation. If we refer to clause 17, what is the result?

1. Upon the publication of the notification in the *Gazette*, the land described therein shall, by force of this Act—

(a) be vested in the Commonwealth.

The State cannot say aye or no, because no opportunity is afforded.

Senator TRENWITH.—The State certainly will have an opportunity.

Senator Sir JOSIAH SYMON.—There may or may not be negotiation.

Senator TRENWITH.—Oh, there will be.

Senator Sir JOSIAH SYMON.—We are framing an Act of Parliament, and I ask my honorable friend whether it is desirable or prudent to enact a provision of that character in regard to the Crown land of a State without endeavouring to mitigate it, or, to use his own expression, make it nicer than it appears to be. But, taking the next sub-clause, what is to happen?—

2. Where the land described in the notification is Crown land of a State, or is by virtue of any law of a State vested in any person on behalf of the Crown or for any public purpose, the notification shall also have the effect of cancelling any dedication or reservation to which the land was subject at the date of the publication of the notification.

Senator TRENWITH.—That follows as a matter of course.

Senator Sir JOSIAH SYMON.—In Adelaide we have some park lands dedicated to the public use. Is the Commonwealth to have the right compulsorily to take a portion of the park lands and to cancel the dedication?

Senator TRENWITH.—I should say so.

Senator Sir JOSIAH SYMON.—So long as I represent South Australia I shall resist any act of the kind. The power ought not to be taken in this shape—that upon the publication of the notification in the

Gazette, if a hasty Minister on one side and a hasty Minister on the other were to fall out in a negotiation, the Commonwealth Minister could ride the high horse, and say, "I am going to take that land," when an area of our park lands, with the dedication of them, would be swept away.

Senator TRENWITH.—The honorable senator is supposing a highly improbable contingency, but it is a right which should be exercised if the public interest so required.

Senator Sir JOSIAH SYMON.—The people of Adelaide are so sensitive on this subject that they would resent the appearance in a Commonwealth Act of a power which would enable that to be done.

Senator TRENWITH.—It must be there.

Senator MILLEN.—Can Senator Trenwith suggest any objection to the course which Senator Symon is advocating, and which would lead to the same point? In other words, is there any objection to doing the thing in a nicer way?

Senator TRENWITH.—No. I agree with Senator Symon that the Commonwealth must have this power, but it must be exercised as agreeably as possible.

Senator Sir JOSIAH SYMON.—Certainly. If I were a State Minister, I should resent most strongly and constantly a Commonwealth Act being passed in this particular shape, so that, without a hearing, if they chose, the Commonwealth could take State lands and sweep into oblivion dedications to which they had been subject. But that is not all.

Senator PLAYFORD.—We might want land upon which to erect a fort.

Senator TRENWITH.—We might soften the provision. Everyone knows that the land will not be acquired by the mere notice in the *Gazette*.

Senator Sir JOSIAH SYMON.—The Minister of Defence has remarked that land might be wanted for the erection of a fort; but the vice of the Bill is that the Commonwealth might take the land for any purpose. I have no objection if, in the Defence Act, the Minister has power to take lands and cancel dedications, if necessary.

Senator PLAYFORD.—I do not think that I have.

Senator Sir JOSIAH SYMON.—If the Act does not contain a power of that kind, it ought to do so. If, however, it does contain such a power, and it is limited in that way, and exercised fairly, the States must

submit. I mean that on a critical occasion it might become necessary to take even a part of our park lands for the purpose of a fortification.

Senator TRENWITH.—Highly improbable.

Senator Sir JOSIAH SYMON.—I hope not. But if that is so, it emphasizes the desirability of taking the power in a Defence Bill, if you like. In this Bill, we ought not to take the power to the Commonwealth to take lands for any purpose, and, for whatever purpose it may be, to absolutely cancel—

any dedication or reservation to which the land was subject at the date of the publication of the notification.

Senator TRENWITH.—If public convenience required it.

Senator Sir JOSIAH SYMON.—Not generally. Why should the liability be taken to exist in relation to a post-office? We might have an honorable senator saying that it would be desirable to have a post-office in the middle of our park lands in Adelaide—I admit that it is not likely—and there might be pressure brought to bear. Why should that be done? In clause 28, there is an expression which made me very suspicious as to whether it was not likely to be applied to the taking of the Capital Site. It says—

Where any Crown land of a State is acquired by a compulsory process, the State shall, subject to the Constitution, be entitled to compensation under this Act.

So far as I am aware, the Constitution excludes nothing from compensation except Crown land for the Capital Site. It looked as if the land were to be taken, but, of course, the Constitution provides that no money shall be paid for Crown land. However, I hope that that will be put right. The third sub-clause is the one to which I invite attention—

The State shall not be entitled to compensation in respect of the loss of any rights of dominion, taxation, or revenue, or in respect of the severance of the land acquired from any other land of the State, or in respect of any injury to any other land of the State.

That is quite different from the law in the United States, where, of course, so far as lands are taken—not lands that are ceded, but lands that are compulsorily acquired—the jurisdiction and law of the State prevails just as much as it does in regard to other private lands therein. In this sub-clause it is assumed that the rights of dominion taxation, or revenue, are to be taken away. If that is so, surely

there ought to be some compensation to the State in that respect. We do not know what the area is. Why should the State be excluded from compensation? And, again, why should it be deprived of the right which an individual has to damage in respect of severance? Surely, the State, as well as an individual, ought to be entitled to compensation in respect of these things? They are matters that can be estimated, and it is only just that the State should be paid. But the main point in this connexion is that the Bill seems impliedly to say—and, whether it is right or not, it is a matter that requires very careful discussion, and may involve difference of opinion—that the rights of dominion of the States, and their rights of taxation, are to be taken away the moment the area of land is made Commonwealth property. I think that ought not to be. I hold a very strong opinion with regard to the income tax—that there ought to be no Federal immunity from the payment of it; and, unless there is some very cogent and strong reason to the contrary, I hold that the States ought not to be deprived of their revenue-earning rights, or of their control, so far as their local laws are concerned, in respect of lands, even when they pass into the hands of the Commonwealth.

Senator TRENWITH.—Except in the case of the Federal Capital.

Senator Sir JOSIAH SYMON.—No doubt. That is specially provided for in the Constitution. Of course, it may be, when the matter comes to be argued and decided before the tribunal which takes cognizance of these matters, that this extraordinary sort of condominium, or *Imperium in imperio*, may exist, and that, if the offence is committed upon Commonwealth property—say in the rooms of a post-office—it will not be cognisable by the State law. Although a position of that kind is possible, we ought not to countenance the idea that a local law should not run throughout the territory of a State quite irrespective of the ownership of a particular piece of land, or particular premises.

Senator MCGREGOR. — How would the honorable senator's argument apply in case the Commonwealth took over the Northern Territory?

Senator Sir JOSIAH SYMON. — It would not apply in that case. The Northern Territory would then become a Territory of the Commonwealth, to which spe-

cial laws would, of course, be applicable. It would be Territory of the Commonwealth until it was created an additional State. I am very glad that my honorable friend made that interjection. I hope that some method will be devised before very long by which the Federal Parliament may exercise control over that very valuable part of Australia. So far as regards the last aspect of the question, in relation to individuals, honorable senators may well take exception to the very drastic manner in which private land is proposed to be taken. Under the Lands Clauses Acts, the procedure was commenced in a much nicer way than is here proposed. The owner of the land was served with a notice to treat. He then sent in particulars of his claim, stating what he estimated his property to be worth. Then came an offer from the promoter, who might be a Minister of the Crown, or might be a company undertaking the construction of a railway, or whatever the work might be. Then came an offer to the owner of the property. That offer was either accepted or declined. If it were declined, the claimant had to take proceedings to get his compensation assessed. Modern developments of the law in that respect were conceived in the best possible spirit. I quite agree with what the Minister said with regard to arbitrations. The arbitrations which used to take place were simply the arbitrations of partizans, and they led on very many occasions, in my judgment, to absolute unfairness. It was for that reason that, in South Australia, and in some other States also, I believe, provision was made that these claims for compensation should be settled by a Judge, or by a Judge and jury, if the Judge so decided; but it was left for him to say whether he would invoke the assistance of a jury or settle the claims himself. I am bound to say that the settlements of claims for compensation in cases of this kind which have taken place under the new procedure have, generally speaking, given satisfaction. Therefore, I think that the old method might very well have been followed in this Bill. By that method, there was an element of fairness in the adjustment between the two parties, before there was an absolute compulsory taking of the property. The method of this Bill is certainly short, sharp, and decisive. The notification goes into the *Gazette*, and the land is then taken and is vested in the Commonwealth.

Senator TRENWITH.—It would only happen in that way in the case of some terrible emergency, and surely it is as well to have the power for use in an emergency.

Senator Sir JOSIAH SYMON.—Why should it not be done in the old way? I do not like this high-handed way of dealing. Why should there not be an element of conciliation as between the Commonwealth and a citizen, or between the Commonwealth and a State? I have thought it necessary to direct attention to these points. The main point, to my mind is, that we ought, if possible, to have a Bill dealing with what is a requirement under our Constitution, the compulsory taking of land from the States or from an individual, and we ought it possible, in doing that, to conciliate the States—to meet their prejudices if honorable senators like. It is very advisable that that should be done. Certainly some of the provisions to which I have called attention require softening—very great softening—in order that every source of possible irritation may be removed, and that the States may not look upon the Commonwealth when it is undertaking such a thing as this, as holding a pistol at their heads. I shall, on these lines, assist my honorable friend the Minister in charge of the Bill, as much as I can in dealing with the details when we get into Committee; but I would ask him, in the meantime, to consider the matters to which I have directed attention, in order that if possible, that consideration may lead to some useful recasting of the Bill, which will not destroy or weaken in any way its efficiency, but may make it more palatable to those who are immediately concerned.

Senator MILLEN (New South Wales) [5.54].—After the interesting and informative speech to which we have just listened, I do not propose to detain the Senate very long; but there are one or two matters that were not touched upon by Senator Symon, to which I desire to direct the attention of the Minister and of the Senate. I should like, before doing so, to emphasize particularly one point which Senator Symon raised, and as to which the evidence presented by the Bill shows a strong desire—I presume on the part of the Department, rather than of the Minister—to secure more autocratic powers as against private owners. Whatever may be said on behalf of those who framed this Bill, there is manifest a desire in many ways—little ways, I admit, though taken together they represent a clear

indication—on the part of those who control the matters touched by the Bill, to secure larger and more autocratic powers, as against private individuals. I do not propose to enumerate those particulars. Senator Symon referred to some of them, but he did not exhaust the list; and in Committee, I shall take the opportunity to point out various clauses in which these enlarged powers are sought to be obtained. One other matter to which the previous speaker referred, was the many instances in which this Parliament has had to amend Bills passed in previous sessions. It may interest honorable senators to know that, whilst the Federation is only six years old, and whilst many of the Bills which we have passed were of a machinery character—which I should have thought ought not so soon to have required revision—we have already had to direct our attention to twelve amending Bills. This one will make the thirteenth. There is something ominous in that number! Senator Symon has referred to this point somewhat in a tone of rebuke. I am not addressing my remarks particularly to the Minister, because the Senate itself must take its share of responsibility for the necessity for the introduction of amending legislation, which is due to faulty work. I rather think, if I may say so, that the tendency is very often to view a measure from the point of view of the side of the Senate from which it emanates. That remark applies to both sides. I should also like to say to the Minister, if I can do so without offence, that there is likewise a tendency on the part of all Ministers to resent suggestions for the alteration of their Bills. They have, perhaps, had to do with shaping them in the form in which they appear before us, and think that they should be passed as a complete whole. They view with suspicion and resentment any proposal for the alteration of their measures; but I think that it is incumbent upon honorable senators to criticise Bills with a view to improve them, and the Minister should be willing to receive any suggestions made for that purpose. I hope that in connexion with a Bill of this kind any suggestions that are made will be received by the Minister—irrespective of the side from which they come—not as attempts to harass him in any way, but as indicating a desire to make what is really a machinery Bill a perfect measure, which will not require alteration again within so

Senator Millen.

short a time. I now wish to direct attention to the definition clause of this Bill. When the Minister was speaking I pointed out by interjection that a material alteration has been made in the definition of Crown lands. Instead of Crown land being defined as—

“the property of the Crown, whether dedicated to any public purpose or not, which has not been granted or contracted to be granted for an estate in fee simple,”

this Bill leaves out the words—

which has not been granted or contracted to be granted for an estate in fee simple.

The significance of that alteration will be seen when I remind honorable senators that in most of the States there are in the land laws provisions whereby an alienation may be preceded by a conditional lease. I know that that system prevails in New South Wales, and I think that a parallel provision is to be found in the Lands Acts of some of the other States. In New South Wales we have our conditional purchase system, and our conditional lease system. A man who obtains land on the conditional-purchase system pays a small deposit and a series of subsequent annual payments until the land becomes freehold; and it never becomes freehold until he has paid up the last shilling to the State. A man who obtains land on a conditional lease obtains it for a certain period, but he has the right to pay for the price of the land in order to convert it into freehold. Under the law as it stands in New South Wales that land is regarded as belonging to the man in occupation of it; but under the Bill which is now presented to us it is to be regarded as Crown land. I asked the Minister yesterday for a reason for the alteration; and, if I understood his reply aright, it was that it had been deemed desirable by the framers of this measure that the Commonwealth, in resuming land, should deal only with the State Government, leaving the selector to look to the State Government for his share of the compensation. That, I think, is hardly desirable or equitable. In the case of a conditional lessee, whose land was resumed, the Commonwealth would ignore the lessee altogether; and the State Government, having no great or direct interest, would probably not present as insistently or successfully as the lessee, the factors which determine the value of land. But even supposing the State Government did press the matter, and agreed that the

Commonwealth should take over the land at the market value of, say, 15s. per acre, the owner of the land might feel absolutely confident that he could have made a better bargain privately. But the State would reply that only 15s. per acre had been received, and that that was all the compensation that could be paid. It would be far better for the Commonwealth to deal directly with the man, who, although not strictly the legal owner of the land, is, to all intents and purposes, the owner, and is so recognised under the Act we passed five years ago. I ask the Minister to seriously consider the advisability of retaining the principle which obtains in the existing law. It is rather significant that, although Senator Keating explained that it is desirable for the Commonwealth to treat with only one party, that principle is not adhered to in dealings with private lessees. In the case of the latter what I am advocating is done, clause 17 providing that, as between lessor and lessee, the apportionment of the rent shall be adjusted mutually by the three parties—showing that the Commonwealth takes an interest in those subsequent proceedings—and that, if a settlement is not thus arrived at, a reference shall be made to the ordinary machinery of the Court. That is only right and proper.

Senator KEATING.—The exception in the original definition of "Crown land" applies to persons in contract for the purchase.

Senator MILLEN.—Those are the very persons of whom I am speaking.

Senator KEATING.—Would they not come in as lessees?

Senator MILLEN.—I would further point out that there is a clause dealing with tenants other than tenants at will; and, in both cases it is provided that the Commonwealth shall deal with two parties, so that the explanation of the Minister seems to lose its force. If it is desirable in the case of an ordinary lessee to deal with both the lessee and the lessor, surely a Crown lessee may reasonably hope to be consulted.

Senator HENDERSON.—Why should a Crown lessee not be held responsible to the authorities with whom he has made his earlier arrangement?

Senator MILLEN.—That is exactly what the Minister says should be done.

Senator HENDERSON.—And it should.

Senator MILLEN.—If so, should not the same principle apply to the lessee of a private person?

Senator KEATING.—It will apply.

Senator MILLEN.—No, as the Minister will see if he turns to clause 31. If the Commonwealth resumes a portion of Crown land, of which an individual has a lease, surely the lessee has a right to compensation for the lease which is taken away from him.

Senator HENDERSON.—That is a question between the State and the lessee of the State's property.

Senator PLAYFORD.—It is a question between the owner of the fee-simple and the tenant.

Senator MILLEN.—But that is exactly what the Bill does not do in certain cases. That principle is followed in the case of a Crown lessee, but not in the case of a private lessee. If Senator Henderson's interjection has any force, the private lessee ought to be left to deal with his landlord, in the same way as a Crown lessee is left to deal with the State.

Senator HENDERSON.—My interjection was in reference to Crown lessees.

Senator MILLEN.—If the interjection has any force, the same principle ought to apply to the lessee of private lands, who should be told to apply to the private landlord for his share of the compensation.

Senator PEARCE.—Clause 31 only compels the production of the lease.

Senator MILLEN.—Clause 31 provides—

If any person having a greater interest than as a tenant at will of any land acquired by compulsory process, makes a claim for compensation in respect of any unexpired term or interest under any lease, the Attorney-General may, by demand in writing, require him to produce the lease in respect of which the claim is made, or the best evidence thereof in his power.

This clause clearly and rightly shows the intention of the Government to compensate any man whose interests may have been disturbed, minimized, or destroyed by the resumption of land. It is very common for a person to take a lease of land for business purposes; and it might happen that as soon as such a person had entered into possession, and spent money in fittings, advertising, and incurred other dead expenditure necessary at the initiation of every enterprise, his land was resumed by the Commonwealth. In such cases, in addition to compensation paid for the land and buildings, there ought, as was clearly intended, to be compensation to the tenant for his displacement.

Senator HENDERSON.—Would the State barefacedly rob a man of his interests?

Senator MILLEN.—What has that to do with the case?

Senator HENDERSON.—The honorable senator is practically making an accusation against the State.

Senator MILLEN.—I have no patience with interjections of that kind; I have made accusations against no one.

Senator HENDERSON.—The inference is clear enough.

Senator MILLEN.—The inference may be clear enough to Senator Henderson, but I leave it to other honorable senators, who, I think, will find it sufficiently obscure. If the contention of Senator Henderson is sound with reference to one class of lessees then it ought to be sound in regard to the other class. If one method is better than the other, which is the better one? I am not saying that any State is likely to do harm; but I do say that there is a possibility of great danger to a lessee of a State, or to any individual who is debarred from urging his own claim. Would Senator Henderson, under the circumstances, not rather represent his own claim than have it represented by the State?

Senator HENDERSON.—I would rather have it represented by myself.

Senator MILLEN.—All I ask is that the rights extended to the private tenant shall be extended to the Crown tenant.

Senator HENDERSON.—I do not think the positions are at all parallel.

Senator MILLEN.—A similar question arises in connexion with mortgagee and mortgagor. In regard to these, the Commonwealth is prepared to meet both, and endeavour to arrive at an adjustment; and that is a very fair proceeding. I only ask that the same principles shall apply to conditional purchasers, lessees, or tenants of the Crown. To leave a tenant's case to be represented by, probably, a State official is to deny the tenant the right of showing to what extent he is damaged by the resumption. I shall await with interest the Committee stage, when I trust the Minister will be able to give some better explanation than he offered yesterday, or be prepared to accept an amendment which will bring the provision relating to Crown lessees into conformity with the existing law, or with the clauses which deal with private lessees and mortgagees and mortgagors. Knowing the many complications in tenure under the land laws in New South Wales—complications which are largely duplicated else-

where—I am certain there will be much trouble, litigation, and heart-burnings if operations under the Bill become numerous, and the States Governments are permitted to negotiate the amount of compensation to be paid to a third party not interested in any way.

Senator MULCAHY (Tasmania) [6.12].—No doubt the provisions of this Bill can more effectively be dealt with in Committee, but I should like to call attention to the necessity for more ample means than exist at present for dealing with Commonwealth property. Whether this Bill presents an opportunity for such legislation I do not know; but by the Constitution itself all the various properties associated with the transferred Departments passed over *ipso facto*. No doubt a great deal of property has since been acquired by the Commonwealth Government in connexion with the Postal Department and the Defence Department, and I do not know that there is power to deal with that property in any way except by sale; indeed, I am not sure even as to the power to sell. In the Act which this Bill repeals power is conferred on the Minister to dispose of property in excess of requirements, and it seems to me that there should be the power of exchange. A post-office, for instance, may not be in a very convenient situation, and, instead of requiring the process of selling, and acquiring another site, the Minister should be able to exchange without any money transaction.

Senator MILLEN.—I think there is that power in the Act.

Senator MULCAHY.—Then the Bill provides that the Supreme Court shall determine disputes. That appears to me a very expensive and cumbersome method of settling what may be only small cases.

Senator PLAYFORD.—It is a more satisfactory method than arbitration.

Senator KEATING.—And cheaper.

Senator Sir JOSIAH SYMON.—The Bill provides that in cases involving under £500 reference may be made to the local Court.

Senator MULCAHY.—In connexion with the acquisition of small areas of land required for railway and road purposes, there is often a determined disposition shown on the part of the owners to bleed the Government in every way, and in Tasmania a very advantageous method of dealing with such cases has been adopted by the appointment of a single arbitrator. As a rule, arbitration cases are settled by

an umpire and two arbitrators. The person desiring to acquire the property and the owner of it will not agree as to terms, and they appoint a single arbitrator or umpire, who finally decides the terms. We found the appointment of a single arbitrator in such cases to be a cheap, effective, and expeditious way of determining disputes as to the value of land required for public purposes. There will no doubt be cases in which it will be necessary that the Commonwealth should acquire a small area of land in a country town, on which to erect a post-office, or for some similar public purpose, and it seems to me that by confining the determination in such cases to the Courts, we shall be compelling people to resort to a most expensive means for the settlement of comparatively trivial disputes. With regard to the very effective remarks made by Senator Symon as to the friction which might arise between the States and the Commonwealth, I must say that I have a very great deal of sympathy with what the honorable and learned senator said upon the subject. If we go, so to speak, sword in hand, to a State and demand land in that way, especially at a time when there may be some friction existing between that State and the Commonwealth Government, we shall be likely to create unnecessary trouble.

Senator MCGREGOR.—It is not proposed that we should go sword in hand to the States any more than to private individuals.

Senator MULCAHY.—Senator Symon was advocating the adoption of some more courteous method of approaching a State than that provided for dealing with private individuals. I think that it should go without saying that such a course should be adopted. But there can be no doubt that the Commonwealth must possess arbitrary powers in this matter in dealing with a State Government, as well as with an individual.

Senator Sir JOSIAH SYMON.—It is only a question of the method, and in dealing with a State I think we should adopt the *suaviter in modo*.

Senator MCGREGOR.—The suggestion is that we should approach one sword in hand, and the other with the sword behind our backs.

Senator Sir JOSIAH SYMON.—No, the sword in the scabbard.

Senator MULCAHY.—I think that any further observations I have to make can

be best submitted in Committee. I shall support the second reading of the Bill.

Senator KEATING (Tasmania—Honorary Minister) [6.19].—I am very glad to have had an opportunity to listen to the criticisms levelled against this Bill. I feel certain that honorable senators who have addressed themselves to it have given a great deal of consideration to its various clauses, and have looked very closely into the alterations which it purports to effect in the existing law. I should like, before the debate closes, to say a few words in reply to some of the criticism that has been offered. At this hour I shall not delay the Senate at any great length. The first criticism indulged in by Senator Symon was that the marginal notes attached to the clauses of this Bill are calculated to mislead those who may be disposed to rely upon them.

Senator Sir JOSIAH SYMON.—The honorable and learned senator put that right.

Senator KEATING.—I pointed out yesterday that this Bill is in many of its provisions really a re-cast of the existing Act. Though the verbiage has been altered the substance in many instances remains the same. I went through the clauses *seriatim* in which any substantial alterations of the existing Act are contained, and explained them to the Senate as clearly and as fully as I could. I thought that honorable senators might, therefore, understand that they need not necessarily take the marginal notes as indicating that certain clauses had been taken bodily from the existing Act. Senator Symon also referred to the fact that I gave no instances of hardships to the individual which have been disclosed in the operation of the present Act, and the honorable and learned senator suggested, therefore, that this Bill is not designed to remedy any of them.

Senator Sir JOSIAH SYMON.—The honorable senator pointed out that he meant hardships to the Commonwealth.

Senator KEATING.—There have been hardships to the Commonwealth because matters have been hung up in many instances owing to the difficulties in the way of coming to a termination of negotiations with persons whose lands were to be acquired. Apart from that, however, I may recount some of the benefits which the Bill purports to afford to individuals. In the first instance it provides that wherever land is being occupied temporarily, that is to say land other than that which is being

actually acquired—it may be adjacent land—payment of rent shall be made to the individual for the period of the temporary occupation.

Senator MILLEN.—That is in the existing Act.

Senator KEATING. — No, there is a different provision dealing with surface crops only.

Senator MILLEN.—It also provides for rent, and the time within which it shall be paid.

Senator KEATING.—We have, in addition, in this Bill given facilities for resort to the States Courts instead of to the High Court, in many instances in which under the existing Act it would be necessary to invoke the jurisdiction of the High Court.

Senator Sir JOSIAH SYMON. — That is more of an advantage to the Commonwealth than to the individual.

Senator KEATING.—It may also be of advantage to the individual in many instances to have matters settled by the States Courts. Then, provision is made in the Bill to enable an individual to obtain an extension of time for putting in a claim without the necessity of invoking the jurisdiction of the High Court. He may apply to the Minister for an extension of time.

Senator MULCAHY.—The Bill does away with the right of arbitration.

Senator KEATING. — I explained the reason for that yesterday, and Senator Symon, in his criticism, has agreed with me in that.

Senator MILLEN. — I understood the Minister to say that, under the existing Act, no provision is made for the payment of rent for the temporary occupation of land, and that provision is made only for compensation for crops that may be damaged. If the honorable and learned senator will look at paragraph 6 of section 55 of the existing Act, he will find that not only has rent to be paid, but it has to be paid at specified times. Under this Bill it has to be paid, but the time is not specified.

Senator KEATING. — I have not a copy of the existing Act before me. I was enumerating from memory some of the benefits to the individual which are provided for by this Bill. We make provision for adjusting mortgagees' and mortgagors' rights in the case of compulsory acquisition. We enable the individual who has to serve notices upon the Minister in connexion with the measure to do so by post,

without having to incur the expense of personal service, either by himself or by paying some one else to serve the notices. These are only a few of the instances which occur to me in which provisions are inserted for the benefit of the individual.

Senator BEST. — Is it provided that, where the valuation is under £250, the matter between the parties can be settled by a police magistrate?

Senator KEATING.—It can be referred to a Court of competent jurisdiction in a State.

Senator BEST. — That might mean a County Court, which would be far more expensive.

Senator Sir JOSIAH SYMON. — That is what it does mean.

Senator KEATING.—We also provide that, where proceedings are taken in the higher Court, it shall be competent for that Court to declare that the costs shall be only the costs on the lower scale, or the costs of the Court of lower jurisdiction, unless it is certified that the case should have been taken in the Court of higher jurisdiction.

Senator BEST.—I was referring to the advantage conferred by the Victorian Act in enabling these cases to be dealt with in the simplest possible way, where the valuation is under £250.

Senator KEATING. — With regard to the other criticism offered by Senator Symon, I think I may deal with it better in Committee. I agree with the honorable and learned senator that there is no necessity on the part of the Commonwealth to impose any such conditions upon the States as might interfere with the harmonious relations which should always exist between them and the Commonwealth. I feel certain that this Bill does not do that, and we shall find that the words used are such as appear in the existing Act. With regard to the remarks of Senator Millen, the honorable senator will find, when we get into Committee, that a conditional lessee of Crown land will stand in the same position as lessees from private individuals. This is dealt with in clause 57, which deals with the acquisition of land subject to a lease. Although we have defined "Crown land" in the definition clause, as any land the property of a State, we have also defined "land" generally, and have so defined it as to include, amongst other things, "Crown land" that is leased by any contract from the Crown. Lessees from the Crown are therefore entitled to all the

ordinary privileges and rights accorded to lessees of land generally under clause 57. This is a matter with which we can deal more fully in Committee, as is also the matter referred to by Senator Mulcahy. It is desirable that the Commonwealth should have power, not merely to sell or dispose of land itself, by way of sale or lease, but also that it should have a direct power to effect exchanges, perhaps with the States, for other land which may be occupied by the States for other purposes. It is desirable that we should have that power directly under this Bill, in order that the negotiations between the Commonwealth and the States may rest on some sure foundation, and may be expedited to the advantage of both. I think that Senator Mulcahy is mindful of some transactions of the character which have taken place in the past between the Commonwealth Government and the Government of Tasmania. After what has been a fairly exhaustive criticism of the details of a somewhat intricate measure, I think we should now be able to approach its consideration in Committee with a prospect of some very satisfactory results.

Question resolved in the affirmative.

Bill read a second time, and committed *pro forma*.

CANTEEN BILL.

Bill received from the House of Representatives, and (on motion by Senator PLAYFORD), read a first time.

Senate adjourned at 6.28 p.m.

House of Representatives.

Thursday, 19 July, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

FOREIGN INSURANCE COMPANIES.

Mr. MAHON.—I wish to ask the Prime Minister a question without notice. I understand that he proposes to introduce a Bill for the protection of persons who have assured in foreign life assurance companies which have now ceased to do business in Australia, and I should like to know when that Bill will be brought in. I desire to be also informed whether policies in exist-

ence before the withdrawal from Australia of the companies affected will come within the scope of the measure?

Mr. DEAKIN.—We propose to introduce a measure at a very early date; but the endeavour to extend its scope as far as possible has raised intricate legal questions whose determination may require yet another ten days or a fortnight. I hope that the Bill will be brought forward, either in this House or in the Senate, at the end of that time.

MILITARY PARADE UNIFORMS.

Mr. CROUCH asked the Minister representing the Minister of Defence, *upon notice*—

1. Is it proposed to use coloured uniform other than khaki at various parades in corps where khaki is at present the only colour of their uniforms?

2. Who will bear the cost of this change—

(a) to officers;

(b) to other ranks?

3. Is not this change advocated by some military authorities because some corps have never been clothed in khaki as previously decided?

4. Why was not the previous decision to universally use khaki carried out?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. Commanding officers have been given permission to use their own discretion in the matter.

2. (a) The officers.

(b) Clothing and corps contingent allowance.

3. Not that the Minister is aware of.

4. Because the late Minister was informed by commanding officers in each State that there was great dissatisfaction with regard to clothing the men in the Commonwealth uniform as prescribed by the late General Officer Commanding. The Military Board, with consultative members present, then went into the whole matter, and decided that commanding officers who so desired could retain the full dress in use prior to Federation, but must adopt the khaki uniform for service, ordinary parades, camps, &c. At the same time, certain modifications in the full dress Commonwealth uniform were made by the Military Board, thereby reducing its cost.

DEFENCE FORCE RIFLES.

Mr. TUDOR (for Mr. MALONEY) asked the Minister representing the Minister of Defence, *upon notice*—

1. Does he consider it advisable in the interests of Australian defence that our Forces should be armed with a rifle that is the equal in efficiency in every respect to the rifles adopted by foreign Powers?

2. If so, would the Minister of Defence have any objection to authorize that the modified short service rifle be compared and tested for efficiency with a more efficient design of the service rifle?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. Yes. The rule followed in the past has been to adopt the rifle used in the British Army.
2. The Minister would have no objection.

PRESS COMMUNICATIONS BY MILITARY OFFICERS.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

1. Are there any regulations dealing with the relations which officers may have with the press?
2. Will he lay a copy of such regulations, if any, on the table of the House?
3. Are officers free to give interviews to the press if they so desire?
4. Was Captain Creswell given permission to give information of the results of his recent mission to England to the *Melbourne Age* before furnishing the same to this House?
5. If not, will the Minister take steps to prevent the recurrence of such episodes?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. Yes.
2. Yes. They are as follow:—

Extracts from the Regulations for the Naval Forces of the Commonwealth—

163. Members of the Naval Forces are forbidden to publish or communicate to the press any information, without special authority, either directly or indirectly. They will be held responsible for all statements contained in communications to their friends, which may subsequently be published in the press.
164. They are not to attempt to prejudice questions under investigation by the publication, anonymously or otherwise, of their opinions, and they are not to attempt to raise a discussion in public about orders, regulations, or instructions issued by their superiors.

Extracts from Standing Orders of the Military Forces of the Commonwealth—

115. Officers and soldiers are forbidden to publish or communicate to the press any information, without special authority, either directly or indirectly. They would be held responsible for all statements contained in communications to their friends, which may subsequently be published in the press.
116. They are not to attempt to prejudice questions under investigation by the publication, anonymously or otherwise, of their opinions, and they are not to attempt to raise a discussion in public about orders, regulations, or instructions issued by their superiors.

3. No.

4. No. Captain Creswell in the report to the interview referred to distinctly states that he "can say nothing specific concerning the outcome of his visit to England," and that his "report is confidential, and must go to his Minister."

5. The Minister is not aware that he has infringed the regulations.

INTERNATIONAL INDUSTRIAL CONFERENCE.

Mr. TUDOR (for Mr. MALONEY) asked the Prime Minister, *upon notice*—

1. Whether he is aware that an International Conference on matters pertaining to labour and industrial conditions generally has been convened by the Swiss Government to take place shortly at Berne?
2. Is he aware that many Governments were represented at similar Conferences at Dusseldorf in 1902, and Vienna in 1905, and that the result of such Conferences has been of great importance?
3. Whether the Swiss Government has invited the Government of the Commonwealth to participate in the Berne Conference; and, if not, will the Government take the necessary steps to secure representation at the Conference?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. The Government have received no information respecting a Berne Conference.
2. The International Congress on Working Men's Insurance met at Dusseldorf in 1902, and at Vienna in 1905. This Government was represented on both occasions. The next meeting of that body will be held at Rome in 1908.
3. No invitation has been received to participate in a Berne Conference. Inquiries made at the Swiss Consulate in Melbourne show that the Consul has not been advised respecting any such Conference.

CANTEEN BILL.

SECOND READING.

Mr. MAUGER (Melbourne Ports) [2.36].—I move—

That the Bill be now read a second time.

I have introduced the measure because, upon two occasions when the abolition of military canteens has been proposed, during the consideration of the Military Estimates, the question has been divided upon late on Friday afternoons, when many honorable members have been absent, and, as I feel that a majority are in favour of the proposal, I have taken this course to secure an expression of opinion in regard to it. In this action I am strengthened by the revelations concerning the Queenscliff canteen made during the progress of the Hawker inquiry, and by the facts stated in

a return laid on the table of the House last session. The information asked for in that return was, first, the receipts from military canteens throughout the Commonwealth during the preceding twelve months; secondly, the expenditure during that period upon the establishment and maintenance of the canteens; and, thirdly, the profits, if any, on the sale of intoxicating liquors in the canteens, and the manner in which those profits had been applied.

Mr. LIDDELL.—The honorable member does not propose to abolish the Parliamentary refreshment bar?

Mr. MAUGER.—That matter is not now under consideration, but, if my honorable friend has the courage to make the proposal, I shall be glad to support it. The receipts from military canteens throughout the Commonwealth during the period between the 1st July, 1904, and the 30th June, 1905, amounted to £15,032 18s. The return is by no means complete, because it is stated that it is impossible to determine how much of that amount was derived from the sale of intoxicating liquors only; the sum representing the total receipts from the sale of intoxicating liquors, as well as other drinks, and cigars, tobacco, and other refreshments and provisions. The expenditure of the canteens, including the purchase and maintenance of stock, was £13,778 17s. 8d., and the profits, "if any," on the sale of intoxicating liquors, £1,306 2s. 7d.

Mr. FRAZER.—"If any"—that is a doubtful sort of return.

Mr. MAUGER.—The return is most incomplete and unsatisfactory, and seems to have been devised to hide the facts rather than to give the information sought for. There is a foot-note to this effect:—

The way in which such profits have been applied. Maintenance; additional room, canteen, New South Wales; social and gymnastic fund, Tasmania; hospital donation, insurance, library, band, instruction and instruments, music, stationery, rifle shooting, prizes, sports, amusements, sundries. It will be seen that this is not a balance-sheet, as it does not take into account stock on hand.

Neither is it a return giving the information asked for. The first point which I wish to make is that our military canteens have been managed in an extremely unsatisfactory way. That is shown by some of the evidence taken during the Hawker inquiry. At Queenscliff, Gunner J. P. O'Toole was in charge of the canteen. Now, military experts in America declare that it

is degrading to commissioned and non-commissioned officers and to privates alike that soldiers should be compelled to act as barmen, in dispensing liquors for the benefit or detriment of their fellows, but that is the position occupied by Gunner O'Toole. He appeared to be anxious to hide the real facts; but, after a good deal of pressing, admitted that there were two prices for the officers' and sergeants' mess, and two retail prices. He also said that if officers gave their signatures, they could obtain whisky at 4s. per bottle, while common soldiers, whose pay is about 2s. a day, were charged 5s. 4d. a bottle.

Mr. FRAZER.—That arrangement should be wiped out.

Mr. CROUCH.—It has been wiped out since.

Mr. MAUGER.—The canteens themselves should be wiped out. Cross examination elicited the fact that if a gunner wished for ale, instead of for spirits, he had to buy, not a bottle, but nine gallons, a quantity equal to the contents of about fifty bottles, for which he had to pay a whole week's wages.

Mr. HUTCHISON.—It is "a way they have in the army."

Mr. MAUGER.—Yes; but it is radically wrong. It ought to be made easy to do right and hard to do wrong; but, apparently, men are encouraged to buy drink wholesale, and to spend a very large proportion of their miserable wages in purchasing it. It may be asked, Is there a precedent for the abolition of canteens? Has any other country done what is proposed? What is being done in this matter in Great Britain, the United States, and Canada? I believe in making precedents where they do not exist, if it is necessary to depart from old established practice. Australia has led the way in adopting voting by ballot, adult suffrage, and many other reforms, and, if we had no precedent to guide us, it would be a good thing to set an example to the world in the abolition of canteens. But we have the American experience to guide us, which is exceedingly interesting and instructive. As far back as February, 1881, President Hayes issued the following order:—

In view of the well-known fact that the sale of intoxicating liquors in the army of the United States is the cause of much demoralization among both officers and men, and that it gives rise to a large proportion of the cases before the court marshals, involving great expense and serious injury to the service,

the Secretary for War is urged to take suitable steps to reduce the sale and abandon the practice.

So far as I can understand, that order had a temporarily beneficial effect. For a considerable time, strong efforts were made to reduce the consumption of drink, and to remove the inducements held out to the men to partake of strong liquors. The improvement, however, did not extend over a very long period, and the American Government then decided to legalise and regulate canteens, and place them under the direct control of the military authorities. In 1889 the canteen was formally recognised by the Government, and among the conditions imposed were the following:—

To supply general articles for the soldiers' use—gymnastics, billiards, &c.

The sale of ardent spirits was *strictly* prohibited. Beer and light wine being allowed.

That was a distinct step in advance. The military and medical authorities, in common with temperance advocates, recognised that drink was demoralizing the American soldiers; that it was destroying their physical constitution, and undermining their discipline. In view of the agitation which is now proceeding in Victoria against gambling, it is also interesting to note that the following order was also issued:—

Gambling or playing any game for money or any other thing of value is forbidden.

That order had a very good effect, and gambling became practically unknown in the American Army. Officers and non-commissioned officers testify that this rule in connexion with the canteen has worked beneficially.

Mr. CROUCH.—Does the Bill deal with gambling?

Mr. MAUGER. — No; I merely mentioned that matter incidentally.

Mr. CROUCH. — The honorable member has never heard of gambling as an evil among Australian soldiers?

Mr. MAUGER. — I am afraid that it is an evil among all sections of the community. I do not know that soldiers are any better or worse than others. Although the sale of ardent spirits was prohibited in the canteens, the consumption of wine and beer went on to such an extent that in 1890 the following prohibition of canteens was passed by Congress by a very large majority:—

No alcoholic liquors, beer, or wine shall be sold or supplied to the enlisted men in any canteen or post-traders' store, or in any room or building at any garrison or military post.

From the very outset, this law was almost a dead letter. It was found to be defective, and the Attorney-General of the United States reported against its application. It was generally disregarded, and the canteen became degraded to the position of an open public-house bar. The opposition to the canteen first appeared in army circles. This is a point to which I should like to direct the special attention of honorable members. In 1890 the *Army and Navy Journal* began to publish severe criticisms of the canteen system, and two years after, Colonel H. C. Corban, now Adjutant-General of the United States Army—an indisputable authority—stated in his report:—

The saloon feature of the canteen should be done away with without further experiment. The sale of beer superintended by a commissioned officer, and served by non-commissioned officers and soldiers is not conducive to discipline.

That is what I urged in directing attention to the fact that when a gunner was giving evidence in connexion with the inquiry to which I have alluded, he appeared to be anxious to shield his officers. Colonel Corban continues—

The men who drink spend the greater portion of their wages in beer.

Honorable members will notice that beer and light wines were dealt with in the report. Colonel Corban then deals with the argument which has been used in some quarters in favour of continuing the canteen. It has been urged that if you do not supply the soldier with drink in the camp or barracks he will go to the nearest public-house, where, being free from supervision or regulations, he will be very much more likely to drink to excess than if he were kept to some extent under observation.

Mr. McWILLIAMS.—If soldiers start to drink in a canteen they will very soon go outside to obtain more.

Mr. MAUGER.—Colonel Corban makes this very pregnant remark, which I would specially impress upon honorable members who may think that the canteen is a help to sobriety. He says—

The argument that the soldier would get drunk elsewhere will not stand the test of reason, nor justify the Government in approving the system herein complained of. Drunkenness should be reduced to a minimum. This cannot be done by an open invitation to drink.

I have not time to quote the whole of this magnificent and trenchant report, but Colonel Corban goes on to point out that it would be just as reasonable for a father

and mother to encourage their children to drink at home in the hope that they would become temperate and keep out of public houses, as to supply soldiers with drink in barracks. He shows clearly that "The sight of means to do ill deeds makes ill deeds done." The very fact that it is open to the soldier to partake of intoxicating liquors at any time of the day or night upon Sundays and week days, is an encouragement to drink, and there is no doubt that the facilities afforded are availed of. From statements made to me by non-commissioned officers and soldiers at present in our military barracks, I judge that young men, who are practically total abstainers, enter our Queenscliff barracks, and before very long become habitual drunkards. The alcoholic taste is encouraged.

Mr. BAMFORD.—The term "habitual drunkards" is too strong.

Mr. MAUGER.—I am making the statement on the authority of men on the spot. I am sure that many fine young men, with splendid physique, sound morals, and good prospects, are converted into drunkards owing to the temptations to which they are subjected, through the instrumentality of the canteen. When I asked my informant, a non-commissioned officer, if he would be prepared to give sworn evidence in support of his statements to me, he stated that if I could assure him that his position would not be impaired, and that he would not stand the risk of being reduced, or of becoming marked by his officers, he would be quite prepared to state, on oath, what he communicated to me privately. My own experience goes to show that if you afford facilities such as are offered by the canteens, you are bound to work great mischief. Colonel Corban says—

The argument that the soldier would get drink elsewhere will not stand the test of reason, nor justify the Government in approving the system herein complained of. Drunkenness should be reduced to a minimum.

Here follows a pregnant sentence, to which I would specially direct the attention of honorable members—

The exchange with an open saloon would be a first rate thing to recommend for adoption in the army of the enemy.

From what I have read I judge that the secret of Japan's phenomenal success in the late war lay in the fact that her soldiers were sober. They were not given to the use of intoxicating drinks, and therefore their minds were always clear and free. The testimony of leading soldiers and medical

men goes to show that the successful fighter in the field of battle, as well as in the industrial world, is the man who keeps his brain clear.

Mr. JOHNSON.—Is drink excluded from the German army?

Mr. MAUGER.—Partially only. The authorities have attempted to reduce the consumption of drink by offering premiums and rewards, but they have not excluded it absolutely. General Howard, who was in command of the War Department of the East, stated in his report to the Secretary for War in 1890—

Commanding officers have generally agreed with me that it would be well to abolish the sale of beer altogether.

In his report of 1893, Surgeon-General George M. Sternberg made an attack on the canteen. He said—

The young men who would not leave their barracks for intoxicants of any kind are led into bad habits by the ease with which beer may be obtained, and the official sanction given to its use.

That emphasizes the statement I made with regard to the Queenscliff Barracks, to the effect that the facilities for obtaining intoxicating liquors at any time of the day or night encourage the soldiers to purchase it, and lead to their contracting bad habits before they know that they are being injured. That is the experience all over the world. Now I wish to come to the prohibitory period. In 1899 the following order was issued by the Naval Department of the United States of America. Honorable members will notice that it is conclusive, penal and mandatory.

Navy Department,

3rd February, 1899.

After mature deliberation the Department has decided that it is for the best interests of the service that alcoholic liquors on board ship, or within the limits of naval stations, be prohibited.

Therefore after the receipt of this order commanding officers are forbidden to allow any malt or alcoholic liquor to be sold or issued to enlisted men, either on board ship or within the limits of navy yards, naval stations, or barracks, except in the medical department.

JOHN D. LONG,
Secretary.

This order was issued in 1889, and from the latest reports presented by the War Department to Congress I learn that it has proved effectual in reducing drunkenness, encouraging temperance, and assisting thrift. Further, the number of naval court martials has been decreased as the result of this very striking and important

order. I now come to the time when the existence of canteens was absolutely prohibited in America. It was as late as 1901 that Congress, by a large majority, re-enacted its former measure in language which officialdom could not evade. The following is the law of America in regard to canteens at the present time:—

The sale or dealing in beer, wine, or any intoxicating liquors by any person in any post exchange, or canteen, or army transport, or upon any premises used for military purposes in the United States, is hereby prohibited. The Secretary for War is hereby directed to carry out the provisions of this section with full force and effect.

That law was very strenuously opposed at the time of its introduction. The whole force of officialdom was arrayed against it, and efforts were made, both in Congress and by naval and military officers, to secure its ineffective working. But the results have been eminently satisfactory, and the latest reports show that drunkenness has decreased, that the number of court martials has been reduced, that the men are better in health and pocket, and that discipline has been vastly improved. In a letter sent by the Secretary of War to Surgeon-General G. H. Evatt, it is stated that not only has the law been in every way successful—

Mr. CROUCH.—What is the date of that letter?

Mr. MAUGER.—It is dated the 10th March last. In this communication to Surgeon-General G. H. Evatt, C.B., the Secretary of War says that the prohibition has been eminently successful. He also points out that the American Government were not satisfied merely with prohibiting the sale of wines, spirits, and beer in canteens. They have gone a good deal further, and have voted very considerable sums of money for the purpose of providing billiards, gymnasiums, and all kinds of recreation for officers and men. The details of this action are exceedingly interesting. In the Act, which was approved upon 30th June, 1902, Congress appropriated 500,000 dols. for the construction, equipment, and maintenance of suitable buildings at military posts and stations, for the conduct of post exchange, school, library, reading, luncheon, and amusement rooms and gymnasiums. In 1903 an additional sum of 500,000 dols. was appropriated for the same purpose, and in the following year a further appropriation of a similar amount was made. Last year the sum appropriated in this

connexion was 35,000 dols., making a total of 1,535,000 dols. In other words, the canteen has been made a public-house without the drink—a place where men can read and derive amusement, and where they can spend their spare time without being in any way injured. But the American Congress has gone still further. It has taken a step somewhat similar to that recommended by our Old-age Pensions Commission. It has determined that no old soldiers' home—there are many homes for old soldiers in America—shall be in any way subsidized by the American Government if it permits a canteen to be established there, or allows its inmates to secure intoxicants. It will thus be seen that not only have the American Government abolished the canteen, but they have voted large sums of money to supply a substitute for it. In addition, it has been enacted that no home for old soldiers shall receive Government support if it provides its inmates with intoxicating liquors. I hold in my hand a very interesting testimony from Colonel Ray, the Commanding Officer at Fort Snelling. It is contained in a report which was presented to the War Office, in March of the present year. When questioned as to the effect of the abolition of the sale of beer and wines in the army he said—

Nor do I find that beer is any more necessary for a soldier than it is for the employés of any great corporation, and I find that retail beer saloons are just as much a nuisance on a reservation and called a canteen, as they are off and called a saloon.

He then goes on to say—

There was no disorder in the post, that the discipline existing among the troops was not of the character developed by beer, and that the statement that disorder existed owing to the abolition of the canteen was not only false, but was an insult to every officer and enlisted man of the command, in implying that the laws of Congress, either to establish or abolish a canteen, could not be enforced in any part of the army of the United States without disorder.

One honorable member has asked what is being done in this connexion in other parts of the world. I might inform him that America leads in this matter, but Canada is following closely in her footsteps. In the German army, orders are continually being issued directing attention to the evil effects arising from soldiers partaking of strong drink. In Japan, the sale of strong drink is absolutely prohibited so far as the Government and military authorities are concerned. The leading medical men connected with the Army in Great Britain are also

awaking to a sense of their duty in a most remarkable way. The most striking utterance in this connexion is that of Sir Frederick Treves, who, it will be recollected, accompanied the British troops in their march to Ladysmith. I will not detain the House by reading the whole of his remarks, but the following extract is particularly pertinent to the question under consideration :—

As a work producer, alcohol is exceedingly extravagant, and like other extravagant measures, it is apt to lead to a physical bankruptcy. It is well known that troops cannot march on alcohol. I was with the relief column that moved on to Ladysmith. It was an extremely trying time, apart from the heat of the weather. In that column of 30,000 men, the first who dropped out were not the tall men or the short men, or the big men, or the little men—but the drinkers, and they dropped out as clearly as if they had been labelled with a big letter on their backs.

Before I conclude my remarks, I wish to direct the attention of the House to a very striking illustration of the extravagance that is induced by the Government recognition of military canteens. I am confident that if the people of Great Britain could realize what is involved in it, they would immediately demand a change. My authority for the statement which I am about to make is the *Daily News*, which publishes an account of the sale of liquor, which was left over after the South African war. The article in question states—

Turning to wines, there were 1,500 cases of Allsop's ale, containing, it was calculated, 96,000 bottles, while there were, roughly, 1,600 cases of champagne—

Mr. BAMFORD.—The men in the ranks did not drink that?

Mr. MAUGER.—They did not. The article illustrates some of the results of the system of supplying drink to the officers of the army—drink for which the British public have to pay. It continues—

There were roughly, 1,600 cases of champagne, to say nothing of a large quantity of other wines, liquors, cigars, and groceries, the list of which reached the auctioneers too late for insertion in their catalogue. Such were the crumbs only which fell from the British Officers' mess. What must the feast have been like?

Sir JOHN FORREST.—Who wrote that?

Mr. MAUGER.—It was published in the *Daily News*. I contend that in this matter, medical and social science are upon our side, and that the experience of the American people goes to show that both our soldiers and the community generally, have

everything to gain by carrying the Bill which I have the honour to submit for the consideration of the House. I am sure that in passing the measure, honorable members will be keeping themselves in touch with the most advanced moral sentiment of the day, and I sincerely hope that they will agree to its second reading and speedily make it the law of the land.

Mr. JOHNSON (Lang) [3.12].—As I am associated with the honorable member who has just resumed his seat in the introduction of this Bill, I desire very heartily to support it.

Mr. SPEAKER. — Does the honorable member second the motion for its second reading?

Mr. JOHNSON.—Yes, sir. I am responsible, with the honorable member, for the introduction of the Bill. I have no desire to unduly occupy the time of the House in discussing it, because the honorable member for Melbourne Ports has made out a sufficiently strong case to appeal to all thinking men. It must be admitted that the men who abstain from alcoholic stimulants usually possess a much better constitution than do those who become steeped in alcohol. The effect of the use of alcohol is to reduce the stamina of men and to undermine their constitutions. The other day I was met with the objection that the abolition of military canteens would deprive those who are now employed in them, and who are not engaged in military service, of their occupation. I have no desire whatever to see any man displaced from his employment, but I do not think that the passing of this Bill will have that effect. Certainly, I should like to see those who find employment in military canteens direct their energies into some more beneficial department of industry, in which they would accomplish more good for themselves and for their fellow men. That the existence of these canteens is a real evil, nobody who has visited military canteens in encampments and barracks, under certain conditions, and at certain times, can doubt. It may be that of late years the extent to which the vice of drunkenness prevails is not so great as it was. For that we have reason to be thankful, but we should endeavour as far as we can to remove from military men the temptation to employ their leisure in having recourse to stimulants. I have here an extract from *Light*, a Sydney newspaper, in reference to the death of a

man, which was alleged to have been caused by Sunday drinking. The paragraph is as follows:—

DEATH FROM SUNDAY DRINKING.

An inquest was held by the City Coroner concerning the death of a carpenter lately residing in Paddington, on Sunday. The deceased had been drinking on Saturday night, and on the following morning visited the canteen at the Victoria Barracks, where it is said he had a drink or two. He subsequently went to a wine shop in Dowling-street, and had, about three glasses of wine. He became very ill, and so serious did his condition become that he was taken to the Sydney Hospital, but on arrival at that institution life was pronounced extinct.

The Coroner said that it was evident that the deceased, who was drunk on Saturday night, was supplied with liquor at the canteen and wine at the shop despite the Sunday Liquor Act. He found that death was due to alcoholism.

Why are not the dispensers of this "liquid damnation" proceeded against for doing this "hurt to one of his Majesty's subjects"? It is time that such doings should be put a stop to.

I am not prepared to say positively that this man was supplied with drink at the canteen on the Sunday in question, but the coroner, who doubtless had all the evidence before him, seemed to believe that he was. It may be that the drink so supplied did not accelerate his death; but, on the other hand, there is a strong probability that it had something to do with it. If the law of the land prohibits the sale of intoxicating drinks in public houses on Sundays, it should certainly apply to military canteens. At the same time, one must recognise that intoxicating liquor, whether imbibed in excess on Sunday or any other day, is equally injurious. There seems to be an impression amongst a certain class of the community that if drink be not supplied in military canteens, there will be a strong temptation for soldiers to break barracks, and that they will be supplied, perhaps, with inferior drink in low-class hotels.

Mr. HUTCHISON.—If they broke barracks that would be an offence for which they would be punished; so that they would not do so very often.

Mr. JOHNSON.—Quite so. I was about to say that there might be some cases of the kind, but I do not think that such an argument has any general application. The rules and regulations of the service would militate against such a practice, and such cases, if they occurred, would probably be isolated ones. I understand that the trouble is that after the duties of the day

are over, the men, for want of other forms of amusement, have a tendency to spend their leisure in the neighbourhood of these canteens; that they do so merely for the purpose of passing their idle hours in convivial company, and that they are thus encouraged in the practice of drinking. Some young fellows from the country, who join the forces, are often led into temptation in that way. I am assured that they join the forces as raw recruits, with no special liking for alcohol, but that they go into the billiard rooms, which are usually adjoining or in the proximity of the canteens, and that the penalty of losing a game, by use and custom, is that they must "shout." It is with the practice of "shouting" that the evil of intemperance begins. It is said that the majority of the offences committed in barracks are traceable to the fact that the offenders have first become inflamed with alcoholic stimulants. I have here a statement by a military man of some years' experience, whose name I am not at liberty to disclose, but he is a man of some authority. In reply to my request that he should state in writing what he considered to be the evils associated with the sale of intoxicants in canteens, he wrote me a letter, and I propose to quote that portion of it which refers directly to those evils. He says—

The disadvantages of the institution are that young fellows, as recruits from country districts, in joining mingle with those from whom it is their constant endeavour to secure as many free drinks as possible. Kind acts are done to gain the confidence of the young soldier with the sole intention of bringing him to the bar counter to satisfy their thirst. As a rule, they are pressed at first to take some small lubricant, and which I know in some cases has been extremely distasteful at first, but occasional indulgence gradually transformed the youth into a confirmed drinker. Of course, there are exceptions to every rule, but I am speaking of the majority that fall a victim to the evils derived from the liquor bar. All places of recreation are either adjoining or in very close vicinity to the bar, which is highly detrimental to the welfare of any young fellows. Moreover, in my opinion if there were no canteen young men would go in considerably more for educating themselves intellectually, and naturally would live in greater harmony. An artilleryman at the present time requires far clearer intellect than in days gone by, for the science of modern armament requires all the skill and care that a sober man can put into it, without his wits being deadened through the influence of liquor. Fully two-thirds of the crime among soldiers originates directly or indirectly from the sale of liquor, as every facility is offered to procure it. It is very difficult for a person so inclined to stop

drinking at the right moment, for they have a good time when having a round of drinks, and do not feel the effects till called upon for duty on parade.

These are the statements of one who has lived for years in military barracks, and who may therefore be regarded as competent to express a matured opinion on the question. In the circumstances we ought to pay some regard to complaints which come from persons occupying such positions. I do not think it has been shown at any time that alcoholic stimulants are necessary to promote efficiency and general usefulness in connexion with military service, but numberless instances of very serious results accruing from the dispensing of stimulants within barracks have been brought under our notice. Sufficient has been said to convince all reasonable-minded men that it is undesirable that canteens for the sale of intoxicating liquors should be fitted up in military barracks, and that being so, I shall content myself with the statement that I have very much pleasure in seconding the motion for the second reading of this Bill.

Mr. EWING (Richmond—Vice-President of the Executive Council) [3.26].—I have had an opportunity of discussing the subject-matter of this Bill with the Minister of Defence and the Prime Minister, and both have assured me that they are in full sympathy with the end desired to be attained. They feel that at the present time, in view of the efforts of the Government to promote a citizen soldiery, and especially having regard to the fact that the boys of the nation, as cadets, may possibly be brought into contact with military matters in a way that has not previously been the case, there is a special obligation laid upon the Government in this regard. There is no need for me to labour the question. It has been ably stated by the mover and seconder of the motion, and it only remains for me to repeat that the Minister of Defence and the Prime Minister are in agreement with the proposal, that personally it has my warmest sympathy, and that I am therefore prepared to agree to the Bill proceeding into Committee.

Mr. KELLY (Wentworth) [3.28].—It is a matter for congratulation that the Bill before the House is absolutely non-party in its aspects, and that all sections of the House are not only in sympathy with it, but are anxious that the object at which it aims shall not be defeated. I have risen

to suggest to the honorable members in charge of the Bill the advisableness of taking into consideration its possible effect upon the Victoria Barracks, Sydney. I make this suggestion in no hostile spirit to the Bill. As honorable members may know, the Victoria Barracks are in one of the most crowded parts of Sydney, and the consideration I wish to put before the House is that if the men are prevented from obtaining liquor in the canteen they will secure it outside.

Mr. EWING.—Hear, hear; that is true.

Mr. KELLY.—That is a very serious consideration. I do not know what the conditions are at Queenscliff, but those under which liquor is provided at Victoria Barracks, Sydney, are by no means bad. They are infinitely better both for the men and every one concerned than are the conditions obtaining in the public-houses in the immediate vicinity. I suggest this matter very seriously for the consideration of the honorable members in charge of the Bill. I know that they do not wish the object which they have in view to be defeated—they do not wish by making the one law equal in its application to canteens in camp and canteens in barracks to actually defeat the temperance object, so far as barracks are concerned. If we drive men from properly regulated canteens, such as that at the Victoria Barracks, Sydney, to the public houses in the vicinity, we may be doing them an infinite injury, and I should like to hear the views of the honorable member for Melbourne Ports on that aspect of the question.

Mr. CROUCH (Corio) [3.31].—I am glad that the honorable member for Wentworth has put before the House the view that injury may be done to our soldiers by abolishing canteens, and compelling them to go for drink to the public houses in the neighbourhood of the barracks. When, in 1903, the honorable member for Melbourne Ports moved the insertion in the Defence Bill of that year of a provision for the abolition of military canteens, I opposed his amendment, because I thought that, although the carrying of it might conduce to temperance inside the barracks, it would probably lead to an increase of drinking outside. At Queenscliff, where the great majority of the men are of the best and most sober character, there are seven hotels, and I feared that, if those men who take drink could

not get it within the barracks, they would go outside for it. The amendment was defeated by two votes, but, not long afterwards, some of the men from Queenscliff saw me about the matter, and said that the views which I had expressed were not those of the majority of the permanent men there, and one or two of them, at my request, saw the honorable member for Melbourne Ports on the subject, and asked him to persevere in his opposition to the canteen system. Furthermore, within the last two or three days, I have received from a non-commissioned officer at Queenscliff, who knows what he is writing about, a letter in which the following passages occur:—

I see that Mr. Mauger's Bill comes on for second reading on the 19th. I have sounded a good many and listened to the others here, and I can say positively that if a vote as to the abolition of canteens or otherwise was taken here 75 per cent. would vote for its abolition, and that would include almost, without exception, all the heavy drinkers in the regiment, the feeling amongst these old toppers being that if it was taken away from their elbows, as it were, they would have a chance of squaring up. At present it is alongside them all day, placed there by official sanction. I have during my time here, on several occasions, seen young lads of 19 or 20 land here hardly knowing the smell of liquor, and in twelve months' time develop into heavy drinkers, to the ruination of their careers. It is argued that if canteens are abolished that soldiers will go out of barracks to get it, and, getting drunk in public, will disgrace the corps and cause crime. It is not so. Men, as a rule, start drinking in barracks, then, wanting more, and realizing that barracks is no longer a safe place, go into the town and get drunk there, whereas if they had not had a start in barracks there would have been no trouble. Ninety per cent. of the crimes here are caused directly or indirectly by drink, and I am quoting the opinion of all the senior N.C.O.'s I have asked about the matter when I say that the abolition of canteens will mean the almost entire abolition of crime. The man in barracks has tea daily at 5 p.m. He has no means of getting anything more to eat till next morning. If hot coffee, sandwiches, &c., were provided in barracks at a small fee in the evenings it would be greatly appreciated.

Mr. KELLY.—In Sydney the proportion of alcoholic drinks sold in the canteens is yearly becoming less.

Mr. CROUCH.—The honorable member for Melbourne Ports has stated that in the United States a grant is made to provide non-alcoholic beverages for the soldiers in barracks, and similar provision might well be made in his Bill. These men have not homes of their own, and larders to which they can go. Their meals are regulated by the clock, and if

in the evenings they cannot get recreations, such as are furnished by the temperance canteens instituted by Roberts and the Army Temperance Association for the soldiers in India, they are forced by their inclinations to go out where they are exposed to the temptation to which the honorable member for Melbourne Ports has referred. The writer continues—

It is asked—"If the canteen, with its expenses, is to be abolished, where is the money for the upkeep of sport, &c., to come from?" The total amount paid to the sports at present is: cricket or football club (in season) per year, £20; rifle club, per year, £20; total, £40. This is the highest it has ever been. The total fund for eleven years paid Lieut. J. J. Hawker for coming to Queenscliff per week and tutoring the R.A.A. Band. Lieut. J. Hawker cancelled this arrangement; one of the few good things he did. The members of Sports and Rifle Club each donate 1s. per month to their respective clubs. A small increase in this amount would meet the loss caused by withdrawal of the canteen grant. If the members of the R.A.A. want sport they should pay for it just as civilians do. The regulations compel a single man to live in barracks and make it his home. That being so, it is the duty of the authorities to see that recreation rooms, library, and billiard rooms are properly equipped and furnished, and not as at present left to the canteen fund to maintain. At present a man pays 1s. over the bar in the canteen that about 3d. of it may be spent in his interests. There is no doubt that the presence of canteens on military stations and in encampments lowers the moral tone of such places, and no one realizes that fact more than the men themselves.

In further support of the position I am putting, I wish to refer to a case which occurred at Queenscliff some years ago and may be remembered by some of the Victorian representatives, the accused being found guilty of manslaughter, because he was drunk at the time the crime was committed. In that case a man named Pollock, while drunk, shot a comrade named Briner. I have here the details of the case, and will read sufficient to show that the drinking commenced in the canteen. The first witness, Thomas Francis McGregor, being sworn, stated—

I am a gunner in the Victorian Permanent Artillery, Queenscliff. I knew deceased Briner. He was also a gunner. I remember being in his company on Thursday, 9th inst. I met him in the canteen in the barracks. I had been in company with Pollock and Gunner Muir that evening. We left the barracks between 8 and 8.30; returned about 9.30. We had some liquor—about five drinks—at different hotels. Pollock had beer. On returning we had a drink at the canteen. I saw Briner there. I then left and went to my room.

That evidence is corroborated by that of other witnesses.

Mr. BAMFORD.—Did the men drink at the canteen before going out?

Mr. CROUCH.—They met in the canteen, and afterwards had five drinks round the town, finally returning to the canteen for another drink. As an instance of the abuses which have existed in connexion with the canteen system, I wish to read a copy of a list of prices sanctioned by Major Hawker for the Queenscliff canteen. It is as follows:—

May, 1905.

R.A.A. CANTEENS (VICTORIA.)

Prices to be charged to sergeants' mess or officers.—Sergeants' mess and officers may obtain the undermentioned goods at the prices placed against each item on signing a requisition for same. These requisitions must be attached by the canteen steward to his stock-sheet, otherwise he will be debited with the ordinary sale prices.

	Ordinary price.			
	s.	d.	s.	d.
Ale, draught, per gallon ...	1	3	...	2 0
Ale, Colonial, bottled, per doz. ...	5	6	...	6 0
Ale, English, quarts, per doz. ...	11	0	...	12 0
Ale, Lager, German, quarts, per doz. ...	11	0	...	—
Ale, Lager, Colonial, per doz. ...	6	6	...	7 0
Stout, English, per doz. ...	11	0	...	12 0
<i>Cordials.</i>				
Hop bitters, per bottle ...	1	9	...	2 8
Lime juice, per bottle ...	0	11	...	1 4
Lemon squash, per bottle ...	0	11	...	2 0
Sarsaparilla, per bottle ...	1	9	...	2 8
<i>Spirits.</i>				
Brandy, 3-star, per bottle ...	7	0	...	8 0
Brandy, Colonial, per bottle ...	4	0	...	5 4
Whisky, "Talisker" ...	4	0	...	—
Gin ...	3	6	...	—
Schnapps ...	4	0	...	5 4
Gin, "J.D.K.Z." ...	5	6	...	8 0
Gin, "Gilbey's" ...	4	0	...	5 4
Wine, port, Colonial ...	2	0	...	2 8
Mineral waters, per doz. ...	1	3	...	1 6
<i>Tobacco.</i>				
Derby, per doz. plugs ...	13	0	...	—
Havelock, "fives" ...	10	6	...	—
Gold bar, per doz. plugs ...	15	0	...	—
Capstan, 4 oz. tins each ...	1	6	...	1 8
Havelock, 4 oz. tins each ...	1	4	...	1 5
Havelock, 2 oz. tins each ...	0	8	...	0 9
Victory ...	0	8	...	—
Cigars (3d.) per 100 ...	21	0	...	—
Cigars (1d.) per 100 ...	8	0	...	—
Cigarettes (Coen's, per 100) ...	3	0	...	4 2
Matches, wax, per gross ...	2	6	...	4 0

(Signed) J. C. HAWKER,
Major, R.A.A.

Note.—This list to be posted on a board and hung in canteen and stores.

The ordinary price-list is the price charged to the men. The first column is the price charged to officers; but I am glad to say, through complaints made by me last year, there is now only one price-list.

Mr. EWING.—Is that an absolute copy of the list, or a comparative statement of prices made as the result of a calculation?

Mr. CROUCH.—It is a copy of the official price-list for officers' and sergeants' messes, and the second column shows the ordinary prices charged to the men. The existence of such a list in itself is an argument for the abolition of barrack canteens. With regard to the abolition of encampment canteens, while I have not seen at the annual encampments abuses such as have been mentioned, I do not think it too much to ask the militia and volunteers to do without alcoholic liquor for three or four days, with the object of benefiting the permanent men. I think the Bill should be amended so that it will apply to both officers and men. At present it is proposed to provide against the sale or dealing in beer, wine, or intoxicating liquors in military camps. If we are going to prevent the men from purchasing liquor in camps, we should not permit any liquor to be brought in for consumption at the messes of officers or non-commissioned officers. It must be made penal to have liquor upon the ground.

Mr. SALMON.—That could be done by regulation.

Mr. CROUCH.—The whole purpose of the Bill could be achieved by regulation for that matter. We should prohibit the introduction of liquor into camps under any conditions. I believe in meting out equal treatment to all ranks. I do not approve of permitting officers to have liquor while privates are precluded from obtaining it. I acknowledge that, in the light of experience, and the testimony afforded by those who have been brought into actual contact with the canteen system, I have had to change my opinion upon this question. Although in 1903 I was opposed to any amendment of the Defence Act which aimed at the abolition of canteens, I am very glad that the honorable member for Melbourne Ports has brought forward this measure.

Mr. HUTCHISON (Hindmarsh) [3.47].—I have had some experience of camps in which there have been canteens, and, on the whole, they have been very well conducted. On one occasion, I was present at a camp

at which no provision was made for a canteen, and, whilst I had no desire to find fault with the way in which other camps were conducted, I regarded the experiment as a decided success. I personally know of young soldiers who, if liquor were available in camp, would certainly become the worse for it. These same men attended the camp at which there was no canteen, and did their work exceedingly well, and were much more creditable to the Force than they would have been if liquor had been obtainable. The testimony that we have had placed before us as to the lines upon which canteens have hitherto been conducted, shows that they ought to have been abolished long ago, and I hold that liquor should be entirely excluded from military encampments.

Mr. LEE (Cowper) [3.49].—We cannot pass legislation to meet a case such as that referred to by the honorable member for Wentworth. We cannot prevent the soldiers in the Victoria Barracks, Sydney, from having easy access to public-houses, but we can at least deprive them of some of the facilities which are now offered to them to obtain intoxicating liquors. I am very glad that the Government are supporting the Bill, because I believe that it will tend to the benefit of our soldiers. Captain Mahan, the great American naval authority, is decidedly in favour of the abolition of liquor from military camps, and it is a matter for regret that, although the United States Senate passed a law abolishing canteens, the President did not give effect to it. I quite agree with the honorable and learned member for Corio that intoxicating liquors should be entirely excluded from military encampments, because if we prevent the privates from obtaining drink, we should place a similar embargo upon officers.

Mr. EWING.—The honorable member must recognise a great difficulty would attach to completely carrying out his desire in that direction.

Mr. LEE.—I admit the difficulty, but I think that we should aim at meting out equal treatment to officers and men.

Mr. MAUGER.—This is a Bill, not to prohibit, but to prevent the Government from dispensing liquor.

Mr. LEE.—I should like to see the measure go further, but I admit that it takes a good step forward. I am glad that the Commonwealth Government have shown a strong disposition to discourage the sale

of intoxicants, but I do not think that we should be quite satisfied until we have cleaned up our own canteen. The honorable member for Melbourne Ports made a very able speech, and I trust that the Bill will be passed. We know that alcohol has a most demoralizing effect upon our soldiers: Lord Roberts, when he was in South Africa, wrote to the people of England and Australia begging them not to give drink to our young men when they came back from the war. It is well known that 65 per cent. of the crimes committed in connexion with the Army are directly attributable to drink, and I feel sure that we shall bring about a great moral improvement and take an important step forward if we pass the measure now before us.

Mr. McCAY (Corinella) [3.52]. — It may be within the recollection of some honorable members that this matter came up for consideration during the few months that I had the honour of being Minister of Defence. At that time I undertook to amend the regulations relating to canteens, with a view to ascertaining if certain admitted evils might not be more effectively coped with. These regulations were drafted, and, I may say, in passing, met with the approval of the various temperance bodies and others who were interested. I must admit, however, that they have not achieved as fully as I should have liked the object with which they were framed. I confess, further, that, being strongly in sympathy with the movement to prevent canteens from becoming a source of temptation, I have to consider whether, in view of the fact that regulations which practically go as far as regulations can without absolutely prohibiting the sale of liquor, have failed, we are not forced to take the decisive step of prohibiting the sale of liquor in canteens, and thereby placing the members of our soldiery, whether permanent or citizen, under the same conditions as the rest of the community with regard to the purchase of liquor. Of course, it is known that no other section of the community are exempt from the operation of the State licensing laws in the same way as are our soldiery in regard to military canteens. While I have no desire to unfairly force my views upon others, I have felt constrained to consider whether there is any way in which we could guard against the mischiefs that we fear—more, I think, than the mischiefs that exist—

other than that proposed by the honorable member for Melbourne Ports. I must confess that I see no alternative between enforcing regulations that will not accomplish all that we desire and abolishing the system of selling liquor in canteens. I do not think that the Australian Army, either permanent or citizen, consists of a host of hard drinkers, as the remarks of the honorable member for Melbourne Ports might lead the casual listener to think. The great majority of the men in our Forces, like the great mass of the community, are a very sober, law-abiding set of people. There are among soldiers, as among other classes, some men who take more than is good for them; but, speaking of them as a body, I have no hesitation in saying, after a very lengthy experience of citizen soldiers, that their temperance is very noticeable. As an officer commanding a regiment, I have had something to do with canteens, and I frankly admit that the Commanding Officers will be relieved of a certain amount of anxiety and responsibility if the matter of dealing with canteens is taken out of their hands. At the last encampment I did not have a canteen in connexion with my regiment. I did not want it myself, and I did not think my regiment wanted it. On the whole, the weight of evidence shows us that there is no choice between the risk of exposing some members of the forces to the temptation to drink unwisely, and abolishing the danger altogether. After having tried an experiment which met with the approval of those interested, but which did not prove so satisfactory as one might have hoped, I propose now to support this measure.

Mr. SALMON (Laaneccoorie) [3.57].—I quite agree with the attitude of the Government on this question. We have decided that as far as possible we shall rely for our defence upon a citizen soldiery, and that the training of our soldiers shall commence at as early an age as practicable. Under these circumstances, we cannot begin too soon to insist upon a good example in the direction of temperance. I have had some years' experience in the Defence Forces, and from the peculiar position that I have occupied as a medical officer, I have had exceptional opportunities to judge of the results of the canteen system. I am very glad to say that notwithstanding the existence of the canteen in camps, the cases of drunkenness have now been reduced almost to a mini-

mum. These results have been brought about in spite of the canteens, and not because of them. In my opinion, the position of the men at Queenscliff and Victoria Barracks in Sydney has become one of danger, owing to the canteen being constantly at their elbow, and I think that it is one of the first duties of this Parliament to take measures to remove an undoubted temptation. The honorable and learned member for Corio suggested an amendment, but I trust that he will not press it, because his wishes can be carried out by means of regulations. After all, the matter to which he referred is one of discipline, and I am sure that those who are responsible for the conduct of our camps will, in the event of the Bill being passed, recognise that they must altogether prohibit the introduction of liquor. I have very much pleasure in supporting the Bill.

Mr. McWILLIAMS (Franklin) [3.59].—I have much pleasure in supporting the Bill. I have been in camp on several occasions, and, although I must admit that the sobriety of the men generally has been particularly noticeable, I cannot ignore the fact that the only trouble that I have ever known to occur has arisen through the men having a canteen at which they could obtain liquor. The canteen is a source of danger, not so much to men of mature years as to young fellows who are not in the habit of taking much liquor. Perhaps, in order to appear a little bit soldierly, or through a sadly mistaken idea of friendship they are induced to drink a glass or two of liquor, and, being unaccustomed to it, they get into a condition into which they would not fall if the canteen did not exist. But if we decide to abolish the canteen we must be careful that a stringent regulation is framed to prevent the admission into camp of large quantities of liquor for consumption at the officers' and non-commissioned officers' mess. The abolition of the canteen system will fail to a very considerable extent if we permit the free introduction of liquor into camp for the purpose to which I have referred. Before concluding, I cannot avoid recalling a statement which was made to me not very long ago by a military officer. He said, "You members of Parliament have a pretty good cheek to talk about abolishing the canteen in camp, seeing that you have a canteen of your own." That is a point which may

be worthy of the consideration of this House upon a future occasion. I have very much pleasure in supporting the Bill.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1. (Short Title.)

Mr. BAMFORD (Herbert) [4.3].—I should like to know if it is in accordance with Parliamentary practice that you, Mr. Mauger, should occupy the chair in Committee when your own Bill is under consideration?

The TEMPORARY CHAIRMAN (Mr. MAUGER).—I do not know of anything against the proceeding to which the honorable member refers, when the other Acting Chairmen of Committees are absent.

Clause agreed to.

Clause 2—

The sale of or dealing in beer, wine, or any intoxicating liquors by any person in any military camp or canteen, or any army transport, or upon any premises used for military purposes by the Commonwealth, is hereby prohibited.

Penalty: Twenty-five pounds.

Mr. JOHNSON (Lang) [4.4].—I move—

That all the words down to "prohibited" be left out, with a view to insert in lieu thereof the following words, "A person shall not by himself, or by his servant or agent, sell or deal in any spirituous or fermented liquor of an intoxicating nature in any military camp, canteen, army transport, or premises used by the Commonwealth for military purposes."

The amendment will have the same effect as did the clause in its original form, notwithstanding that its wording is different.

Amendment agreed to.

Clause, as amended, agreed to.

Mr. EWING (Richmond—Vice-President of the Executive Council) [4.5].—I suggest to the Committee that it would be wise to specify a date when this Bill should come into operation. We might fix a tentative date—say, 1st October next—upon the understanding that if, after full consideration of the difficulties and interests involved, it is necessary to alter it, that alteration can be effected in the Senate. Consequently I move—

That the following new clause be inserted:—

"This Act shall come into force on the 1st October, 1906."

Proposed new clause agreed to.

Mr. JOHNSON (Lang) [4.6].—As I know of one case in which it is probable that a civilian who is employed in connexion with a military canteen will lose

his employment as the result of the passing of this Bill, I think that it should be a recommendation to the Military Department that any persons who are deprived of their employment consequent upon this legislation, should, if possible be appointed to other positions in the Department.

Mr. McCAY.—In what kind of cases will they lose their employment?

Mr. JOHNSON.—I know that the canteen accountant at the Victoria Barracks, Sydney, is not a member of the Military Forces. He is a civilian, and if this Bill be passed, he will probably lose his employment.

Mr. McCAY.—His is a very rare case.

Mr. JOHNSON.—It is one case, at any rate. I have no desire to see anybody needlessly thrown out of employment consequent upon the operation of this Bill, and I would like the Minister to take the case of the individual to whom I have referred, and of others who may be similarly situated, into his favorable consideration, with a view to ascertaining if some other work cannot be found for them. There should be other avenues of employment open to them in the Defence Department. For instance, in the clerical or storekeeping branch, an accountant's services might be utilized. I have no doubt that anybody who suffers as the result of the operation of this Bill will have his case favorably considered by the military authorities.

Mr. CROUCH (Corio) [4.10].—I would suggest that the following new clause should be inserted—

Provision shall annually be made by the Defence Department for a dry canteen, and a supply of non-intoxicating liquors in all barracks.

Mr. SALMON.—Surely we ought not to put that provision in an Act of Parliament. The matter with which it deals is one for regulation.

Mr. CROUCH.—I take it that some provision of the kind must be made. The regulations might permit of such an arrangement being given effect to. At any rate, I can see that an attempt might easily be made to defeat the object of this Bill by rendering it unworkable. If no liquor is supplied in barracks between 5 p.m. and 7 a.m. it is obvious that men who are quartered there will be driven elsewhere to obtain refreshment. If the Bill is intended to be a temperance measure, it is unfair that we should drive men to hotels. We should provide them with hot

coffee and other comforts. Nobody who has not experienced it, can appreciate the discomfort of life in a barracks. If the honorable member for Lang, the honorable member for Melbourne Ports, and the honorable member for Laanecoorie knew anything about it—

Mr. SALMON.—I know something about it.

Mr. CROUCH.—The honorable member would not remain in barracks for three consecutive nights unless comforts of some sort were provided. He would take to drink straight away.

Mr. JOHNSON (Lang) [4.12].—If this Bill be carried in its present form, there is nothing to prevent effect being given to the desire of the honorable and learned member for Corio, by means of regulation.

Mr. MCCAY. — The present regulations enable it to be done, though they do not direct that it shall be done.

Mr. JOHNSON.—The Bill is intended to prohibit the sale of intoxicating liquors in military canteens, and I think it would be unwise to load it with provisions of the character suggested.

Bill reported with amendments.

Motion (by Mr. JOHNSON) agreed to—

That the Standing Orders be suspended to allow the Bill to be passed through its remaining stages this day.

Report adopted.

Bill read a third time.

REBATE OF DUTIES: NEW HEBRIDES.

Mr. JOHNSON (Lang) [4.13].—The motion standing in my name reads as follows:—

That, with a view to promote and encourage settlement by people of our own race in the Southern Pacific Islands — particularly in the New Hebrides group—it is desirable to allow a rebate of duties on all produce grown by British and Australian settlers in those islands coming into the Commonwealth.

I desire to amend the motion by inserting after the word "group" the words "and Papua."

Mr. SPEAKER.—That can only be done with the concurrence of the House.

Mr. BAMFORD.—Mr. Speaker—

Mr. SPEAKER.—The matter is not open to discussion. If the honorable member for Herbert objects to the amendment of the notice of motion, it cannot be moved in the proposed amended form.

Mr. BAMFORD.—I do object. I am entirely in favour of the amendment, but I am not in favour of the motion.

Mr. JOHNSON.—Of course, the motion itself will really include Papua; but I only desired to specialize that territory in connexion with the New Hebrides. Upon other occasions I have spoken at some length upon the importance of peopling the South Pacific Islands with members of our own race for the purpose of establishing trade relations, which in course of time—owing to the immense fertility of a number of those islands—must become very important and considerably add to the development of our commerce in the Pacific. Honorable members are aware that at the present time there is a scheme in progress to cut a canal through the Isthmus of Panama. That scheme was projected about a quarter of a century ago, but was not then proceeded with. When it was first mooted, however, I clearly saw that, in the event of effect being given to it, a great deal of our commerce, which now flows through the Mediterranean Sea, the Suez Canal, and the Red Sea would be diverted into an entirely new channel. I saw that a very large portion of it would be diverted into the Atlantic Ocean, and that, passing through the Panama Canal, it would cross the Pacific to the shores of Australia. I realize, as every thinking man must do, that the completion of this canal must bring about a great transformation so far as both the North and the South Pacific Oceans are concerned. From comparatively quiet, unfrequented waters, they will be transformed into, perhaps, the busiest ocean highways of the world, along which the great bulk of the commerce, not only of Great Britain, but of Continental countries and the east coast of America, will flow to Australia, as well as to ports on the west coast of North and South America. The Pacific Ocean, comparatively unfrequented as it is, will a few years hence become alive with the commerce of the civilized nations of the earth, and it is most important that Australia should consider what will be the effect of that transformation upon her own commerce, and her trade with other nations, which flows across these seas. One of the first things to be guarded against is the occupation by foreign Powers of the most important group of islands lying close to what will be the main route of traffic between Panama and Australia. It is essential for

the protection of our commerce on these seas that those islands shall be effectively "policed," and that cannot be done unless they are in the possession of Great Britain, or are at least under a British protectorate. With that object in view, every encouragement should be given to the people of Great Britain and Australia to settle in and develop the islands of the Pacific. We ought to grant every facility to those of our own race and blood, and who speak our own tongue, to settle in these islands, and so secure a preponderating influence in relation to any international adjustment which may have to be made hereafter in reference to their control. The New Hebrides group is not far removed from the trade route between Panama and Australia, and, in the opinion of myself and others, and particularly in the opinion of naval experts, they are, from a strategic stand-point, the most important group in the Pacific. They are so regarded because of their comparative freedom from the dangers of navigation, in the shape of coral reefs, which characterize most of the islands in the Pacific Ocean, and because of their spacious harbors, which afford a safe anchorage for ships of large tonnage. These harbors are well sheltered, have a safe approach, and afford the best facilities for the establishment of coaling stations and for naval armament and equipment purposes. It is mainly because I view the importance of the group from that stand-point that I am induced to table this motion. As honorable members are aware, the islands at present appear to be the subject of friendly controversy between the French and the British nations. But unless some satisfactory basis of settlement—satisfactory to Australia, I mean—is arrived at shortly, the struggle for supremacy between these two Powers in regard to the settlement of the group, which may be claimed later on to give the right to proceed from effective occupation to ultimate control, is likely to develop less friendly relations between ourselves and our French neighbours. As the disputes in regard to land tenure, which are at present the subject of a good deal of discussion, may ultimately be determined by the question of effective occupation, it is most important that we should encourage British and Australian settlers, by every legitimate means, to take up land in those islands, and assist in the development of their resources. I must certainly give credit to the Prime Minister for the

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statesmanlike attitude he has always adopted in regard to this question, and for the interest he has invariably displayed in it. It is due to him also to say that an arrangement was entered into between his Government and Burns, Philp, and Company, by which the latter were to take up certain land in the island, and afford facilities for the immigration of Australian settlers there. The company carried out that arrangement, so far as they were able to do so, and conveyed a number of Australians to the islands, either free of charge, or at nominal rates. The outcome of this arrangement was that a number of Australians took up land in the New Hebrides with the intention of developing the resources of the group. As honorable members are aware, copra is the principal article of export, and it is necessary that the settlers, while waiting for their coconut trees to reach maturity, shall have some means of obtaining a livelihood. It takes from seven to ten years for the coconut tree to reach the bearing stage, and the settlers in the meantime have been devoting their attention to the production of maize, coffee, and arrowroot. Maize, so far, has been the principal product on which they have relied for their maintenance, pending the turning of their coconut plantations to profitable account. It is unfortunate, however, that while these facilities have been placed at the disposal of the settlers—whilst we have given them an improved means of communication by increasing the mail subsidy—we have on the other hand raised a Tariff wall which prevents the introduction of their products into Australia. Increased mail services can avail them nothing so long as their products are shut out of our markets. In consequence of our action a number of the settlers in the islands have been reduced, in some instances, to absolute penury, and in nearly all cases to a condition bordering more or less on destitution. They have made several appeals to the Commonwealth Government to assist them, not by monetary grants, but by treating them as fellow Australians—as citizens of the Commonwealth, endeavouring to help in the work of building up the Empire in these seas. There is no doubt that, even under the most favorable circumstances, courage and hope, as well as skill, are needed by those who leave these shores to live under the conditions obtaining in the islands, and to do the work of pioneering there. But when,

after encouraging our people to settle in the group, we deliberately set up obstacles in the way of their progress, and close the only profitable market open to them, we are guilty of something worse than folly. The effect of this action on our part is likely to be very serious. We may not feel it immediately, but there is not the slightest doubt that, unless we take steps to remedy the evil we have created by our failure to afford reasonable encouragement to these settlers, we shall realize later on, in a very unpleasant way, perhaps, the blunder we have committed. I am glad to say that in nearly all the principal newspapers of this and other State capitals articles have recently appeared expressing opinions which coincide with my own. I am glad that a most instructive article of this character has appeared in the *Age* newspaper, because it is not often that I can speak in terms of commendation of the matter appearing in that journal. As the writer puts the case for the settlers in the New Hebrides very concisely, I may be pardoned for quoting what he says. The article appeared as a leader in the *Age* of the 25th June last, and is as follows:—

About the time the Commonwealth was created there was so great a danger of the New Hebrides passing completely under the domination of the French that the Government was obliged to take practical steps to avert an issue so menacing to Australian national interests. Strong representations were made to the Imperial authorities, and soon afterwards an agreement was entered into between the Commonwealth Government and Messrs. Burns, Philp, and Co., whereby the lands belonging to that company in the group were thrown open for British settlement. In consequence about sixty Australians were induced to settle in the islands and undertake the cultivation of cocoanut. The situation was thereby temporarily saved, for the influx of the new colonists turned the tide in favour of British supremacy. They set about the task of establishing themselves in the most sanguine spirit, and a bright future apparently lay before them. The idea was that they should derive their main income from copra—the product of the cocoanut—but as the cocoanut palm does not come into bearing for about seven to ten years after being planted, they expected to make their living in the meanwhile by growing maize and coffee for the Australian market. It was that prospect which persuaded them to leave their homes on the mainland and embark their capital and enterprise in the work of asserting and maintaining Australian interests in those lonely Pacific islands. The Commonwealth Parliament at once proceeded to reward them for their patriotism by breaking all its implied promises and treating them as outcast aliens. It passed a Tariff which very properly put a high duty on foreign grown maize and coffee, but as it neglected to provide any rebate

on British grown produce entering Australia from the New Hebrides, it showed in the most practical fashion that it regarded the British settlers it had enticed there as no better than foreigners and enemies. That Tariff still stands unaltered. The fact has already produced results injurious to the Commonwealth. Two-thirds of the Australian colonists have exhausted their capital and have been compelled to abandon their embryo plantations and quit the islands for want of a market in which to dispose of the products of their toil. Australian selfishness has ruined them, and those who still survive are being brought nearer to the same ruin, by the same cause, day by day. The French settlers, on the other hand, are flourishing. They are subsidized by the French Government to the extent of £34,000 per annum; their produce is allowed to enter Noumea practically duty free, and they enjoy the full rights of French citizenship. France realizes the enormous strategical importance of the islands, and is willing to make any reasonable sacrifice to secure them. She has lately offered British settlers the same rights and privileges as their French rivals now enjoy if they will become naturalized as French subjects.

Not only are the French settlers in the New Hebrides subsidized by the French Government, and by a company operating from France, but their produce is admitted into French ports practically duty free, because, while in the first instance duty is charged upon it, a very large rebate is allowed, and the balance collected is returned to the French authorities in the islands, to be expended in improvements, such as the making of roads, and the providing of wharfage accommodation, and other facilities for the transport of commodities to market. The British settlers, on the other hand, are heavily handicapped, because they cannot send their produce to French ports without paying heavy duties, and Australia, instead of giving them treatment similar to that given to the French settlers by France, has raised against them a Tariff wall, which keeps out their products, and these are then thrown back on their hands, often to rot, because in that climate maize cannot be kept very long without being spoiled. Therefore, not only are great inducements held out to the British settlers to forget that they are Britishers, and to remember that they are being treated by Australia as aliens and outcasts; but the people are being tempted by the fear of starvation and destitution to avail themselves of the undoubted advantages which would follow French naturalization. The article continues—

So far this offer has been refused, but there is good reason to fear that it may some time be accepted. The British settlers are growing

tired of being penalized and ruined for their patriotism. For five years we have been denying them the means of livelihood, although they exiled themselves to serve us. We shall have our own negligence and niggardliness alone to blame if they turn round and assist the French to obtain sole control of the group. It is said that such a proposal has been made, and that there is grave danger of the matter being seriously taken up.

We are loth to believe that anything could induce a body of British subjects to renounce their nationality; but there can be no doubt that the British settlers in the New Hebrides are very sore at the unjust treatment which the Commonwealth has meted out to them. At the present time a petition is in course of signature in the islands which is intended to be forwarded to Mr. Deakin, asking for preferential tariff treatment of British grown produce. We are, however, very well aware of the duty we owe to the petitioners, and it will be a lasting memorial to our discredit if we wait for the arrival of the petition to transact it.

Coming from an organ like the *Age*, which cannot be charged with leanings towards free-trade, these are very strong sentiments, and show the unwisdom of looking at the question from a fiscal stand-point. We should approach it with the desire to do what is best in the interests of the Empire, of Australia, and of the settlers themselves, and regard it as altogether outside fiscal considerations. The article concludes—

The Federal Government should immediately introduce a short Bill granting a substantial rebate of the Tariff on all British grown produce entering Australia from the New Hebrides. It could be passed in a single sitting, for we doubt if one member could be found to vote against it. This is a matter that concerns our national honour, which we pledged to the settlers whom we persuaded to go to the islands, but which we have yet failed to redeem. For other reasons we cannot too soon put this matter to rights. Interests which go to the very root of our future national welfare demand that British occupation of the New Hebrides should be paramount and permanent. This can only be effected by opening our markets to the British settlers. In no other way can British development of the islands be promoted. The men who are fighting our battle for us there ask nothing but the rights of Australian citizens, and many of them are Australians. They must live while they are struggling for a foothold. Hitherto we have watched their efforts without lifting a hand to help; indeed, we have done what we could to foil and hinder them and bring them to starvation. In a word, we have been playing blindly into the hands of France. It is not yet too late, perhaps, to remedy our folly, but we cannot afford to waste a single day in setting about it.

I thoroughly indorse what I have read. The dangers pointed out are by no means imaginary; they are only too real. In that opinion, I am supported by the statements contained in letters sent

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by British residents in the New Hebrides to friends in Australia, and, in particular, by a letter which I have received from the brother of a settler, who has been kind enough to give me a good deal of information about the conditions of settlement in the New Hebrides. The amount expended by France in the development of these islands is wholly out of proportion to the return which she gets from the French settlement there. But the European nations now realize that the Pacific may be the scene of the naval conflicts of the future, and therefore recognise the importance of guarding their interests by securing territory there. A generation ago, most of the Pacific islands, with the exception of those over which Great Britain exercised a more or less careless protectorate, were in the undisturbed possession of the aboriginal inhabitants, but to-day, owing to the want of foresight and activity on the part of the Downing-street authorities, foreign nations have established possessions in many places within a few days' journey of Australia, and at a convenient striking distance, should unfriendly relations between them and Great Britain arise. We cannot blame these nations for taking advantage of the situation, but we should reproach ourselves for not having been sufficiently alive to the value of the islands from a strategical, as well as a commercial, stand-point. At that time no national complications could have arisen from the hoisting of the British flag upon islands which are now in the possession of foreign Powers. In many cases where the British flag was hoisted, the British authorities did not appreciate the hold that they had upon the islands, and some were afterwards practically filched from them. I need only refer to Tahiti, Hawaii, Samoa, New Caledonia, and German New Guinea, over all of which the Union Jack once floated. I have the authority of the late Mr. Seddon for the statement that the New Hebrides were included in the original charter to New Zealand. And it is indisputable that they were largely discovered, surveyed, charted, and missionised by British effort, and at British cost. Gradually the islands to which I have referred have passed away from the British sway, and have been brought under foreign control. At present there is no chance of the New Hebrides being taken under the sole protection of Great Britain unless at the cost of some great sacrifice, either

of money or territory, or probably both. The islands are now under dual control, and France strongly desires to take complete possession of them. If we are not very careful, they will pass away absolutely from us, by reason of there probably being in a short time no longer any British interests in the islands to be safeguarded. I wish to quote a letter which I have received from a settler in the New Hebrides, who says—

The situation in the group, from a British and Australian stand-point, is one of extreme gravity. And on the question of prompt action or otherwise by the Commonwealth Government the fate of the group on the score of national control now virtually hangs. The French Government see what an immense advantage they have, in the fact that Australian settlers here are treated by the Australian Government as aliens and foreigners, and their products shut out of their only market by prohibitive tariffs. This has already practically ruined many settlers, who, after exhausting their small capital, have had to abandon their plantations. Small wonder that these ruined men are bitter in soul, and in the struggle between patriotism and destitution, are strongly tempted to yield to French inducements to change their allegiance from the British to the French flag. Surely the small amount of produce that the Australian settlers send into the Australian market cannot seriously be regarded as competition that can hurt Australians, who are their brothers. And look at the issues at stake from the nation's stand-point. The Australian settlers cannot hold out much longer against the tempting bait of the better trading opportunities offered them by the French authorities, and once they yield, the case for French control, on the ground of effective occupation and French trading interests being paramount, will be unassailable. So for God's sake do try to get the Australian Parliament to realize what apathy or neglect must mean. The control of these islands by a foreign Government means practically that the Gibraltar of the Pacific is, through sheer folly, stupidity, and apathy, lost to our nation, for whatever nation holds the New Hebrides holds the key to the whole of the Southern Pacific trade routes once the Panama Canal is an accomplished fact. But this you know as well as I do, because you have often proclaimed the same fact.

The writer is in a very unfortunate position. He sold out his property in Australia, and invested all his money in the New Hebrides. He assures me that he has practically lost everything, but he is still endeavouring to prevent others from falling into the snares set by the French settlers in the direction of inducing them to accept French naturalization. Another letter has been addressed to Senator Smith by a New Hebrides settler, who, in reference to the petition sent to the Prime Minister, says—

The main point dealt with is the unsatisfactory condition of British development here, owing to the abandonment of plantations in embryo by

men who have exhausted their capital, and find it impossible to continue planting, through the lack of a market to which they can send their produce, such as maize, millet, &c. Another argument touched upon is the danger of a movement being inaugurated among British settlers to assist the French in their efforts to obtain complete control of the group. Such a proposal has actually been made, and I have reason to believe that there is grave danger of the matter being seriously taken up.

To renounce one's nationality is a grave step to take, but under the peculiar circumstances it is an Act that would find condonation even among the most patriotic. One's sentiment of patriotism is apt to become deadened when one's own country refuses to regard one as anything but a foreigner. This is a particularly sore point with Australians here, especially as we claim to be trying to colonize in the interests of Australia.

There can be no successful efforts at development until the one obstacle, the tariff, is wholly or for the main part removed; and our petition embodies a request for a rebate of at least three-fourths of the amount of tariff on all British-grown produce from the New Hebrides.

The amount of produce imported into Australia from the New Hebrides is very small, and, even from the point of view of a pronounced protectionist, could not be regarded as likely to exercise any appreciable influence upon our markets. I gather from an official return laid upon the table, on 10th August, 1904, that the quantity of maize sent to Australia was 18,266 centals.

Mr. DEAKIN.—What period does that cover?

Mr. JOHNSON.—The year ended 30th June, 1904.

Mr. DEAKIN.—There must have been a great deal more imported.

Mr. JOHNSON.—The quantity I have mentioned was carried in vessels owned by Messrs. Burns, Philp, and Company.

Mr. DEAKIN.—For the calendar year 1904, the importations amounted to 34,000 centals. During the previous year a larger quantity was imported, but there has been a heavy drop since.

Mr. JOHNSON.—In any case, the amount imported was very small in comparison with our requirements. The return which I have mentioned shows the produce which has been carried from the New Hebrides to Australia in vessels owned by Burns, Philp, and Company during the year ended 30th June, 1904. I find that 2,026 tons of copra, valued at £24,312, were sent to Sydney, and admitted duty free. Eighteen thousand two hundred and sixty-six centals of maize, of a value, including duty, of £4,112, were imported. The amount of duty paid was £1,370. Of

coffee, 86,480 lbs., valued at £2,162 c.i.f. at Sydney, was imported, and the duty paid amounted to £1,081. Of arrowroot, 6,500 lbs., valued at £50, was imported, and the duty paid amounted to £13 10s. It will thus be seen that our importations from the New Hebrides are scarcely worth taking into account when compared with our local production, and their introduction into our markets free of duty could not interfere to any appreciable extent with our local producers. It is of the highest public importance, not only from the commercial, but also from a strategical stand-point, that we should increase our interest in these islands. We have to consider the important position which the islands occupy in regard to the great Pacific trade route to the old country, which will be opened up when the Panama Canal is completed. Above all things, my reason for wishing to see British supremacy maintained in the islands is that effective policing of the South Seas by the British Navy may be rendered possible, in the event of our unfortunately becoming embroiled in hostilities with any of the great naval Powers who have established themselves in the Pacific, or, in fact, with any other Power. Let us hope that that occasion may never arise, but, at the same time, hold ourselves prepared for the worst. It would be a grave mistake to allow matters to drift, and to permit foreign nations to absorb all the islands of the Pacific, thus depriving us of any strategic base of value from which we could conduct operations for the protection of our commerce. I have included the New Hebrides group in my motion, because it possesses harbors unrivalled in the Pacific. Havannah Harbor, in the island of Vati, is perhaps one of the finest in the world. It has an entrance which is fully a mile wide, and a depth of water which is capable of floating the largest battle-ship that is likely to be constructed. Even close in shore a depth of from 15 to 20 fathoms can be obtained. It is a harbor which is splendidly situated for a naval base, because it is almost naturally fortified. At any rate, the cost of fortifying it would be very small indeed. I believe that it might be made absolutely impregnable at a comparatively small cost. The French realize its importance to a far greater extent than do the British authorities, if we are to judge by the apathy which they exhibit in connexion with these islands. There is another harbor in the island of Mallicollo—I refer to Port Sandwich—which has also

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excellent facilities for shipping accommodation and for a naval station. But the best feature about these islands is that the harbors of which I have spoken are approachable in all kinds of weather—an advantage which cannot be claimed for many harbors in the South Pacific, most of which are surrounded by dangerous coral reefs. Much more could be urged in support of this motion. I am very anxious to see British settlement take place all over the Pacific, unhampered by tariff or other restrictions, and more particularly am I desirous that it should be encouraged in the New Hebrides, in order that when the time comes—as come it must—when their national control must be determined, we may be able to demonstrate our effective occupation, and the paramountcy of British interests in that group.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [5.3].—I ask the honorable member to consent to an adjournment of this debate. The figures which he has quoted from the paper which he has read—to give one illustration—do not agree with those which have been furnished to me. In fact, the two sets of figures seem to be utterly irreconcilable, and I shall be very much better able to reply to the honorable member if I am first permitted to obtain an answer to the joint communication which the late Premier of New Zealand and myself forwarded to the mother country, in reference to the various matters with which he has been dealing. That reply I hope to receive before this question again comes on for discussion.

Debate (on motion by Mr. DEAKIN) adjourned.

TOLL TELEPHONE SYSTEM.

Mr. WEBSTER (Gwydir) [5.5].—I move—

That, in the opinion of this House, it is necessary and advisable to adopt the toll or call system throughout the telephone service of the Commonwealth at the earliest possible date.

During the recess a heated controversy has been waged in the metropolitan press in connexion with the proposal of the Government to introduce into the Commonwealth a system which has been generally adopted in countries where the telephone is largely used. No doubt there are many honorable members who thoroughly agree with that proposal, because they have satisfied themselves that the change which has been outlined is urgently required, not only in the

interests of the Department, but in the interests of the public. Throughout the large cities of Australia the Government have been subjected to very strenuous criticism because they propose to introduce the toll telephone system. City residents strongly object to any change from the flat system—the system under which a yearly rental is paid for the use of the telephone irrespective of the number of calls made by, or the services rendered to, the subscriber. Abundant evidence can be found in almost every civilized country in favour of the adoption of the toll system. The other day, when I asked the Postmaster-General whether it was the intention of the Government to make that system compulsory, I was sorry to receive the reply that it was not proposed to make it compulsory in the case of the present subscribers.

Mr. EWING.—Only in the case of new subscribers.

Mr. WEBSTER.—Exactly. All the evidence which I have obtained points to the fact that it is not only reasonable to apply the toll system to new subscribers, but that it is absolutely essential—if we are to secure the full use of the telephone service—that it should be made general throughout the Commonwealth. I have taken the trouble to consult authorities upon this matter, whose word cannot be questioned, and they all emphasize the economy attending the adoption of the measurement system as compared with the flat system. In this connexion, I wish to refer to the utterances of Lord Stanley when Postmaster-General of Great Britain. In a letter to *The Times*, describing the utility of the measurement system, he says—

There are two systems of charge in London—the unlimited service system and the message rate system. The unlimited service system . . . in Lord Stanley's opinion, is unsuitable for a modern telephone exchange service, and owes its continuance to the force of custom and the demands of a limited number of large users. . . . The London exchange system is constantly increasing both in the number of subscribers and the number of exchanges.

In again referring to the matter a little later, he says—

It is clear, therefore, that no fixed rate for unlimited use can adequately correspond with such conditions. If fixed with regard to the cost of the service for a large exchange system, it must necessarily be prohibitive for small users, and if fixed on the basis of the cost of a small exchange system, it must soon become unremunerative. In Lord Stanley's view the proper method of charge is that which was recom-

mended by the Select Committee of 1898, under which the payments of the subscribers are fixed in proportion to their use. The measured rate system offered by the Post Office fulfils this requirement, and its advantages have been proved by its acceptance by more than 90 per cent. of the subscribers to the London Post Office system.

The toll system has been in use in the United Kingdom for some time, with the result that it is applied to 90 per cent. of the telephone subscribers there. In corroboration of Lord Stanley's remarks, I desire to quote from a report by Mr. John Gavey, Engineer-in-Chief of the British Post Office, who makes these very pertinent remarks—

I think that the true solution of the question of tariffs is the introduction of the measured service—that is, a moderate subscription to cover the line and the telephone, with a moderate fee per transaction. That system, if generally introduced, would bring about a great measure of economy, not only amongst the users of the telephones, but in the administration of the service. Under the ordinary method of flat-rate charging, the large users get the advantage—the smaller users are penalized. Again, the large users fill up their lines to the very utmost possible degree; in other words, they will not rent a second line until they are absolutely compelled to, with the result that subscribers who call them up are, in 50 per cent. of the cases, told the line is engaged. The answering of the call and the testing of the line occupies as much of the operator's time as the putting through; the result is that the cost of working on the flat-rate system is much increased, and the smaller user is penalized, and, I think, whatever measure of economy in rates may be anticipated by the Committee or the country at large will depend rather on the general introduction of the measured service of charges than the perpetuation of the flat-rate system.

These statements emphasize a very important point in connexion with the reform which I am now urging. According to Mr. Gavey, the flat system is not only unjust, but it is detrimental to the efficiency of the service, besides being expensive as compared with the measurement system. He declares that under the flat system certain subscribers will use their instruments to the fullest possible extent. It is that fact which accounts for many persons being so frequently told when they wish to communicate with a certain subscriber that the line is engaged. Important evidence bearing on this question was also given by Mr. W. E. L. Gaine, general manager of the National Telephone Company. These authorities—all men of vast experience—speak in no uncertain voice as to what would be the effect of the proposed change. In referring

to a meeting at Sheffield, at which he urged the adoption of the measured as against the flat system, Mr. Gaine said—

I endeavoured to show with what amount of plausibility I was capable of that this was the most righteous system that could be, that you paid according to use; but, in the very strongest language, the meeting did not care for that; they would not have it at any price, and one man coming down the stairs when I was enlarging upon the beauties of the system, said he did not care, &c., it would cost him £95 a year instead of the £8 or £10 which he was then paying, and he was not going to have it.

That practically is the objection raised by those who use their telephones to the fullest extent under our system. They complain that if they were called upon to pay according to the use they make of the service they would be charged far more than they are under the flat system. Naturally they are opposed even to the partial change contemplated by the Government.

Mr. EWING.—If they obtain too much for their money some one else must be getting too little.

Mr. WEBSTER.—Exactly. The injustice is, so to speak, a double-edged one. The man who obtains more than that for which he pays is doing an injustice to the State, and is receiving something to which he is not entitled, whilst the person who only occasionally uses the telephone is penalized. He has to pay practically the same as the man who avails himself of the system to the fullest extent. Mr. Gaine, in answer to the question, "And it cuts against popularizing the service," said—

I think it does. The "toll" system I would take with both hands to-morrow, a small charge and id. a message, and I think you will do a great deal to popularize the service.

I have also a report of the evidence given by Mr. John Gavey before the Select Committee of the House of Commons, in which he emphasizes the opinions expressed by other witnesses to whom I have referred. He said—

Evidently the fear of being charged with the tolls for the excess conversations immediately eliminated all frivolous and unnecessary talks.

That is another aspect of the question. The introduction of the measured system confers a great benefit on subscribers generally by eliminating the unnecessary and frivolous talking which goes on, to the detriment of those having legitimate business to transact over the wires. I am satisfied that these gentlemen, who are responsible

advisers of their Departments, realize the true trouble at the root of the telephone system. Mr. Gavey went on to say—

Differential toll might be imposed somewhat of this character:—Suppose the first 1,500 messages were charged at a penny and the next 1,500 at a halfpenny, and then all beyond that at a farthing.

That proposal was practically made to override the objection of those who use the telephone to its fullest extent. I believe that it is under the consideration of the Government, and that they will have some suggestion to make to the House with reference to the scale of charges and the limited number of calls to be allowed under the new regulations. Evidence was also given before the Committee by Sir William Preece, one of the greatest authorities on telephony in the British Empire. He said—

In America (in Buffalo) they started a system of charging only for the work done—they call it "a toll." It is a bad term, but it has got introduced, and we cannot help using it. It means this: That in Buffalo they commenced (in 1880, about) to charge their renters only for the service rendered, at so much per talk. In Switzerland, and partially in Stockholm, and partially in certain parts of France, they have adopted this toll system. Now, sir, my view is this: That this toll system, in itself, is an extremely fair mode of charging, because you really extract from the user of the telephone something, *pro rata*, for the service you render him. When you ask, say, two men to pay £20 each in London, the one may send twenty messages in a day, and the other man not twenty messages a month, so that the incidence of the charge is unfair.

These eminent men agree that our present system is not only ineffective and unjust, but also pernicious, from the stand-point of the administration of the service. We have further evidence by equally competent authorities. I have here the testimony of the American Telegraph and Telephone Company, to whose allied systems no less than 2,500,000 telephones were connected on 1st January, 1906. Surely a company controlling so vast a system, and having such a wide experience, should be able to speak with authority on this subject. In their annual report for 1904 they say—

But little need be added to what has been said in former reports with reference to the effect of the operation of the so-called independent telephone companies upon the interests of the Bell company. In some cases their competition, particularly in view of the rates at which they undertook to supply service, and which they themselves, to a large extent, now

publicly acknowledge to have been entirely inadequate, has undoubtedly operated as an embarrassment to the logical progress of the business.

Mr. J. J. Carty, then chief engineer of the New York Telephone Company, made these observations—

Under the flat-rate method of charging in large cities the more times the customer uses his telephone during the day the greater is the expense to the telephone company. This is due, not only to the increased number of operators required, but also to the increased switch-board sections needed for them, and to the increased trunk line plant. By the method of flat-rate charging there is no motive for the telephone company to encourage an increase in the number of calls. For this reason, a flat-rate plan would have to be so engineered, and the rates would have to be so established, that extension stations, desk stands, and other auxiliaries tending to make the use of the telephone easy, and therefore more frequent, must be discouraged.

The existence of the flat rate in such cases would not only be attended by all of these consequences, but many others, one of which in particular is of great importance. I refer to the excessive use of the subscribers' line which such a rate engenders. The consequence of this excessive use is that the busy calls attain such serious proportions that it is difficult, if not absolutely impossible, to give satisfactory service. This trouble from busy calls has at times attained such serious proportions that engineers in various places have exerted extraordinary efforts to mitigate the evil, but without success. This difficulty having been caused by commercial methods could not be overcome by the engineer employing physical methods. The solution of this difficulty lay with the business management, and consisted in the adoption of a proper system of message rates. Once such a method was put into force, all of these difficulties which I have enumerated as pertaining to the flat rate, and many others which I have not taken the time to explain, disappeared.

He then went on to refer to the effect of the flat rate system, and the wisdom of its adoption, saying—

As soon as the message-rate system was adopted all of these difficulties disappeared, and many positive advantages, not even suspected as residing in the message-rate plan, developed. Under the flat-rate system there was every temptation for the subscriber to send as many calls as possible over one line. This, as I have already stated, resulted in overcrowding the line, and was attended by bad reactions of every kind. Those having but small use for a telephone could not afford to pay the high flat rate which that method of working made it necessary for the telephone company to charge. The consequence of this was that only those having a large number of calls installed a telephone, and those having small use of the telephone made it a practice to use the telephones of their neighbours, or did not employ the telephone at all. This practice on the part of the small user was a natural one, in

view of the fact that under the flat rate the telephone subscriber considered that it cost him nothing to allow his neighbour to use his telephone. All of this resulted in a system largely composed of overloaded lines. Under the condition obtaining in our large cities, the relief of an overloaded line can be obtained only at the expense of a second line, which, in most cases, meant doubling the cost of the telephone service. For this, and many other reasons, the desired relief could not be obtained under the flat-rate system.

I think I have read sufficient to show that the leading authorities throughout the world agree that the system in force in Australia to-day is insufficient to meet the demands of the public. They agree practically that it interferes with the economy and efficiency of the service. They all emphasize the point that the person who uses the telephone to its full extent obtains more than that for which he pays. It must be recognised that the greater the number of calls the greater the cost of administration. It has been calculated that fourteen calls a day practically cost as much as the subscription paid by the subscriber, having regard to the necessary addition to working expenses of the amount required for a sinking fund, and to cover interest. That is to say that, when an operator has answered fourteen calls, the subscriber making them has obtained full value for his money. Every subscriber who uses a telephone more than fourteen times a day gets a service for which he does not pay. About 1 per cent. of the subscribers in Australia use their telephones over 100 times a day, and 10 per cent. fifty times a day, while a very large number use them more than fourteen, but less than fifty times a day. But every subscriber who exceeds fourteen calls is getting a service for which the Department is not adequately remunerated. A person using the telephone forty times a day, if he were allowed the maximum number of 600 calls per annum, and charged ½d. for each additional call, would be asked to pay £27 10s. per annum for his telephone service, and, although that is much more than any subscriber pays now, the service would be a very cheap one at the price.

Mr. EWING.—Under the present system the Government loses as much as £20 per year on some telephones.

Mr. WEBSTER.—I believe that there are cases in which the Government loses considerably more than that amount. Not only does the Department lose revenue, but

the service is rendered ineffective, and thus great annoyance is caused. When a line is used to its fullest extent, the effectiveness of the service is necessarily interfered with, many subscribers being prevented from getting the numbers for which they ask, and having to make five or six calls before they can secure connexions. This is very disturbing to their tempers, and results in nervous injury to the operators of the switch-boards. Subscribers, not knowing why they cannot be connected, often assume that the operators are not paying proper attention to their work, and the language used on these occasions is often such as ordinary men would not care to listen to, while sensitive girls have been seen by the superintendent to burst into tears as the result of the insults offered to them. No man would like his daughter to be placed in a position where she might be treated in this way. I hope that the Government will not hesitate to make the proposed change. They should not pander to those who have been protesting so largely of late against any increase in the rate. I believe that if the change were set about at once, the new system could be in thorough operation before the end of 1909. When it is brought about, subscribers will be charged for the service actually rendered to them, and no one will have to pay for a service he does not get. Some persons grumble because it is proposed to charge $\frac{1}{2}$ d. a call for every call exceeding a certain maximum; but that is an absurdly cheap rate at which to send a message over a distance of, perhaps, five or ten miles, a reply being obtainable for which no charge is made. Before the invention of the telephone, urgent messages had to be despatched either by telegram or by special messengers, a system always much less satisfactory than the telephone, and much more costly. Owing to their brevity, telegrams were frequently misread, and no answer could be obtained to them without extra payment, while the up-keep of messenger staffs was in many cases very large, and in neither instance could communication be entered upon in anything like the time that is taken when the telephone is used. But, while metropolitan subscribers are grumbling at this small charge, if the people in the country ask for a telephone exchange their request is not even considered until proper guarantees are signed to cover possible deficiencies in revenue during a number of years' work.

Mr. Webster.

The people in the large centres of population have hitherto obtained a cheap telephone service to the disadvantage of small subscribers, and of those in country districts. Of course, many whose telephones now are used very frequently would be glad of the adoption of the toll system. Hotel telephones, for instance, are used at all hours of the day and night for the purpose of frivolous inquiries, and often attendants are constantly kept busy answering the calls of persons who wish to know if certain visitors are staying there. If one halfpenny had to be paid for each call, calls would be less frequent, but the departmental revenue would be increased, while the hotel proprietors, as most of them recognise when the position is explained to them, would be put to less expense for attendance. Some of the business men who at present pay only £9 a year, for their telephones—1 per cent. of them—get a service worth £100 a year, and would have to pay that sum to the Department if they were charged $\frac{1}{2}$ d. each for all their calls over a certain maximum. On the other hand, there are many small business places where the calls are not more than four or five, or even two a day, and at present they have to pay as much as those who use their telephones continually. That in itself indicates the need for a change—not a half-and-half change, but one which will give the community the full benefit derivable from the toll system. The Government have indicated that they are disinclined to apply the toll system to the subscribers who are at present paying the flat rate. If they do not, it will be years before the benefits of the change are fully felt. In America the toll system was adopted many years ago, and owing to the small annual charge made under that system, the subscribers under the flat-rate system have not increased, but, on the contrary, have gradually diminished, until they now number only 1 per cent. The extension of telephones under the measured system has been very great in other parts of the world. In America there was an increase of as many as 500,000 subscribers in one year, and in Germany the annual calls increased from 20,000,000 to 100,000,000 a year, while during the last four years, there has been a further increase of 40,000,000 calls. In New York in 1893 there were 10,000 instruments in use, and, in 1904, 140,000, only 1 per cent. of which are at present

under the flat-rate system. The American Telegraph and Telephone Company increased the number of their subscribers by 500,000 in one year.

Mr. JOHNSON.—From what is the honorable member quoting?

Mr. WEBSTER.—From a number of eminent authorities to whom I have referred. The report of the American Telegraph and Telephone Company for 1905—the latest report to hand—shows that instead of the profits increasing as the number of subscribers is added to, the reverse is the case. The cost of administration becomes greater, and, generally speaking, the expenses increase in far greater proportion than the receipts. In large cities it is more expensive to properly equip the service than in smaller communities. For instance, wires have to be carried under ground at very great cost, and other expenses have to be incurred which are not entailed in the towns. It has been found in America, Germany, and in England that a higher charge must be made in the large cities than in the towns. Therefore, we are told that we cannot expect any material reduction below the amount estimated by Mr. Hesketh, who suggests that a fixed rate should be charged for 600 calls per annum, and that subscribers should be called upon to pay $\frac{1}{2}$ d. for each additional call. He contemplates, however, that the new system will be much cheaper than that now in vogue. In Switzerland the measured system has resulted in considerably reducing the average number of calls per annum. Prior to its introduction, the average number of calls per annum for telephones was 800, but afterwards the subscribers were so far influenced by their fears that they might exceed the number of calls allowed for the fixed charge that the average number of calls was reduced to 544 per annum. It must be remembered, in connexion with the charges now made for business and private telephones respectively, that many business houses do not use their telephones more than two or three times a day, whereas many private telephones are in use upwards of fifty times per day. It is, therefore, anomalous that the business man should have to pay £9 per annum for his service, whilst the owner of the private telephone should be called upon for a fee of only £5. The measured system appears to me to be the only means by which we can make charges upon an equitable basis. If, in connexion with our postal system

we were to say to business men, "You can post as many letters as you like for £10 per annum, whether it be two or three or a sack full," we should be laughed at, and declared unfit to manage the affairs of the country. And yet that is practically what we are doing with regard to our telephone system. We offer a man an annual service at a fixed fee irrespective of the extent to which he avails himself of it. I trust that the Government will realize the necessity of adopting the measured system as soon as practicable. Experience in other countries has shown that the introduction of that system of charging has resulted in a large extension of the service, and a great increase of revenue. The public could be provided with telephone facilities at a much cheaper rate, and the service could be extended to an almost unlimited extent. I recently interested myself in obtaining a telephone exchange for Gunnedah, in my electorate. I communicated with the Department, and they made a proposal to establish an exchange on condition that fifteen subscribers were obtained under the flat system at £8 per subscriber per annum. Upon the matter being represented to the business people of the town, only five persons proved to be willing to join the telephone exchange under those conditions. Matters were allowed to remain in abeyance for some time, and subsequently I urged upon the townspeople the desirability of subscribing to an exchange upon the measured system. That system has not yet been adopted, but an offer was made to the townspeople to establish an exchange and to charge subscribers on the measured system £4 per annum for 600 calls. This great reduction in the annual fee had a marked effect. Within a very short time, twenty-nine persons indicated their willingness to become subscribers, and within a month that number of agreements were forwarded to the Department. Subsequently, five other agreements were signed, and the townspeople are now waiting until the Government have the courage to bring the new system of charging into operation. This example is sufficient to indicate the large field that awaits exploitation by the Department. Then again, it seems to me that we might very well avail ourselves of the party-line system which has been adopted in the United States, England, and elsewhere. In America, three and four subscribers may join in the use of the one line, for which a much-reduced charge is made.

Under this system, great inducements are offered to a large number of persons to avail themselves of the telephone service. It has been proposed that we should allow two persons to use the same line at a charge of £3 5s. per annum each, as compared with £5, and it may be possible to permit a larger number of subscribers to share in the use of a line at a still further reduced fee. I have every hope that electricians will soon be able to overcome the difficulties which now arise owing to the possibility of persons connected with the same line being able to overhear conversations to which they are not supposed to listen. Under a system that is now being tested, I believe that it will be possible for twenty subscribers to use the one line without interfering with each other. If present expectations in this regard are realized, it will be impossible to fix any limit to the development of the system. The Government have in Mr. Hesketh, an officer whose heart is in his work, and who understands the whole of the mechanical, electrical, and commercial aspects of the service. He has been to America and has gained a great deal of valuable information. I should like to quote a few of his remarks with regard to the extension of the telephone service. He says—

To briefly condense the conclusion, it is impossible to avoid after a close study of American conditions, I believe that to establish any telephone system upon secure lines—lines which will induce the greatest number of people to partake in its privileges, is not to leave the outside districts until the large centres are fully provided for, but to build from the outside districts in towards the large centres, or, at the very least, to give to the outside districts an equal share of attention.

It were better to leave the cities to press their requirements, and to go out offering the advantages to the country districts, than to do the reverse. The business men in cities know the use and convenience of a good telephone system; the farmer may not. Therefore special care should be taken that the advantages are pointed out to him, and that he is given every facility for sharing them.

Mr. Hesketh's statements clearly indicate that up to the present time the telephone system has not been used to advance the welfare of the persons who are developing this country. He argues that the system should be developed in the country districts and worked in towards the centres of population. I want the Minister representing the Postmaster-General to recognise that that is a cardinal feature in Mr. Hesketh's report. The Vice-President of the Executive Council represents a country constitu-

Mr. Webster.

ency just as I do, and he must realize the advantages which telephonic communication would confer upon rural residents.

Mr. EWING.—It is an absolute necessity to country life.

Mr. WEBSTER.—Undoubtedly. It is one of the factors which tend to make endurable the lot of persons settled upon the land. I have no desire to delay the House by quoting from the whole of the material in my possession, because I have already sufficiently shown that the adoption of the toll system is urgently required in the interests of the telephone service itself. If we send officers to other countries to ascertain what is being done there in the way of providing telephonic facilities, we must be prepared to pay some regard to their reports, and we must face the problems presented to us—not in a half-hearted manner, fearing the opposition of a few city merchants, but in an absolutely fearless and just way. Let us so regulate our telephonic charges that each subscriber shall pay for the service which he receives. That is the basis upon which the Department should be administered. There is no excuse whatever for the Government hesitating to substitute the toll for the flat system at the earliest possible date.

Mr. McWILLIAMS.—Does the honorable member favour the scale of charges which was framed by the Government, and which was afterwards withdrawn?

Mr. WEBSTER.—I am not too sure about that. The scale to which the honorable member refers was an exceedingly liberal one, as compared with the charges that are levied in other countries. I admit that the Government showed a lamentable weakness in withdrawing that schedule. There is no country in the world which offers more liberal conditions than those which were proposed. They proposed 600 as the maximum number of calls allowed for a fixed fee, and ½d. for each additional call. In Switzerland, the maximum number of calls is 600, and for each additional call a charge of 1d. is made.

Mr. THOMAS.—I think the honorable member is mistaken.

Mr. McCAY.—What is the minimum charge in Switzerland?

Mr. WEBSTER.—It is £6 10s. per year.

Mr. McCAY.—And is a charge of 1d. made for each additional call?

Mr. WEBSTER.—Yes.

Mr. THOMAS.—Is that the information contained in Mr. Hesketh's report?

Mr. WEBSTER.—No.

Mr. THOMAS.—Then, I think that the honorable member is mistaken.

Mr. WEBSTER.—For the benefit of the honorable member for Barrier, I will quote the evidence tendered by Mr. Babington Smith before a Select Committee of the House of Commons upon the charges levied in Switzerland. He says—

I should like to express a very clear opinion that if it can be effected the right thing to do would be to get rid of the unlimited service rate altogether. What is the present tariff? £17 for an unlimited service; but I may remind the honorable member that under the message rate you can get a telephone for £6 10s., and I may perhaps add, that of the Post Office subscribers 90 per cent. take the message rate, and not the unlimited service rate; that is to say, £6 10s. covering 360 calls.

Mr. THOMAS.—But the honorable member was speaking of Switzerland.

Mr. WEBSTER.—Yes, I was mistaken.

Mr. THOMAS.—In Switzerland I think that the Department charges a nominal fee and ½d. per call from the jump. That is what the Government ought to do here.

Mr. WEBSTER.—In England, where the telephone system is controlled by the Government, the annual charge is £6 10s., whereas our charge, under Mr. Hesketh's scheme, would be £7. Further, in the United Kingdom 360 calls constitute a maximum, and thereafter a charge of 1d. per call is levied. I hold in my hand the figures relating to the charges imposed in Switzerland, Germany, and other countries, but there is no need for me to quote them, because I shall have another opportunity of doing so before the session closes. I am extremely sorry that the Government have yielded to the clamour of the large telephone users in the cities of Australia. It seems to me that the metropolitan press control the Government of the Commonwealth. The newspapers of the different capitals teemed with correspondence upon the Government proposal to introduce the toll system, and the Government, listening to the appeals of interested parties, immediately withdrew their scheme, which consequently did not come into force upon 1st July, as was originally intended. It may be their intention to fix 750 calls as the maximum allowed for a fixed annual fee, and they may intend to charge ½d. per call for the first couple of thousand calls in

excess of the maximum. If any such proposal is brought forward I shall oppose it. It would be unfair to impose differential rates in regard to the telephone service. I understand that Mr. Hesketh has supplied to the Postmaster-General a later—and a very lengthy and able report—upon this matter. I believe that that report has been before the various officers in the different States, and that it is ready for submission to this House. I should like to have seen it before proceeding with this motion. If the Government do not agree to substitute the toll for the flat system within a period of three and a half years, the reform of which they speak will be a mere make-believe—a reform which is unworthy of them and of the gentleman who is controlling the administration of the Postal Department. Upon behalf of the farmers and settlers in the country—of those who do not enjoy telephonic facilities to-day, but who live practically isolated from their fellows—I appeal to the Ministry for consideration. While meting out justice to city subscribers we can at the same time act fairly to residents in the country. There is no justification for the Government resisting my appeal, whilst greasing the fattened sow. City merchants raise their voice against the granting of any concessions to the farmers, and yet, in connexion with the working of a socialistic institution like the Post Office they are prepared to accept five times the amount of service to which they are legitimately entitled. It is they who are getting the benefit of the socialistic machine. They do not object to that, but they are the first to protest against the application of the same system to people who are far more deserving of consideration at the hands of the Government. By placing the telephone charges upon an equitable basis, we shall clearly show that we have the interests of the people at heart, we shall increase the number of subscribers one hundred-fold, we shall give relief to those who cannot afford to pay the present rates, and we shall provide a more effective service. Our telephone system is absolutely out of date. In Sydney the metallic system is not yet in vogue, although it is in operation in Brisbane. In the latter city, subscribers do not suffer from many of the inconveniences common to the single-line system. In order to enable us to establish that improved system throughout the Commonwealth we must obtain revenue from some

source. If we do not, the reform will be delayed for many years. By adopting the toll system we shall at once secure the means to enable the metallic circuit to be introduced throughout the length and breadth of Australia, and we shall then be able to connect our telephone wires with numbers of subscribers who cannot be connected under the single-line system. The system calls for reform in regard to its mechanical, administrative, and financial aspects, and I trust that the Government will see that that reform is carried out so that the people may derive to the full the benefit of this great modern convenience.

Mr. LONSDALE (New England) [6.16].—I can support to a large extent much that the honorable member for Gwydir has said. There is no doubt that the telephone system is of immense importance to the commercial community, and that it is also a great convenience to those living in the rural districts to which it has been extended. As to the method of payment, the call or toll system requires that payment shall be made for the services rendered.

Mr. EWING.—It is right in principle.

Mr. LONSDALE.—That is so, but it cannot be applied to all branches of the Post and Telegraph Department. If it were applied, for instance, to the mail services, those living in the interior would have to pay very heavily indeed for the delivery of their mails as compared with what would be the cost to those living in the cities. The Department should go into this matter thoroughly and should commence with the preparation of a proper business balance-sheet, showing the capital expenditure and the cost of maintaining the service. One reason why many country districts are unable to secure extensions of the telephone system is that a very high charge is made for erecting the lines. Some weeks ago I referred to this phase of the question, and I desire to again bring it under the attention of the Minister. Before determining upon the rates to be levied, the Postmaster-General should have a business-like balance-sheet prepared, and ascertain what the service is costing.

Mr. EWING.—The information regarding the whole system was made available only about a month ago.

Mr. LONSDALE.—Quite so. It is idle to talk about conducting this system on business lines unless our words are followed by deeds. One great obstacle in the way of the extension of the system to

country districts is that the persons to be served are required to pay not only for the erection of the lines, but for their maintenance, a fee of 25s. per annum being levied for the latter purpose. The honorable member for Gwydir said that under the present system a merchant could obtain for £9 a year a service that would cost him £100 per annum under a toll system of ½d. per call. I would point out, however, that that would mean 50,000 calls per annum, or in other words, 1,000 a week, 150 a day, 19 per hour, or 1 in every three minutes. I scarcely conceive it possible that any merchant makes such a demand on the service. It is idle for us to base our arguments in favour of the extension of the system to the country districts upon such statements. As a matter of fact, some business establishments have not one but several telephones in use; and, whilst we seek to do the right thing by the rural districts, we must recognise that in all matters of business we ought to be just and reasonable. The position of these merchants should be considered. The call system is, in my opinion, the best that could be adopted, since under it every man has to pay in some degree for the services rendered him. It also prevents frivolous conversations over the lines. Another point is that if payment had to be made for each call those having telephones in their private houses would not allow their neighbours to use them as so many of them do at present. Such a practice is forbidden by the Department, but human nature is such that every one seems to delight in obtaining something at the expense of the Government. This use of the telephone service by non-subscribers would not occur if it meant that the subscribers themselves would have to pay for it. I cannot express an opinion as to the number of calls that should be allowed at a fixed rate, but the proposal that the charge should be reduced as the number increases is a wise one.

Mr. EWING.—Once the correctness of the toll principle is admitted the question as to the number of calls to be allowed is simply a matter of detail for consideration.

Mr. LONSDALE.—That is so. When I first read the correspondence in the press in reference to this subject, I thought that the initial charge proposed to be made by the Government was too high. That charge should be sufficient to cover the cost of connexion, and after the number of calls

allowed in respect of that initial charge has been exhausted, special rates should be leviable. The honorable member for Gwydir said that, owing to the absence of the toll system, Gunnedah was unable to secure an exchange. Unless the regulations have been altered, it is open to that town to secure a limited exchange under the present system.

Mr. WEBSTER.—We could not obtain the requisite number of subscribers.

Mr. LONSDALE.—The rates in respect of an exchange having fifteen or more subscribers are £8 per annum for business houses, and £5 per annum for private residences, but, strange to say, in connexion with a limited exchange having less than fifteen subscribers—there may be only three or four—the charge under the present system is only £4 5s. That seems to be an extraordinary way of doing business.

Mr. WEBSTER.—That would not be a public exchange.

Mr. LONSDALE.—It is a private exchange by means of which people living in the one town may converse with each other over the telephone wires, just as they would do if they were subscribers to a public exchange. The only difference is that, instead of a switchboard operator being in constant attendance, one of the officers in the post-office has to connect subscribers. Occasionally there may be slight delay in getting connected, but otherwise there is no difference between a limited and an ordinary public exchange. Some consideration should be shown for the residents of country districts, not only in regard to the telephone service, but in respect to the carriage of mails, because these services can be rendered at less cost to those residing in large centres of population. If the telephone system were established on a business-like basis, we should be able to serve the country districts without making the heavy charges at present imposed. I have endeavoured at different times to secure telephone services for various districts in the electorate I represent, and I fail to understand some of the methods of the Department. On one occasion, when asked to construct a telephone line, they made a demand for a guarantee, but the people who desired the construction of the line said, "We will have nothing to do with guarantees. We will give you £100 in cash to erect a line." The Department

asked for a guarantee of only £22 per year for seven years, yet they refused this offer.

Mr. EWING. — When was the offer refused?

Mr. LONSDALE.—About twelve months ago.

Mr. EWING.—It ought not to have been refused.

Mr. LONSDALE.—That was the view, not only of myself, but of the Postmaster-General. Despite what he said, however, the offer was refused until I agreed to do something which I ought not to have been asked to do. Only then did I succeed in obtaining the service for which I sought. As the time allotted to private members' business has almost expired, I ask leave to continue my remarks on a future occasion.

Leave granted; debate adjourned.

Sitting suspended from 6.30 to 7.30 p.m.

SUPPLY (Formal).

PUBLIC SERVICE ADMINISTRATION: REMOVAL AND TRANSFER OF OFFICERS IN THE POSTAL DEPARTMENT: NAVAL DIRECTOR: TELEGRAPHIC INSTRUMENTS. AT THE ROYAL EXCHANGE, SYDNEY: TELEPHONE FACILITIES: PATENTS OFFICES, DEPOSITS: FEDERAL CAPITAL SITE: LONG-SERVICE MEDALS, NAVAL BRIGADE: ALLEGED COMBINE IN OATMEAL: WARRNAMBOOL BATTERY: LIFT IN SYDNEY POST OFFICE: COMMONWEALTH FLAG DESIGN: FELLMONGERY TRADE.

Question—That Mr. Speaker do now leave the Chair, and that the House resolve itself into Committee of Supply—proposed.

Mr. CARPENTER (Fremantle) [7.31].—There is a matter to which I wish to direct the attention of the Government and the House. A short time since I referred to certain changes recently made in the post and telegraph service of Western Australia, and I asked the Vice-President of the Executive Council, who was then acting for the Postmaster-General, what method had been adopted in dealing with the officers who had been punished for alleged incompetence. In view of the importance of the case, I wished him to request the Public Service Commissioner to furnish a special report, giving reasons for the manner in which these officers were dealt with.

That has not been done; but I have obtained the papers in the case, and, having spent some time in perusing them, I am now compelled to take grave exception to the method adopted in bringing forward the charges preferred against the officers concerned, and the manner in which those charges were dealt with. I am in no way affected by personal consideration for the officers who were punished, nor do I wish to make charges against the Public Service Commissioner for anything which he may or may not have done. If I suggest that the case might have been treated differently, I shall do so without wishing to reflect upon the Public Service Commissioner or his judgment, since I know that he holds a position of enormous responsibility, and that there must be times when it is almost impossible for him to determine which is the best course to take, and when he must be guided entirely by the officers acting under and for him. Briefly, the facts of the case are these: Last year Mr. E. J. Young, of the Post and Telegraph Department, Sydney, was sent to Western Australia to inquire into the working of the Department in that State, and, as the result of his report, certain charges were made against the manager of telegraphs in Western Australia, Mr. Snook, and the electrical engineer, Mr. Stevens. There were other charges affecting other officials; but I wish to deal with these cases in particular. A Board was then appointed, consisting of Mr. H. W. Jenvey, who acted as chairman, and is the electrical engineer for Victoria; Mr. A. A. Dircks, the assistant electrical engineer of New South Wales; and Mr. T. J. Beatty, the superintendent of mails in Perth. As the result of the Board's inquiry, Mr. Snook has been degraded to the position of postmaster at Bunbury, and has suffered a reduction in salary of £200 per annum. He is now fifty-three years of age, and, in seven years' time, will be entitled to retire on an allowance. In the interval, he will, in addition to the humiliation attaching to the transference, have had to pay a penalty, consequent upon his reduction in salary, aggregating £1,400. Mr. Stevens, in his turn, has been appointed comptroller of Government Stores in Western Australia. I do not know whether these officers were or were not blamable, or, if blamable, whether they were blamable to an extent warranting the punishment inflicted on them. Honorable members will agree that that punishment is severe, and such as

Mr. Carpenter.

should not be administered to any officer except for the gravest misdoing. The method by which the charges were made and investigated is not entirely above suspicion.

Mr. CONROY.—Does the honorable member suggest unfairness on the part of the Board?

Mr. CARPENTER.—I think, from my perusal of the official papers, that there is reason to take serious exception to the method in which the charges were made and investigated, since one of the members of the Board has since been appointed to one of the offices rendered vacant as a consequence of the Board's determination.

Mr. CONROY.—Probably he did not know that he would be appointed to that office.

Mr. CARPENTER.—That is what I wish to find out, and, therefore, ask for a report from the Public Service Commissioner. While we have a right to demand from our officials the best service obtainable, we should not allow them to suffer injustice. In my opinion, a junior officer should never be allowed to report upon his senior, knowing that the condemnation of that senior's methods may lead to his own promotion. That would be a very dangerous system to establish. I do not know whether Mr. Dircks had any idea—

Mr. EWING.—In point of fact, both officers undertook the work under protest.

Mr. CARPENTER.—That is not the point. The question is whether Mr. Dircks was in a position to know that if he condemned his superior officer he would have a chance of being appointed in his place.

Mr. EWING.—The Postmaster-General informs me that if Mr. Dircks could come back from Western Australia he would be only too glad.

Mr. CARPENTER.—I am not dealing with the ability of the judges, or of those who are judged, but merely with the method adopted in pronouncing judgment and bringing about condemnation and punishment. If in any private or public employment it became known that the bringing of certain charges against an officer would probably lead to the promotion of his junior preferring them, no person holding a high position would feel secure. I question very much whether the method of appointing a Board to inquire into charges such as I have referred to is the best that could be adopted in the interests of the Public

Service. I consider that the appointment of certain officers to look through the Departments under the charge of other officials, and prepare reports which inferentially condemn the administration, without regard to the difficulties under which the work may have been conducted for some years past, is calculated to create suspicion in the minds of some of our best officers, and convey the impression that they are not being fairly treated. I am not here to urge any excuse on behalf of the officers in Western Australia; but I would point out that for the past fifteen years events have marched so rapidly that a great strain has been imposed upon the resources of the Department. Towns have sprung up in a few days, and an immediate demand has arisen for postal, telegraphic, and telephonic facilities. It has therefore been almost impossible to meet the demands in the same satisfactory way that would have been practicable in other States, where the development has been more slow. It is an easy matter where the growth is normal to prepare to meet demands as they arise; but when a new gold-field is discovered, and men rush by hundreds and thousands into a locality hitherto uninhabited, it is useless for the heads of the Department to protest that they cannot grant postal and telegraph facilities because they have not the necessary appliances. They are called upon to do the best they can, and it may be that in many cases the responsible officer has not been to blame because he has not provided facilities in keeping with the requirements of the case. That is one possible explanation of the complaints that have been made, and have led to the charges against the officers to whom I have referred. However that may be, the one point to which I wish to direct the attention of the Minister, and which relates to the whole service, is whether some better means could not be devised of raising the standard of efficiency, and of pointing out defects and suggesting improvements in the service. During the last day or two a paragraph has appeared in the newspapers to the effect that the secretary to the Post and Telegraph Department, Mr. Scoff, will possibly be appointed as general inspector of the Department.

Mr. WILKINSON.—He is a good man, too.

Mr. CARPENTER.—I think that the proposal is an excellent one. The practice of appointing inspectors is adopted by our large banking institutions, and, to some

extent, in other Departments of the Public Service. No officer, in public or private service, is perfect and there are few, if any, who would not welcome suggestions with a view to effecting improvements in their methods. It would be a good thing if we could appoint an expert in each division to occasionally visit the various States and look round, not as a spy, or as an enemy to the officers in charge, but as a friend, and suggest any improvements that he may consider desirable. It would be preferable to do this rather than to send officers out to do the work in such a way that those in charge, instead of being helped towards the adoption of a better system, are at once singled out for punishment or removal from office. Speaking from my own experience in the industry which I have followed all my life, I contend that there is not a man in any workshop in the world who would not walk about and find fault with the methods adopted by his fellow workmen, and perhaps suggest improvements. The looker on sees more than the player or worker. A man who for many years has been doing a certain thing in a certain way frequently omits to notice where improvements could be effected, whereas valuable suggestions could readily be made by persons looking on from the outside. If a method such as I have suggested were adopted, it would conduce to greater confidence in our public service, and a better feeling among the officers. I have mentioned this matter again, because I think that the Minister has hardly appreciated the importance of the subject, or the effect it may have upon every branch of our service, if it becomes known that there is a possibility of a junior officer being brought along to inquire into the work of a superior, and, perhaps, to condemn him, with a knowledge that he will be able to profit by such condemnation. That is the crux of the whole matter. I believe that the Public Service Commissioner would himself admit that a grave danger attaches to such methods of inspection, and I hope that we shall receive from him at least some assurance that it will not be continued.

Mr. KELLY (Wentworth) [7.49].—I wish to bring under the notice of the Minister representing the Minister of Defence, a matter which, while it in no way affects him personally, is one that I think may eventually exercise a very serious effect upon the discipline of the great Department over which he presides.

The Minister knows that the one essential in his Department is discipline, and the only way in which it can be obtained is by an absolutely loyal adherence to the spirit and letter of the regulations governing the Department. If a subordinate officer or man in the Defence Forces transgresses the regulations he is invariably given a very short shrift. Very properly the heads of Departments are firm upholders of the regulations; but if it is necessary for the heads of Departments to insist upon their subordinates upholding those regulations it is all the more essential that they themselves should equally honour them. The matter which I am about to bring under the notice of the Minister is not, in itself, one of a very vital nature, except that it does evidence a disregard for the regulations which no high officer of the Defence Department should exhibit. To-day, with a view to imposing some check upon breaches of the regulations, I asked a number of questions in this House. I asked the Minister representing the Minister of Defence whether there were any regulations dealing with the relations which officers may have with the press, and, if so, whether he would lay a copy of them upon the table of the House. The Minister replied that there were such regulations, and he did lay a copy of them upon the table. I then inquired whether officers were free to grant interviews to the press if they so desired, to which the Minister replied that they were not. I further asked if a certain officer had been granted permission to give information relating to his recent mission to England to a certain newspaper. The Minister replied that he had not been granted such permission. Finally, I asked whether the Minister would take steps to see that there was no recurrence of the episode. His reply forms the subject-matter of my present complaint. He stated that he was not aware that the officer in question had infringed the regulations.

Mr. EWING.—It was not a very bad infringement in any case.

Mr. KELLY.—I will read the regulations governing the Naval Forces of the Commonwealth, and allow the Minister himself to be the judge of that. Regulation 163 reads—

Members of the Naval Forces are forbidden to publish or communicate to the press any information—

Any information!

without special authority, either directly or indirectly. They will be held responsible for all statements contained in communications to their friends, which may subsequently be published in the press.

Here was an officer of high standing in the Naval Forces of the Commonwealth actually granting an interview to a representative of the *Age* newspaper without special authority—an interview which extended over three-quarters of a column.

Mr. CROUCH.—How does the honorable member know that he did it without authority?

Mr. KELLY.—The Minister has said so. The next regulation bearing upon this matter reads—

They are not to attempt to prejudice questions under investigation by the publication, anonymously or otherwise, of their opinions.

I have been compelled to bring this matter forward because of the Minister's statement that he is not aware that there has been any transgression of the regulations. Surely he must recognise that it is absolutely essential that all officers of the Defence Department should know that it is not their duty to have any dealings whatever with the press.

Mr. FISHER.—Would the honorable member allow them to hold private conversations which might find their way into the press?

Mr. KELLY.—I am merely discussing the regulations at the present moment. The officers themselves must uphold those regulations if they expect them to be upheld by others.

Mr. FISHER.—If the regulations were absolutely wrong, an officer should obey them.

Mr. LONSDALE.—There should be the same law for the officer as for the private.

Mr. KELLY.—Exactly. My point is that high officers in the Defence Department should not disobey the regulations which they are sworn to administer.

Mr. CROUCH.—The regulation to which the honorable member has referred is usually interpreted as meaning "information which is detrimental to the service."

Mr. KELLY.—I do not think that is so, because it is a very rare occurrence indeed for us to read press interviews with officers. But I ask the honorable and learned member for Corio who is to be the judge of what is detrimental to the service? Is it to be the Government, or are we to allow

every officer and private to decide the matter for himself? Obviously, such a regulation would be impossible in its working, because under it every man would be the judge of what information it was proper for him to give to the press, and the result would be that in a very short time every secret in the possession of the Defence Department would be at the disposal of every one outside. The next point which I desire to discuss is one in regard to which the Government are distinctly blamable. It is a matter upon which we may justifiably ask for some explanation. As honorable members are aware, during the recess the Government took it upon themselves to send the Naval Director to England for the purpose of gaining certain information. Whilst he was in the mother country it was obviously to the benefit of the Commonwealth that he should gain as much information as possible. My quarrel with the Government is that they recalled the officer in question without affording him an opportunity of attending the Imperial Naval manoeuvres, which were held this year. That is a point on which I wish the Minister to give a full explanation. The honorable gentleman must recognise that the experience which our Naval Director would have gained by attending the Imperial manoeuvres would have been invaluable to the Commonwealth.

Mr. SALMON.—How would it be invaluable?

Mr. KELLY.—The honorable member does not seem to think that there is any value in naval manoeuvres.

Mr. SALMON.—Yes, I do.

Mr. KELLY.—I can assure honorable members that attendance at naval manoeuvres is a privilege anxiously sought by sailors in every part of the world.

Mr. SALMON.—What advantage would the Commonwealth gain?

Mr. KELLY.—At the present time we have a Naval Director who has not for very many years been at sea. He is a very valuable officer, but his value would be enhanced by sea experience.

Mr. GLYNN.—Judging by reports, a good many of our officers are always "at sea"!

Mr. SALMON.—I suppose the honorable member for Wentworth means experience at sea with the Commonwealth fleet—the *Protector*, for instance.

Mr. KELLY.—The honorable member for Laanecoorie does not seem to realize that the Naval Director is proposing a scheme

of torpedo flotillas for the Commonwealth, and that the combined movement of torpedo craft and large ships of war is one of the most delicate operations in naval manoeuvring. I have been told by naval officers in the Imperial service that they would infinitely rather not have torpedo boats on their side when manoeuvring than have to operate with torpedo boats in the handling of which they had not entire confidence. That, I think, answers the honorable member's interjection. It is essential, if we are to have torpedo flotillas—and I am opposed to them—that the commander should at least have had some recent knowledge of naval manoeuvres. The Naval Director had an opportunity while in England to attend the Imperial manoeuvres, and I think the Government did not act wisely in recalling Captain Creswell so soon. The Minister knows that Captain Creswell was invited, and actually accepted the invitation; and yet we find him hastily recalled, and missing an invaluable opportunity to fit himself for his high office. To turn to another subject, will the Government take into their serious consideration the advisability of instituting in Australia some examination similar, or corresponding, to the English examination for "tactical fitness to command"? It is now the avowed intention of the Government—and I have no quarrel whatever with that avowed policy as expressed—to give "preference" to Australians in all appointments in the Australian service. I say, advisedly, "preference to Australians," not the employment of Australians exclusively.

Mr. EWING.—Preference to Australians, provided they are fit.

Mr. KELLY.—Provided they are fit. The only way in which we can make our officers fit to hold the high positions to which they aspire is to call upon them to pass the highest and stiffest examination extant. Some of our appointments are extremely important. Take, for instance, the high office of Inspector-General. It has been lately urged in the press that the appointment is not an Executive appointment in the technical sense, but an appointment more of a staff nature than anything else. But I refer honorable members to the explanation of the late Minister of Defence, on the 2nd November, 1904, in this House, as to one of the probable duties of the Inspector-General. The present Treasurer had asked the then Minister of Defence who would take charge of

the Forces in time of war, and the reply was—

In time of war the man who should be placed in command of our Forces is the man who knows, so to speak, the individual capacity of the members of the Defence Forces. The man who knows what the officers can do, and what the men can do, is the man who should command, because he knows to what extent he can try them. The man who best knows that is the Inspector-General. Therefore, he would be Commander-in-Chief in time of war.

The then Minister of Defence meant to qualify, and, I think, afterwards did qualify, that statement by saying that the Inspector-General would probably be Commander-in-Chief. There, we see, an enormous responsibility which may devolve on the Inspector-General in time of need. Knowing that he will have to incur, in all probability, that enormous responsibility, it is not too much to ask the Government to be extremely careful to see that Australian officers have an opportunity to pass such an examination as will fit them to undertake it.

Mr. CROUCH.—The suggested Inspector-General for Australia has passed much more severe examinations than has the English officer in a similar position.

Mr. KELLY.—I do not wish to deal with persons or personalities; this is entirely a question of general policy. I think the best method—and honorable members will see the force of what I say—would be for the Ministry to consider the matter in their corporate capacity. It is not the fault of Australian officers that they have not passed such examinations, and they may take it as some bar in the way of their progress that there are examinations of the kind in other parts of the world.

Mr. SALMON.—Some of the biggest failures are those who have passed the examinations.

Mr. KELLY.—And some of the worst fools are those who have not passed them. The remark of the honorable member for Laanecoorie is one made in regard to all professional examinations—that examinations are a test not of ability, but of knowledge. We may find fools passing the examinations—that is, people who are clever only at examinations—but, on the other hand, the men who cannot pass them have not the knowledge requisite for high office. If an officer has not the knowledge on paper he will not have it on the field. The examination for practical fitness to command is an examination of more than

a man's mental fitness and understanding. I know I am speaking vaguely; and I only wish I had the papers before me. At any rate, all officers of the Imperial service, who aspire to positions of any importance, are asked to pass that examination.

Mr. CROUCH.—And so are officers in Australia.

Mr. KELLY.—Australian officers are not examined in "tactical fitness to command."

Mr. CROUCH.—All above the rank of major have to pass the examination.

Mr. KELLY.—They have to pass for lieutenant-colonel.

Mr. CROUCH.—That includes practical fitness to command.

Mr. SALMON.—What is the point of this particular examination?

Mr. KELLY.—It is a more severe examination than that for lieutenant-colonel. It deals not only with the manœuvring of large bodies of men, but with questions of supply and so forth; it is really an important examination which fits a man to hold an independent command.

Mr. CROUCH.—That examination deals with the manœuvring of a regiment, whereas the Australian examination deals with the manœuvring of a brigade, which is higher still.

Mr. KELLY.—That is not the point. The examination in England is, I understand, to test a man's fitness to exercise an independent command. An officer in command of a brigade may very easily be a subordinate officer; indeed, in most cases I think he is.

Mr. CROUCH.—Subordinate to whom?

Mr. KELLY.—To the General commanding a division or whatever the force is.

Mr. CROUCH.—We have no divisions in Australia.

Mr. KELLY.—The honorable member is surely rather exaggerating the unimportance of the Australian forces, if he means that a brigade is the full strength that will be ever placed in the field.

Mr. CROUCH.—We have never, at any time, drilled as divisions in Australia.

Mr. KELLY.—That does not in any way get rid of the fact that if ever our forces are to go into the field, and to be of any use, it must be in greater strength than one brigade. However, I do not wish to be led into an academic discussion on a subject in which the honorable member is proficient. I was going to deal with those

who had risen to high positions before it was necessary to pass an examination for lieutenant-colonel, but, perhaps, it might be invidious to say anything on the subject. I think we may take it for the moment that the officers who have qualified under the old system are fully capable to fill their positions. For my part, I should prefer to think that the Australian officers already in the Forces are worthy in all respects, but the suggestion I am making is intended for Ministerial consideration in order that the status of Australian officers may, if possible, be improved.

Mr. SALMON.—The late General Officer Commanding promoted all these officers.

Mr. KELLY.—I do not wish to question their general competence to hold their positions.

Mr. SALMON.—The honorable member could not very well do so, in face of the promotions made by Major-General Hutton.

Mr. KELLY.—One might do so in some cases, but I have no wish to go into contentious matters.

Mr. JOSEPH COOK.—How is it that these honorable members have all swung round to Colonel Hoad?

Mr. KELLY.—I hope that honorable members will not mention any names.

Mr. JOSEPH COOK.—I have a recollection of Colonel Hoad being criticised by some of these honorable members.

Mr. CROUCH.—The honorable member should not point to me. I have always regarded Colonel Hoad as a most efficient officer.

Mr. KELLY.—When his name was mentioned in this House I said that, from what I had heard, I thought he was a very excellent staff officer, although I did not think he was good enough for this appointment.

Mr. SALMON.—I had in mind an officer in New South Wales, who could not pass the examination for a lieutenant-colonel, but was promoted by Major-General Hutton.

Mr. KELLY.—I am not questioning any one of those statements, but I had hoped that honorable members would not view these matters from the provincial standpoint of Victoria or New South Wales. I merely make this suggestion for the consideration of the Minister. The Cabinet should consider these questions, and, except so far as technical matters are con-

cerned, should not be guided therein by the advice of officers who have not passed these high examinations.

Mr. CROUCH (Corio) [8.13].—This is the first time during the present session that I have claimed the attention of the House on grievance day. I rise now to refer to a grievance which is almost five years old. It relates to the case of a lady who claims to be the designer of the Australian flag. It appears that at the exhibition organized by the Barton Government, at which the prize for the best design for an Australian flag was awarded, the exhibit of this lady, owing to some oversight, did not secure the recognition to which it was entitled. The name of the lady in question is Mrs. Rose Shankland Knight, wife of Mr. Andrew T. Knight, State-school teacher. Prior to the Government exhibition a competition was promoted by the *Herald*, and Mrs. Knight sent in the design of a flag which was identical in all respects with that subsequently adopted by the Commonwealth, on the advice of experts, as the national emblem. This design was shown by Mrs. Knight to Colonel Williams, editor of the *Ballarat Courier*, who commissioned his chief reporter, Mr. Cotton, to interview her, and subsequently, after the Australian flag had been selected by the Barton Government, sent to compliment her. Mrs. Knight has written several letters asking that her claim, not for the money prize, but for the honour of being the designer of the Australian flag, should be recognised, but has received no acknowledgment. She is able to produce, if desired by the Government—and I presume that they would like to ascertain who was really the designer of our national emblem—a copy of the interview between herself and the reporter from the *Ballarat Courier*, as well as the notes made by Mr. Cotton, and a communication from Colonel Williams, and also the evidence of people who know she sent in her design to the *Herald* competition. Perhaps the best course I can pursue is to communicate with the Minister of External Affairs to see if he cannot acknowledge Mrs. Knight's claim to be the designer of the Australian flag.

Mr. EWING.—Will the honorable and learned member give me the lady's name and address later on.

Mr. CROUCH.—I shall do so.

Mr. EWING.—Very well, I shall have the claim investigated.

Mr. CROUCH.—Another matter to which I desire to refer relates to the Department of Trade and Customs. In consequence of the number of hides and sheep skins now exported from the Commonwealth, many fellmongers here experienced great difficulty in finding employment at their trade. These exports have affected the fellmongery trade to such an extent that a lot of fellmongery yards and sheep skins basil factories have been closed. I do not know whether a remedy is to be found in the Anti-Trust Bill which has left our hands, or whether it is provided by a section of the Customs Act, which prohibits certain exports. I have no desire to interfere with our export trade, but in a matter of this kind we must have regard for the greatest good to the greatest number. When I find that the export of hides is assuming such large dimensions owing to the labour available for their treatment in foreign countries, being 50 per cent. cheaper than that obtainable here, I cannot help thinking that the matter is one of which the Department should take some notice. It appears that the hides exported from the Commonwealth in 1905 were of the value of £3,879,398, the exports from Victoria alone being of the value of £1,152,583. In 1901 the hands employed in the fellmongery trade totalled 1,831; in 1903 they had fallen away to 1,640, and in 1905 there were only 1,000 so employed. These figures show a decrease of 831 hands in less than five years. Let me give a few figures relating to the Geelong factories. It is from information supplied by the local men that I am able to present these statistics to the House. There were 745 men employed in the Geelong tanneries in 1899-1900, and now there are only 78. In Connor's tannery there used to be 30 hands; there are now only three; in Mundav's tannery there were 65 hands employed, there are now only 15; in the Australian Tannery Company's yards there were 60 men employed, there are now only 25; in Gardiner's tannery there were 30 hands employed, but there are now only 15; whilst Douglas and Company had fellmongery yards employing 60 men, but are now employing none in that branch of labour. The value of the leather manufactured in Victoria between 1899 and 1903 fell off to the extent of £77,512. A return furnished by the Department shows that in the years 1901-2-3, the Commonwealth exported 20,300,000 sheep skins,

valued at £3,091,811, and 894,393 hides, valued at £787,587. In 1904, 4,338,962 sheep skins and hides, to the value of £100,610, were exported; whilst in 1905, 7,521,000 sheep skins and 171,173 hides were shipped. To quote a writer, Mr. E. Plumridge, a great authority on this question—

These sheep skins and hides are exported to foreign countries, such as France, Germany, and Belgium. The wages paid in those countries averaging fully 50 per cent. less than in Australia, and the hours worked being very much longer.

It appears that the wages paid in Belgium average from 2s. 6d. to 3s. 2d. per day of ten hours, whilst the wages paid in Australia would be 6s. per day. In addition to these difficulties, the industry has to compete against the fact that these hides are taken as ballast in ships which are subsidized by foreign Governments. A bonus is also paid by these Governments to vessels conveying the largest number in a given time. I am told that some of these facts have been brought before the Tariff Commission.

Mr. FULLER.—We went thoroughly into the matter.

Mr. CROUCH.—I hope that there is a possibility of obtaining a report from the Commission which will give some satisfaction to the industry. Something needs to be done when out of twenty yards which were being used some years ago only six are now engaged in the industry. I find that other countries have met this difficulty. I myself wrote in reference to the subject, at the request of some of my constituents, to the Consul-General for the Argentine Republic in Sydney. I have not received a reply from him, but I have here a letter which gives an account of an interview with the Consul for the Argentine in reference to the subject. The letter is from the manager of the *Australasian Leather Trades Review*. He says—

Dear Sir,—In accordance with your request, I interviewed the Consul for the Argentine Republic, and although he is not in a position to fully answer the questions contained in your letter, the following information relative to the export duty on hides, skins, and wool, and the average prices realized for those articles, should be of interest. By the Tariff regulations of the Argentine Republic, the price for adjusting duties on cow hides is fixed at 6½d. per lb., and the export tax is ½d. per lb. On salted hides the duty is ½d. per lb. Sheep skins (lambs, dirty and washed, in whatever condition, quality, or price), are valued for the Tariff purposes at 4½d. per lb., and the duty is

$\frac{3}{4}$ of a farthing, the same figures being applicable to salted sheep skins. Wool is valued at $4\frac{1}{2}$ d. per lb., and the duty levied is the same as on sheep skins. The average prices realized at the end of 1905 for sheep skins and salted hides were as follows:—Sheep skins, full wooled, first quality, $9\frac{1}{2}$ d. per lb.; second quality, 9d. per lb.; inferior, 8d. per lb. Cross breds—first quality, 10d. per lb.; medium, $9\frac{1}{2}$ d. per lb.; irregular, 9d. per lb. Hides (salted), $4\frac{1}{2}$ d. to $5\frac{1}{2}$ d. per lb. The Consul for the Argentine cannot state when these export duties were introduced, consequently we were unable to institute a comparison between the prices ruling prior to the duties being imposed, and those in force at present. In our next issue we are publishing a full report of the proceedings before the Tariff Commission, when evidence was tendered by Mr. James Munday, Mr. Palmer, and yourself.

I am told that the imposition of these export duties has not had the effect of decreasing the price of skins at the place of shipment. The duty has been paid by the exporter. If that be so, seeing that our fellmongers have lost their employment, and that the tanners have suffered so largely, I think that the Government might give favorable consideration to the proposal to impose an export duty. That could be done, in my belief, without injury or loss of price to those who export skins, whilst it would give employment to a large body of men who otherwise would materially suffer. It is a great national question to which at a later time I hope the House will give full and just consideration.

Mr. LONSDALE (New England) [8.22].—I desire to make a few remarks with respect to the removal of postmasters. Two or three cases have come under my notice which indicate a want of care and judgment.

Mr. EWING.—The honorable member knows that the matter is under the control of the Public Service Commissioner.

Mr. LONSDALE.—Yes; but our criticisms may be conveyed to him.

Mr. EWING.—I will see that they are.

Mr. LONSDALE.—I know of a case where a postmaster has been removed because his salary was higher than that which is considered to be appropriate to the office which he occupied. But if that office were re-graded to-day, it would be found that the business has so much increased that the Department would be justified in retaining the postmaster. He does not wish to be removed, the people in the neighbourhood do not wish him to go, he satisfies the Department, and the only reason given for his removal is that the Public Service Com-

missioner considers that his salary is too high for the office, stating that he can only re-grade offices every five years. It appears to me to be absurd to remove a man from an office in the position I have indicated, because it is a rule of the Department to re-grade offices only every five years. I know of another case of an opposite character. A post-office is situated in a growing district, and the business has advanced so greatly, the office has become so important, that the grade of the present postmaster is too low for it. He was placed in that office for reasons of health. The health of his family has improved, and he is satisfied to remain where he is, but the Department insists on his being removed, because the office has advanced beyond his grade. However, he is being removed to another progressive district, where, again, the office may grow beyond his grade. If an officer is not likely to improve in his grade, the Department should not remove him to another advancing district, but to one of a more stationary character. But to remove an officer to a progressive district, where the grade of the office is likely to go up, and then to remove him somewhere else, is not in the best interests of the Commonwealth. It involves an expenditure of public money which ought not to take place. This proceeding should be inquired into. No doubt it has not been brought under the notice of the Commissioner.

Mr. EWING.—The honorable member knows that every officer has the right of appeal, and that until the appeal is decided he will not be removed.

Mr. LONSDALE.—I suggest that, quite apart from the officer himself, these removals should be made on some system. In the end, of course, officers must go whither they are told. The common-sense method I have indicated should be adopted. In many of these cases promotion is dependent upon the report of a superior officer. I admit at once that it is a very difficult position to deal with; but cases have come under my notice where there can be no doubt that the reports of superior officers standing in the way of promotion have not been fair. I have no doubt that these reports are prejudiced. The Commissioner should look into the system, and devise a means of checking the reports of superior officers. I recognise that it is very difficult to get a perfect system. Until we get some

officers of unusually perfect human nature we are not likely to attain perfection in these matters. A number of cases have come under my notice which I am not at liberty to mention. If I were to mention the facts they would support my representation, but I should be giving away the case of the officers concerned. I am speaking with a full knowledge of all the facts, and I have no doubt that it is prejudice on the part of superior officers which stands in the way of certain officers getting to a higher grade. I am not one who would seek to use influence on behalf of an officer, because I hold that the less we interfere in these matters the better; but where I believe that a wrong is being done, I am prepared to stand by an officer with all the strength I possess. That is the attitude which I have always taken up. I do not believe in helping men who cannot advance on their own merits, and want a lot of assistance. It is a mistake and a wrong to interfere on behalf of such men. But where officers are being injured, through no fault of their own, where they are being prevented from getting promotion by the prejudice of a superior officer, they are entitled to assistance. Some system of checking the reports of superior officers should be discovered. It must be clear to every one that military and naval officers should be compelled to obey the regulations in just the same way as are privates. Where a deliberate breach of the regulations is brought before the Minister he should deal with the officer, or, at any rate, he should get the case dealt with by the proper Board.

Mr. EWING.—There are degrees of offence.

Mr. LONSDALE.—I quite admit that, but strange to say it is not considered that there are many degrees of offence when a private is the offender. As a rule, he is dropped upon pretty heavily. It appears that degrees of offence are considered only in the case of higher officers.

Mr. EWING.—That ought not to be the case.

Mr. LONSDALE.—Exactly. The House should insist upon fair treatment being meted out to officers and privates alike. Do not punish an officer in a certain way because he is an officer, or a private in a certain way because he is a private, but mete out equal treatment to all ranks.

Mr. DAVID THOMSON.—Is not that done now?

Mr. LONSDALE.—I do not think so. Evidently, there is one officer who has committed a breach of the regulations; but, so far as I know, he has not been called to book. He may be a very valuable officer, but, nevertheless, he ought to be dealt with. I think that he should have a chance of defending himself. If he can prove that he has not broken the regulations, that is another matter.

Mr. EWING.—It was not a very dreadful offence; but the less talking there is the better.

Mr. LONSDALE.—If a soldier or a member of the Naval Brigade had gone to the press and revealed some information, what would have been done with him? Would the offence have been regarded as trifling when committed by a private as it apparently is when committed by an officer? The offence is really greater when it is committed by an officer. What is the use of the Minister suggesting that, in this instance, there was a trifling offence? Either it was an offence, or it was not. The punishment should be greater for the officer than the private, but, strange to say, it is always the opposite. I understand from the press that the Naval Director did not remain to attend the naval manœuvres.

Mr. KELLY.—He did not return against the will of the Ministry, surely!

Mr. LONSDALE.—I understand from the press that the Naval Director came back without being recalled by his superior officer—that is, the Minister.

Mr. KELLY.—Does the honorable member mean to say that this officer forewent the privilege of attending the naval manœuvres? What reason can there be for his returning?

Mr. LONSDALE.—I do not know. I cannot peer into the mind of the officer, but I understand that he did not attend the naval manœuvres. The Minister can say whether the officer was asked to come back. If he was not recalled, why did he return? I understood that the Minister intended him to go to the manœuvres. A great deal has been said about the necessity for our having Australian officers. If that be so, surely our officers should go to those expositions, which are calculated to give them the best information and training. Like myself, my sons and daughters are all Australian, and sick of hearing the cry of preference to Australians. If Australians can show that they

are better officers, they have a right to preference. Every Australian, I think, has a right to get a position upon his merits. But if an Australian is not the best man available, he has no right to get an appointment merely because of his place of birth. The sooner we stop this silly talk about having only Australian officers, and appointing men to various positions solely because they are Australians, the better it will be for Australia. In my opinion, these remarks are degrading to Australians.

Mr. BROWN. — The complaint has been made that there has been a preference against Australians.

Mr. LONSDALE. — There should be no preference against Australians. I should always be ready to stand by a man if a preference against him had been shown. Let us have straightforward competition, and if Australians can succeed by their merits in getting to the top, let them do so; if they cannot, let them take the positions which their abilities entitle them to hold. Men should not be appointed to positions merely because they have been born in this part of the world.

Mr. HUME COOK. — Would the honorable member employ a German officer because he was said to be better than an Australian officer?

Mr. LONSDALE. — No; because at any time Germany may be at war with Great Britain, and Australia would be concerned in such a war. But is Australia ever likely to be at war with Great Britain? These are the remarks that are made by men who profess to be in favour of giving a preference to Great Britain. It makes my blood boil when men ask for preference from Great Britain, and, at the same time, take up the miserable position that we should not appoint British officers to positions for which they are better qualified than are our own citizens. Why do not honorable members recognise that Australia is part of the Empire? When it is merely a matter of speaking from public platforms, they are great supporters of the Empire; but when they should give help to the Empire, they try only to get as much as they can for themselves.

Mr. SALMON. — About whom is the honorable member speaking?

Mr. LONSDALE. — About the honorable member, and others who take the same course.

Mr. SALMON. — The honorable member has no right to say these things.

Mr. LONSDALE. — My statements are absolutely true. The other night a member of the Opposition, because he wished to allow British goods to be imported into Australia, was told by an honorable member supporting the Government that he was not an Australian. That shows the contemptible feeling which honorable members opposite have in regard to Great Britain.

Mr. SALMON. — I understand that the honorable member has declared that I, with others, talk about the Empire, but that when anything is required from us, we try only to get as much as we can from the Empire, without giving anything in return. I consider that statement a gross reflection upon my loyalty, and in utter contradiction of my relations with the Empire, and I think that it should be withdrawn.

Mr. DAVID THOMSON. — Surely the honorable member does not take the speech seriously?

Mr. SALMON. — These statements go into the press, and do harm.

Mr. SPEAKER. — If the honorable member for Laanecoorie considers the remarks of the honorable member for New England offensive, I ask the latter to withdraw them.

Mr. LONSDALE. — I bow to your ruling, sir, and withdraw them. I do not know that I can say what I really mean on this subject and be in order. Speaking about British officers, and our treatment of the Empire —

Mr. SALMON. — Australian officers are British officers, too. Why does the honorable member discriminate between them?

Mr. LONSDALE. — A number of honorable gentlemen, if they could prevent it, would not allow any one not born in Australia to hold a position here. They should not try to escape from the consequences of statements by raising quibbles. There may be Australian officers who are better than English officers.

Mr. DAVID THOMSON. — Is the honorable member a military expert, too?

Mr. LONSDALE. — No. What I wish to say is that if we have officers who are better than or equal to officers born in other parts of the Empire, they should be appointed to vacant positions; but preference should not be given to any man merely because he is an Australian. Every man should be dealt with on his merits, and, in the matter of appointments, it

should be neither an advantage nor a disadvantage to a candidate to be an Australian. Qualifications alone should be considered. In my opinion, it would have been a good thing if Captain Creswell had been able to attend the manoeuvres. I understood the honorable member for Laanecoorie to say that his attendance would not have done much good, and to interject that some of the biggest failures in the British Army had done well at examinations.

Mr. SALMON.—I did not say that Captain Creswell's attendance at the manoeuvres would not have done him good.

Mr. LONSDALE.—Every one knows that ability to pass an examination is not necessarily a proof of fitness for a position. It may only show the possession of a good memory. There are doctors who, having brilliantly passed examinations, are not successful in the treatment of patients, while other medical men who have not done well at examinations have been very successful in their practice. But those facts would not justify us in abolishing medical examinations, or in declaring that those who have not passed examinations are better than those who have done so. Examinations are a test of knowledge, and should, as far as possible, be practical. If our officers can take part in naval or military manoeuvres, they thereby gain a training which they would otherwise be without, and I think that if Captain Creswell could have remained for the English manoeuvres he should not have been recalled, or, if he was not recalled, he had no right to return. I do not wish to discuss the Tariff, but I feel bound to express my disgust at what has been said regarding the fellmongers' grievance. In Victoria, whenever there are two or three men who are not doing well, some Member of Parliament comes forward to champion their cause, and an attempt is made to lay the great primary industries of the Commonwealth under tribute to give them assistance. That is the result of the political training of the people of this State. Fast legislation has taken all the grit out of them, so that they now wish to be shielded from every wind that blows, and to be protected from competition of every kind. The other day there was a great howl in the Victorian newspapers because of the action of the Geelong Harbor Trust in buying some barges in Tasmania. I cannot imagine anything more contemptible than that. Let us develop a stronger

and nobler spirit, and divest ourselves of that intense selfishness which would sacrifice the interests of the community at large for the sake of affording a few days' employment to a certain section of workmen. Why should one of our primary industries be sacrificed for the sake of a few fellmongers? The people who buy our wool wish to treat it in their own way, and they should be at perfect liberty to do so. Why should we reduce the price of one of our staple products by retaining it here? I hope that the Minister will take a note of my remarks with regard to the postmaster to whose case I referred, and that he will make inquiries into the matter.

Mr. SALMON (Laanecoorie) [8.52].—I am very loth to say anything upon an occasion of this kind, but I feel that the extraordinary remarks of the honorable member for New England regarding the party to which I belong call for some protest. One is often staggered to learn from the newspapers that the most remarkable ideas are held concerning the views expressed by honorable members of this House, but I think that such speeches as that to which we have just listened are primarily responsible for any misapprehension that may exist. The honorable member has stated that the members of a certain party in this Parliament were so utterly selfish, so completely blind to the benefits that have been showered upon us by the motherland, and altogether so unjust and unfair, that they were prepared to disregard ability and merit and to give preference to an applicant for any position, merely because he happened to be an Australian. I contend that that is an absolute travesty of the view held by honorable members on this side of the House.

Mr. LONSDALE.—I accept the responsibility for all those statements.

Mr. SALMON.—I freely acquit the honorable member of any blame, because I do not believe that he realizes what he has been saying. I deeply sympathize with him.

Mr. LONSDALE.—I sympathize with the honorable member.

Mr. SALMON.—I do not seek to induce the honorable member to alter his opinions, because I recognise that that would be hopeless. I do not ask the honorable member to qualify or withdraw anything that he has said concerning the party to which I belong, because I realize that it is impossible to change his present frame of mind. I am proud to belong to the party

which holds the view that if an Australian is as fit as any other applicant for a position in Australia, he is entitled to the preference.

Mr. LONSDALE.—I say that too.

Mr. SALMON.—I am not prepared to go beyond that. I think that what I have stated should be sufficient to dispose of the honorable member's attempt to ally me with any party having such ignoble aims and such unworthy motives as he has indicated.

Mr. JOHNSON (Lang) [8.55].—The honorable member has evidently misapprehended the remarks which fell from the honorable member for New England. All honorable members on this side of the House can heartily indorse the view that he has just put forward. We object, however, to the attempt that is being made by some of those who utter the cry of "Australia for the Australians," to limit our choice in the selection of our military officers to those of purely Australian birth. We think that if that spirit is acted upon, it will be detrimental to the best interests of the service of the people of the Commonwealth, and of the Empire. We should judge applicants according to their merit and ability quite regardless of their place of birth.

Mr. BAMFORD.—How are we to judge unless we have an opportunity of examining the applicants?

Mr. JOHNSON.—Examination is one of the tests that should be applied. But some of those who utter the cry "Australia for the Australians" apparently hold that Australians alone should be permitted to become applicants for positions amongst us, and that all others, even though they might be more capable, should be excluded from the possibility of obtaining appointments. It seems to me that some people utter the cry "Australia for the Australians" in order to thinly disguise their disloyalty to the mother country.

Mr. WEBSTER.—That is unfair.

Mr. JOHNSON.—I do not say that that applies to the honorable member. He cannot speak for every one. I do not reflect upon any honorable member of this House, but I maintain that the cry "Australia for the Australians" has been used for the specific purpose I have indicated. Those of us who believe in loyalty to the mother country, and to Australia, strongly resent the manifestation of any such spirit as I have referred to. Loyalty to the

mother country does not involve disloyalty to Australia. The lesser is included in the greater.

Mr. WEBSTER.—Which is the greater?

Mr. JOHNSON.—Loyalty to the Empire, of which Australia is a part. We can best show our loyalty to Australia by being loyal to the Empire as a whole. Many of those who utter the cry "Australia for the Australians" should reflect that if there were anything in it they would have no right to be here, because Australia should have been left to the aboriginals. If their fathers and mothers had not come from the motherland, they would not have had the privilege of calling themselves Australians. If it had not been for the enterprise, courage, and colonizing capabilities of those who preceded us in Australia, many of those amongst us would not have been here. I am not speaking for myself, because my parents did not come to Australia. The cry of "Australia for the Australians" is uttered by many persons who would exclude from participation in the benefits we enjoy those of our own kith and kin who live in other parts of the Empire. I have no sympathy with that kind of spirit. If we should preserve Australia for the Australians, to be logical we ought to argue that this country should never have been taken from its original inhabitants. Consequently, we should regard ourselves as intruders and interlopers. The mere accident of birth-place ought not to impel us to prevent persons coming here from the mother country to assist us in building up a great nation. Personally, I welcome every member of our own race who will come to Australia, and help us to establish a new Britain in the southern seas. I infinitely prefer the cry of "Australia for the Empire" to that of "Australia for the Australians." It is a very much grander and nobler cry. I have no desire to dwell upon this subject, but, as the question has been raised, it is just as well that there should be no misapprehension regarding the attitude of honorable members upon this side of the House, who have adversely criticised this absurdly narrow and selfish sentiment. The doctrine of "Australia for the Australians" is essentially a dangerous one in connexion with the administration of our military and naval Forces. Upon the efficiency of those services may depend the lives and property of many thousands of our people. It is

of paramount importance that we should secure the best possible men for positions of responsibility in our Defence Forces. Reference has been made by the honorable member for Wentworth to the return of Captain Creswell from England at this particular juncture. Probably the Minister representing the Minister of Defence is in a position to tell the House the reasons for that officer's sudden return. Was he recalled by the Government, or did he come back of his own volition? It seems most peculiar that, after having received and accepted an invitation to attend the British naval manoeuvres, in June last—where he might have gained knowledge of the utmost value—he should suddenly have decided to hasten back to Australia. The invitation which was extended to him should have been regarded as a very great compliment to Australia, and it seems to me that in neglecting to avail himself of it, a slight, almost amounting to an insult, was offered to the British authorities. If he returned to the Commonwealth of his own volition, I think that the House is entitled to be furnished with the reasons for his action. If, on the contrary, he was recalled at the instance of the Government, we are equally entitled to know the motive which actuated them. I am not aware of anything of an urgent character to account for his sudden return. Perhaps the Minister can offer some satisfactory explanation of this peculiar circumstance. He may also be aware that in military and naval circles there are rumours current that there were reasons for Captain Creswell's sudden return, which, so far, have been kept in the back-ground. I am in possession of some private information upon the subject—information which I am not at liberty to disclose here. I do hope that the Minister will see his way clear to give the House some explanation of this matter. Captain Creswell is an absolute stranger to me, and, consequently, I am not making these observations from motives of a personal character, but merely from a desire to gain reliable information. Another matter to which I wish to direct attention has reference to the regrading of some of the post-offices in New South Wales. I do not know how the scheme which is being carried out affects Victoria and the other States, but I do know that in some parts of New South Wales this regrading—involving as it does the transfer of postmasters from one district to another—may seriously dis-

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organize the work connected with the forthcoming elections. In some cases these postmasters are returning officers and electoral registrars. The trouble is that new men taking up their duties—although they may be familiar with the routine work in other districts—are unacquainted with the officers with whom they will have to deal in the conduct of the elections. I refer to such officers as poll clerks. This is a very important matter.

Mr. EWING.—It has not been lost sight of.

Mr. JOHNSON.—I have already suggested to the Postmaster-General that it might be advisable—where these postmasters are performing electoral duties—to delay their transfer till after the general election.

Mr. EWING.—That might be a solution of the difficulty.

Mr. JOHNSON.—Of course, it would not be a solution of the difficulty in all cases. It would, however, certainly do away with the risk of seriously disorganizing the work of the elections. Notwithstanding the representations which have been made, I am aware that in one or two cases men occupying these positions have received notice of their appointment to other offices.

Mr. EWING.—If they have made any protest the consideration of the appeals will occupy some time.

Mr. JOHNSON.—If the consideration of the appeals will extend over the interval between this and the close of the elections, such a delay would, of course, make all the difference, so far as the work of the forthcoming elections is concerned. I have a matter connected with promotions to refer to. I have no desire to mention names, as I do not care to treat these cases as personal matters, but a special case has been brought under my notice—that of a man who has a very delicate wife, and a couple of children who are attending superior schools. One of the children, I understand, is going up for a somewhat stiff examination. This man is being removed to a country office many miles inland, and in a climate which is admittedly unhealthy. The man's wife is so delicate that she requires to consult her medical adviser more or less frequently, and he has certified that the climate will be absolutely dangerous to her health if she is removed to this place. It is 30 miles from

the nearest doctor, and in such a place it would be impossible for his wife to get the medical attention necessary in her case. There is no superior school in the district to which the man could send his children, and, having spent a good sum of money on their education, with a view that one of them should take certain honours, it is hard that the father should be compelled to remove to this bush place, where it will be impossible for his children to pursue their studies as they are able to do at present. The salary attached to the office is insufficient to enable the officer to permit his wife and children to remain in Sydney, or to send his children to a boarding-school. It seems to me that it should be possible to arrange transfers which would not entail inconveniences such as these. It might be possible to find amongst unmarried men of robust constitution persons who would be eligible for these isolated posts, and to whom public schools and doctors are not matters of any great importance.

Mr. WEBSTER.—There are scores of men with delicate wives in worse positions in the country who for years have been anxiously awaiting removal.

Mr. JOHNSON.—Admittedly. I have no desire to interfere with the early removal of such officers to more suitable places. I merely suggest that in making these exchanges, if possible, a selection should be made from single men of robust constitution to fill such places as the officer in question is to be removed to. The suggestion is one which I think may well be brought under the notice of the Minister, that it may be submitted to the Commissioner for adoption, if possible.

Mr. FULLER (Illawarra) [9.15].—There are one or two matters to which I should like to refer before the debate closes. Statements of a very serious character have been made in connexion with the recent visit to England of Captain Creswell. It has been asserted by several honorable members that this officer deliberately left England without taking advantage of an excellent opportunity afforded him to witness the naval manœuvres about to take place there, and that he came back to Australia without being recalled by his Minister. In the circumstances it appears to me that the matter is one of so serious a character that, if the Minister does not give a satisfactory answer to the statements made, the adjournment of the House should be moved in order to deal

with it. I trust that the Minister will be able to give a satisfactory answer to the statements which have been made by honorable members, and to statements to the same effect which have appeared in the press of the Commonwealth. About a fortnight ago I directed the attention of the Postmaster-General to a condition of affairs in the Sydney Post Office, which for a long time past has been causing inconvenience to thousands of people in that city. I refer to the state of the principal lift in the office. It is over five months since that lift got out of order, and, although I drew attention to the matter a fortnight ago, when I had occasion, the day before yesterday, to go to the post-office in connexion with the business of my constituency, I still found the notice, "Lift not working." From inquiries I made it would appear that from 100 to 150 persons use that lift daily when it is in working order. Thousands of persons must therefore have been inconvenienced during the time it has not been working. The fact that the principal lift in the Sydney Post Office, where so much business is transacted, should be allowed to remain out of order for over five months, is certainly a disgrace to the Department.

Mr. EWING.—Was not something said concerning the matter a week or two ago?

Mr. FULLER.—Yes, I asked the Postmaster-General a question on the subject, and the honorable gentleman said that he would make inquiries. When I visited the Sydney Post Office the day before yesterday, I found that nothing had been done, and the lift was still closed. The Vice-President of the Executive Council was in charge of the Post Office Department for some time during the last four or five months, and I think the honorable gentleman ought to discover who is to blame in connexion with this matter.

Mr. EWING.—I shall send a wire on the subject to-morrow.

Mr. FULLER.—Another matter to which I should like to direct attention was the subject of a question yesterday by the honorable and learned member for Parkes. I refer to the removal of telegraphic instruments from the Royal Exchange, Sydney. The Vice-President of the Executive Council is aware that the Royal Exchange is situated in one of the most important business centres of Sydney. It is in the midst of the big warehouses,

of paramount importance that we should secure the best possible men for positions of responsibility in our Defence Forces. Reference has been made by the honorable member for Wentworth to the return of Captain Creswell from England at this particular juncture. Probably the Minister representing the Minister of Defence is in a position to tell the House the reasons for that officer's sudden return. Was he recalled by the Government, or did he come back of his own volition? It seems most peculiar that, after having received and accepted an invitation to attend the British naval manoeuvres, in June last—where he might have gained knowledge of the utmost value—he should suddenly have decided to hasten back to Australia. The invitation which was extended to him should have been regarded as a very great compliment to Australia, and it seems to me that in neglecting to avail himself of it, a slight, almost amounting to an insult, was offered to the British authorities. If he returned to the Commonwealth of his own volition, I think that the House is entitled to be furnished with the reasons for his action. If, on the contrary, he was recalled at the instance of the Government, we are equally entitled to know the motive which actuated them. I am not aware of anything of an urgent character to account for his sudden return. Perhaps the Minister can offer some satisfactory explanation of this peculiar circumstance. He may also be aware that in military and naval circles there are rumours current that there were reasons for Captain Creswell's sudden return, which, so far, have been kept in the back-ground. I am in possession of some private information upon the subject—information which I am not at liberty to disclose here. I do hope that the Minister will see his way clear to give the House some explanation of this matter. Captain Creswell is an absolute stranger to me, and, consequently, I am not making these observations from motives of a personal character, but merely from a desire to gain reliable information. Another matter to which I wish to direct attention has reference to the regrading of some of the post-offices in New South Wales. I do not know how the scheme which is being carried out affects Victoria and the other States, but I do know that in some parts of New South Wales this regrading—involving as it does the transfer of postmasters from one district to another—may seriously dis-

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Mr. JOHNSON.—Of course, it would not be a solution of the difficulty in all cases. It would, however, certainly do away with the risk of seriously disorganizing the work of the elections. Notwithstanding the representations which have been made, I am aware that in one or two cases men occupying these positions have received notice of their appointment to other offices.

Mr. EWING.—If they have made any protest the consideration of the appeals will occupy some time.

Mr. JOHNSON.—If the consideration of the appeals will extend over the interval between this and the close of the elections, such a delay would, of course, make all the difference, so far as the work of the forthcoming elections is concerned. I have a matter connected with promotions to refer to. I have no desire to mention names, as I do not care to treat these cases as personal matters, but a special case has been brought under my notice—that of a man who has a very delicate wife, and a couple of children who are attending superior schools. One of the children, I understand, is going up for a somewhat stiff examination. This man is being removed to a country office many miles inland, and in a climate which is admittedly unhealthy. The man's wife is so delicate that she requires to consult her medical adviser more or less frequently, and he has certified that the climate will be absolutely dangerous to her health if she is removed to this place. It is 30 miles from

the nearest doctor, and in such a place it would be impossible for his wife to get the medical attention necessary in her case. There is no superior school in the district to which the man could send his children, and, having spent a good sum of money on their education, with a view that one of them should take certain honours, it is hard that the father should be compelled to remove to this bush place, where it will be impossible for his children to pursue their studies as they are able to do at present. The salary attached to the office is insufficient to enable the officer to permit his wife and children to remain in Sydney, or to send his children to a boarding-school. It seems to me that it should be possible to arrange transfers which would not entail inconveniences such as these. It might be possible to find amongst unmarried men of robust constitution persons who would be eligible for these isolated posts, and to whom public schools and doctors are not matters of any great importance.

Mr. WEBSTER.—There are scores of men with delicate wives in worse positions in the country who for years have been anxiously awaiting removal.

Mr. JOHNSON.—Admittedly. I have no desire to interfere with the early removal of such officers to more suitable places. I merely suggest that in making these exchanges, if possible, a selection should be made from single men of robust constitution to fill such places as the officer in question is to be removed to. The suggestion is one which I think may well be brought under the notice of the Minister, that it may be submitted to the Commissioner for adoption, if possible.

Mr. FULLER (Illawarra) [9.15].—There are one or two matters to which I should like to refer before the debate closes. Statements of a very serious character have been made in connexion with the recent visit to England of Captain Creswell. It has been asserted by several honorable members that this officer deliberately left England without taking advantage of an excellent opportunity afforded him to witness the naval manœuvres about to take place there, and that he came back to Australia without being recalled by his Minister. In the circumstances it appears to me that the matter is one of so serious a character that, if the Minister does not give a satisfactory answer to the statements made, the adjournment of the House should be moved in order to deal

with it. I trust that the Minister will be able to give a satisfactory answer to the statements which have been made by honorable members, and to statements to the same effect which have appeared in the press of the Commonwealth. About a fortnight ago I directed the attention of the Postmaster-General to a condition of affairs in the Sydney Post Office, which for a long time past has been causing inconvenience to thousands of people in that city. I refer to the state of the principal lift in the office. It is over five months since that lift got out of order, and, although I drew attention to the matter a fortnight ago, when I had occasion, the day before yesterday, to go to the post-office in connexion with the business of my constituency, I still found the notice, "Lift not working." From inquiries I made it would appear that from 100 to 150 persons use that lift daily when it is in working order. Thousands of persons must therefore have been inconvenienced during the time it has not been working. The fact that the principal lift in the Sydney Post Office, where so much business is transacted, should be allowed to remain out of order for over five months, is certainly a disgrace to the Department.

Mr. EWING.—Was not something said concerning the matter a week or two ago?

Mr. FULLER.—Yes, I asked the Postmaster-General a question on the subject, and the honorable gentleman said that he would make inquiries. When I visited the Sydney Post Office the day before yesterday, I found that nothing had been done, and the lift was still closed. The Vice-President of the Executive Council was in charge of the Post Office Department for some time during the last four or five months, and I think the honorable gentleman ought to discover who is to blame in connexion with this matter.

Mr. EWING.—I shall send a wire on the subject to-morrow.

Mr. FULLER.—Another matter to which I should like to direct attention was the subject of a question yesterday by the honorable and learned member for Parkes. I refer to the removal of telegraphic instruments from the Royal Exchange, Sydney. The Vice-President of the Executive Council is aware that the Royal Exchange is situated in one of the most important business centres of Sydney. It is in the midst of the big warehouses,

and close to the wool warehouses on Circular Quay. The telegraphic instruments provided at the Exchange were a convenience, not only to the commercial people employed in the immediate vicinity, but to hundreds of country people visiting Sydney in connexion with the wool sales.

Mr. EWING.—What has happened?

Mr. FULLER.—The instruments have been taken away, and no telegrams can be sent from that office.

Mr. EWING.—Not from the Exchange post-office?

Mr. FULLER.—I am informed that telegrams are not accepted there, but have to be sent to the General Post Office. I feel sure that the Minister representing the Postmaster-General, and also the Minister of Trade and Customs, both of whom know the position of the place, much recognise the necessity for keeping that office available to the public for the sending of telegrams.

Mr. EWING.—There surely must be some mistake.

Mr. FULLER.—Under such circumstances, it is no wonder that Commonwealth representatives of New South Wales cannot walk down the street without being met by business people and others who complain of "Melbourne rule." The people have found out that there is a great difference as between the administration now and the administration when the Post and Telegraph Department was controlled by the local authorities. The feeling which I have indicated is a growing one; and Ministers ought to do all in their power to see that it is removed, because it only tends to produce irritation and ill-feeling between the people of New South Wales and the people of other parts of the Commonwealth. I should like to refer to another matter connected with my own constituency. During the absence of the Postmaster-General in Europe, I drew the attention of the Minister administering the Department to the lack of telephone facilities in the important centre of Bulli. The Minister representing the Postmaster-General is a native of the district, and knows it to be one of the most important coal-mining centres in Australia. Some considerable time ago the Postmaster-General agreed that a telephone exchange should be established there, and I may mention that it was to be established on the toll system. Mr. Nelson, the Chief Electrician of the Department in Sydney, visited Bulli and met the residents; when

the difference between the two systems had been explained, it was unanimously agreed to adopt the toll system. I have not been able to ascertain all the facts, but, for some reason or other, although this meeting took place long before the Postmaster-General went to Europe, the telephone exchange is not yet in working order. A very large amount of business is done at Bulli, and the Minister knows the necessity there is for quick communication with Sydney and other parts of New South Wales.

Mr. EWING.—I thought the exchange had been constructed.

Mr. FULLER.—So did I until the other day; and I cannot understand the reason for the delay. I have received a complaint in this connexion from the local Progress Association, and I take this opportunity to bring the matter under the notice of the Minister, feeling sure that he will have inquiries made.

Mr. CONROY (Werriwa) [9.23].—I desire to bring under the notice of the Minister who administers the Patents Act a case which well illustrates the difficulties arising from the fact that there is only one Patents Office. A certain resident of Sydney applied for a patent, and the time for his making the deposit of £5 expired on a certain Saturday. On the previous Friday the applicant went to the General Post Office and obtained a post-office order for the amount, which he posted in time to reach Melbourne on the following day, in the ordinary course. The Patents Office, however, closes at 12 o'clock on Saturday, and, as the letter did not arrive before that hour, it was held that the time for lodging the deposit had expired. The consequence is that this man has lost his patent. This case shows the necessity for patents offices in Sydney, Adelaide, and other cities—

Sir WILLIAM LYNE.—There is an office in Sydney.

Mr. CONROY.—But, unfortunately, the money had to be lodged in Melbourne.

Sir WILLIAM LYNE.—How long ago did this case occur?

Mr. CONROY.—Two or three months ago.

Sir WILLIAM LYNE.—I have found similar cases, and I think that now deposits may be lodged with the representative of the Commissioner in Sydney.

Mr. CONROY.—The Minister certainly has power to make regulations to prevent the repetition of what is undoubtedly an

injustice, which ought to be rectified. Regard ought to be had to the date on which this money was posted in Sydney, and the mere lodging of the money at one of the Commonwealth Departments in time to arrive in Melbourne in the ordinary course, ought to be deemed sufficient compliance with the Act.

Sir WILLIAM LYNE.—I think such cases have been provided for in the latest regulations, under which, as in New Zealand, the post-mark will be taken into consideration.

Mr. CONROY.—I am glad to hear that statement from the Minister. I do not know whether the application in the case I have cited can be reinstated; but that is a question for the Minister to determine. It might, of course, happen that this particular patent was of no particular value, though the contrary might be the case.

Sir WILLIAM LYNE.—If the honorable and learned member will send me a memorandum of the man's name and other particulars, I shall make inquiries.

Mr. CONROY.—I shall be glad to furnish the particulars. I should now like to ask the Minister when we are to have the itinerary settled for the proposed visit of inspection to the proposed Capital Sites, because time is steadily going on?

Mr. WEBSTER.—In the meantime the Commonwealth is paying £6,000 per annum as rent in Melbourne.

Mr. CONROY.—I am not complaining about the amount that has to be paid in rent, because I presume that when we establish the Federal Capital, the interest on the new buildings will represent more than that amount. At present we are paying only part of the interest on the expenditure on the buildings occupied. In any case, the money is supplied by exactly the same set of citizens, and, as I say, any change must involve extra expense. However, the Constitution provides that there must be a Federal Capital, and it is only right and proper that the Constitution should be put into operation. Every honorable member will agree that it would have been infinitely better had there been inserted in the Constitution a provision that, if the site were not selected within three or four years after the establishment of Federation, the Parliament should meet in Sydney. Had that been done, we should probably have heard nothing of the bush capital for many years.

Mr. BAMFORD.—At all events, not from New South Wales.

Mr. CONROY. — Nor from the representatives of the other States. In order to keep honorable members in touch with thought in the great centres of civilization throughout Australia, and to prevent delay in the delivery of the numerous letters that must be addressed to them, the site of the Capital should be near, if not on, the main line between Melbourne and Sydney. The Federal Capital must be easy of access. When we reach it we shall probably have from 100 to 150 officials stationed there, and it is not fair that we should take them away from all the benefits of civilization. Honorable members would not care to reside with their families in some out-of-the-way place where they could not obtain the facilities for educating their children that offer elsewhere, and we should recollect that the officers of our staffs will be equally desirous of having some adequate opportunity for the education of their children. When we arrive at a truer sense of what our legislative functions are we shall not have long sessions, and if the Capital be established away from the main lines of communication, we may have practically a deserted village during eight or ten months of the year. A hardship would thus be imposed, not on honorable members, but on the officers and others who must necessarily take up their residence in the Capital. I should be delighted to see the Ministry make an effort to determine this question. We have in this case an illustration of the fallacy of neglecting to make a big question a party matter. Honorable members are free to vote for this site or that, without regard to what will be the effect of their selection, and the position in regard to this question is an indication of what would happen in the absence of party government. In such circumstances no decision is arrived at, except under great outside pressure. This has not been made a party question, and consequently it still remains undetermined. I trust that there will yet arise a Ministry which will make this a party question and settle it.

Mr. RONALD.—Did we not select a site?

Mr. CONROY. — We selected a site without consulting the State that ought to have been consulted. At the time the question was raised whether many honorable members did not make the selection, not

because it was the most suitable, but because it would be the least disagreeable to the bulk of the members of this Legislature.

Mr. WEBSTER.—Because of their political necessities.

Mr. CONROY. — That may have had something to do with the decision. It certainly did not create in the minds of the bulk of the people of New South Wales the belief that it was intended as a sincere step towards the settlement of the question. That being so, there rightly prevails in the great mother State a feeling of irritation at the dilatoriness of the Federal Parliament in dealing with this matter.

Mr. WILSON. — If the honorable and learned member had voted for Tooma, it would have been all right.

Mr. CONROY. — Surely the honorable member would not have me vote for a site which might be within the letter, but would be completely outside the spirit, of the law. That would be a breach of faith which ought not to be suggested in this House.

Mr. STORRER.—That is a reflection upon the majority of honorable members.

Mr. CONROY.—The majority in this House did not vote for the selection of Tooma. The honorable member must be quite unaware of the decision of the Conference of Premiers that the Capital should be within a reasonable distance of Sydney. I believe that the limit proposed by the present leader of the Opposition was seventy-five miles, whilst that suggested by the right honorable member for Balclutha was 200 miles. As a compromise, it was decided that the Capital should be within a distance of not less than 100 miles from Sydney.

Mr. WEBSTER.—Those facts have only recently "slipped out of the bag."

Mr. WATKINS.—They were not known at the time.

Mr. CONROY. — That is so. I am satisfied that the general sense of fairness of this House is such that Dalgety would not have been chosen had those facts been brought before the House at the time.

Mr. WEBSTER. — And thousands of pounds would have been saved.

Mr. CONROY. — I quite agree that probably there would not have been such a waste of time. The honorable member for North Sydney made a statement as to the understanding arrived at, but, curiously enough, it escaped the notice of the House.

Mr. WEBSTER.—That was a statement in the newspapers. He himself did not know that it was authenticated.

Mr. BAMFORD.—The whole thing was childish in the extreme.

Mr. CONROY.—I quite agree with the honorable member as to that. I thought from the commencement that there should be no limitation as to distance, and I am quite satisfied that, had that been the case, the State that would have gained is New South Wales; because she, being the mother State, the first Federal Parliament would of necessity have met there, and, as no pressure would have been brought to bear upon Parliament to move away from Sydney, it is extremely likely that it would have met there for half a generation to come, if not for ever. I complain that we do not seem to be any nearer a solution of this question than we have been from the beginning. There does not seem to be, on the part of the Government, that eagerness to settle it which they ought to exhibit. If they were to state that this is a moribund Parliament, and that an entirely new body of men should be elected before it would be wise to re-open the question, that would be an excuse to which a good deal of weight ought to be attached. But the Government has not put forward that as a reason for not pushing on with the question. I have no hesitation in saying that, with our knowledge of what took place at the Premier's Conference, if the matter were re-opened it is extremely likely that a satisfactory solution would be arrived at without any trouble. I am in some difficulty with regard to this subject, because two or three of the newly-suggested sites happen to be in my electorate. But merely because they are there, I am not precluded from referring to the question. I have been particularly careful, in all the speeches I have made, not to make any statement beyond what I conceive to be the actual facts in relation to the sites that have been suggested. I suggest to the Government that arrangements should be made as soon as possible for a visit to the sites brought under our notice by the Premier of New South Wales. The sooner the visit takes place, the greater the probability of a settlement being arrived at.

Mr. WATKINS (Newcastle) [9.41].—I wish to refer to a matter which I have previously brought under the notice of the Minister representing the Defence Depart-

ment. I refer to the necessity for providing long-service medals for the members of the Naval Brigade, such as are provided for the members of our land Forces. I have never received a satisfactory answer from the Department in respect to this matter. If there is any one Department under the Commonwealth which more than another is particularly skilful in evading an awkward question, and in giving no satisfactory reason why a request should be entertained, commend me to the Defence Department.

Mr. EWING.—Was not the reply that the naval authorities in England did not grant long-service medals?

Mr. WATKINS.—The statement was made that long-service medals were not granted to members of the Naval Brigade, because they were not given to the Navy in England. But I always considered that that reply was unsatisfactory, because in Australia the Naval Brigade is practically a part of our land defence Forces. There is no reason whatever why the members of it should be differently treated. Even as regards England, it appears to me to be ridiculous that a long-service and good-conduct medal should be given to one branch of the Defence Forces, and withheld from the other. The last time I brought up this matter, I was informed that it had been referred to the Attorney-General for his opinion as to whether we could institute an Australian long-service medal. Nearly twelve months have since elapsed, and while I admit that the Attorney-General presides over an important and busy Department, still, a year is a reasonable time to allow for an answer to be given to a question of that description.

Mr. ISAACS.—I have not had it.

Mr. WATKINS.—The Attorney-General now informs us that the question has never been referred to him.

Mr. EWING.—We shall have to see that he gets it.

Mr. WATKINS.—How far can we give credence to replies given by Ministers if that is the position?

Mr. ISAACS.—The question may have been referred to some officer of the Department, but it did not come before me personally.

Mr. WATKINS.—We had an assurance that the question was to be referred to the Attorney-General's Department, and I hope that a reply will be given by the honorable

and learned gentleman himself. At any rate we ought to know whether the members of the Naval Brigade are to receive what is undoubtedly fair treatment.

Mr. WILSON (Corangamite) [9.46].—The honorable member for Werriwa has referred to this Parliament as moribund. Judging from the action which the Opposition sometimes takes when it is operating in full force, I must say that it appears to me to be a very lively corpse. I dissent from the honorable member's remarks with regard to the Federal Capital Site, and as to the visit which it is proposed to make to newly-suggested sites.

Mr. KENNEDY.—I thought the honorable members of the Opposition were a unanimous party.

Mr. WILSON.—We break out occasionally. Ours is by no means a caucus party. We are quite free to express our own opinions. I suggest that our best plan is to leave over the Capital Site question, and to defer the proposed excursion until the next Parliament, when perhaps many of us may be saved the necessity of making it. My principal object in rising, however, was to direct the attention of the Minister representing the Defence Department to the case of the men dismissed from the Warrnambool battery. No information has as yet been given with respect to that matter. The subject has been as much in evidence within the last few weeks as I could make it—indeed it has been quite as much in evidence as have been those honorable members who were previously members of the New South Wales Parliament.

Mr. JOSEPH COOK.—It is time the grievance was remedied.

Mr. WILSON.—I hope that the Minister will see that the matter is pushed forward, so that the information may be given to the House, and those concerned may learn their fate as soon as possible.

Mr. WEBSTER.—What is wrong with the battery?

Mr. WILSON.—I do not know that there is anything particularly wrong with the battery, except that it is not supplied with proper guns, that men have been improperly dismissed, and that a proper instructor is not supplied to them. The particular point is that the guns supplied to them are unfortunately obsolete, and I believe that it is unsafe to fire them. As I was under fire from these guns on one occasion, I can say that they can fire—perhaps those standing nearer to them than

I was were in greater danger—for the shells were dropping round us in a very lively manner. I hope that the Minister will make a note of my representation, and give me an answer as soon as possible.

Mr. EWING.—Judging from my last inquiry, I think that it will be a few days yet before the matter can be dealt with. I shall give the honorable member an answer as soon as possible.

Mr. WILSON.—The last promise I had was that the honorable member was seeking for fresh information. I anticipated that it would not have taken very long to get it, and that then the Minister would give his decision, because he has ample power to cancel the discharges of the men if they have been improperly or harshly discharged. There is another matter which is, I think, of serious importance to the bulk of the people of Australia, and it is one affecting their food supplies. It has been brought under my notice that in the case of oatmeal—a food which is more particularly used by poor persons—there is existing in Australia a sort of combine which is to the detriment of the public. I hope that in the interests of poor persons the Attorney-General and the Minister of Trade and Customs will make an inquiry. I cannot say that my figures are exactly correct, but I believe that they are very nearly so. Oats have been purchased at from 2s. 3d. to 2s. 9d. a bushel. It takes 56 bushels of oats, weighing 40 lbs. to the bushel, to make a ton of 2,240 lbs., which brings up the price of oats to £7 14s. 2 ton. Wheat, which is sold at 60 lbs. to the bushel, is purchasable in the market at 3s. 4½d. per bushel, and it takes 38 bushels to make a ton of 2,240 lbs. Of course, a ton of flour is reckoned at 2,000 lbs.; but in order to make the comparison complete I have brought the ton to 2,240 lbs. in each case. At 3s. 4½d. per bushel, a ton of wheat comes out at £6 8s. Flour in small parcels is quoted in the market at £7 10s. a ton. Allowing for what the millers get in the way of offal, such as bran, it leaves a difference of £1 2s. for the cost of milling and distributing. On the other hand, I find that oats which cost £7 14s. are being distributed wholesale as oatmeal at about £18 a ton. Allowing £1 16s. a ton for the cost of milling and distribution, because the offals are not so valuable as in the case of wheat, and also allowing

for distributors' profit, and everything else, it brings the total cost of oatmeal up to £9 10s. a ton. But instead of being distributed at anything like that sum, I believe that the wholesale price is close upon £18, if not actually £18.

Mr. KENNEDY.—Has the honorable member considered the relative values of the waste of the two products?

Mr. WILSON.—Yes, I have made allowance for the difference in the price of oats and flour, and also the difference in the value of the offal. I know as well as the honorable member that the value of wheat offal is much greater than that of oat offal. If we make a comparison between this market and the English market, we find that, as a general rule, oats are more expensive in England than in Australia. Oatmeal is being distributed in Glasgow at £13, and in Melbourne at about £18 a ton.

Mr. CONROY.—The millers take advantage of the duty of £9 6s. 8d. a ton.

Mr. WILSON.—I do not say that there exists a combine, but it looks to me very much like as if, amongst the millers and workers in this commodity in the different ports, there has been some arrangement entered into whereby the cost of oatmeal to the people is made excessive.

Mr. WEBSTER.—A ring among the millers.

Mr. WILSON.—I shall be very glad to hear the honorable member for Moira if he can throw any light upon the subject. If there is no combine in existence, there is an end to the matter, but if there is a combine in existence it is the duty of honorable members and those connected with the Department to see if something cannot be done to set the matter right. Seeing that we have set our faces against the existence of trusts and combines, which are acting to the detriment of the public, we should be very careful to see, first of all, that poor people, who are dependent to a very great extent upon flour and oatmeal for their sustenance, do not suffer. I believe that I am doing only my duty in mentioning the facts. I hope that inquiries will be made, in order that people may get their foodstuffs at the lowest possible price, always taking into consideration the expense in connexion with the preparation and distribution of the article.

Question resolved in the negative.

JUDICIARY BILL.

SECOND READING.

Debate resumed from 18th July (*vide* page 1438), on motion by Mr. ISAACS—
That the Bill be now read a second time.

Mr. CONROY (Werriwa) [9.57].—I certainly feel very considerable difficulty in dealing with this measure, because, in the first place, I am very anxious to avoid unnecessary expense. I am one of those who are aware that there is no expenditure which serves a better cause than does the provision of additional Justices when they are really required. If there are not sufficient Justices to carry on the work of a Court, then, no matter what our objection on the score of expenditure may be, additional Justices should certainly be appointed. If that is not done the delays of the law, always in themselves vexatious enough, and also the costs of any cause are largely increased. When litigants are delayed it means that enormous expense is involved, because of the number of witnesses who have to be kept waiting until the cause is tried. For instance, in Sydney last month the Justice appointed a day upon which to determine a country cause. Forty-two witnesses had started to come down to the Court, when they were informed that, owing to the pressure of business, His Honour would be unable to attend, and the cause had to be delayed for a week longer. As a consequence, the expense of forty-two witnesses was entailed for one week longer than otherwise would have been the case. I can also cite a case with which I had some connexion a few years ago. Owing to the Equity Judge being unable to hear and determine the cause on the day appointed, because of the pressure of other causes upon him, the expenses were increased by the sum of no less than £1,200.

Mr. WEBSTER.—That was owing to mismanagement.

Mr. CONROY.—A very large part of that expenditure was incurred for witnesses' expenses alone. One or two witnesses had to be brought from New Zealand, and a very heavy expenditure was involved in keeping them in New South Wales. If we take it upon ourselves to refuse to appoint more Judges when a case seems to have been made out for an addition to the Bench, we must act under a full sense of the heavy responsibility thrust upon us, because, whatever regard we may have for economy in administration, it behoves us to see that there are not too few Justices

for the hearing of appeals. Consequently, when the proposal to add to the High Court Bench was first mooted, I felt that I should have great difficulty in dealing with it. In my opinion, it would be preferable that Justices should want cases than that suitors should want justice, and, rather than bring about the denial of that justice which it should be our primary aim to secure, we should provide more than enough Justices. But, after carefully considering the whole matter, I feel unable to agree to the appointment of more Justices.

Mr. WEBSTER.—Will not the honorable and learned member agree to any fresh appointments?

Mr. CONROY.—Not at the present time. No doubt, under the Judiciary Act as it stands, the Justices have too much to do, and, if the Act is not amended in certain particulars, it will be necessary to increase the Bench, not by two only, but by at least four. The honorable and learned member for Indi will agree with me that the appointment of two more Justices will not provide for the constitution of another Full Court, and that the appointment of at least three would be necessary for that purpose. In addition, there is the work of the Arbitration Court, so that four, and not two, new appointments will be needed if the Act is not amended. What is necessary is to reduce the number of appeals. We should not permit appeals to the High Court from a single Judge. Of course, two Justices could constitute an Appeal Court; but it would create great dissatisfaction in the mind of a litigant if a decision were given against him because the senior Justice happened to hold one opinion and the junior Justice another. Therefore, it will be unwise to have an Appeal Court of less than three Justices, and it is not proposed to constitute a second Appeal Court. But the facts put before us show that, if the Judiciary Act remains unamended, there will be work, not for two only, but for four more Justices, while an amendment of the Act will make any new appointment unnecessary, unless, of course, it is thought wise to have an Appeal Court of five instead of three. When the first Judiciary Bill was before us, some four years ago, I, with the honorable and learned member for Angas, pointed out that, if the original jurisdiction provided for were given to the High Court, and appeals were allowed from a single Judge, we should, within two or three years,

require, not only five Justices, which was the number fixed by the original Bill, but at least seven; and I ventured to prophesy that, if we allowed the measure to be construed as it could and would be construed, seven Judges would, within ten years, be too few, and High Court Benches of three Justices each would be required for each State.

Mr. FRAZER.—Does the honorable and learned member desire that all litigants shall have to go through the Full Courts of the States to get to the High Court?

Mr. CONROY.—Litigants wishing to appeal to the High Court should go through the Supreme Courts, and, unless the matter was very important, an appeal should not be allowed from the Supreme Courts. The High Court should sit only as an Appellate Court. If appeals are multiplied too much, it increases, instead of diminishes, law expenses. Prior to the establishment of the High Court, the appeals from Australia to the Privy Council did not average more than twelve a year, and there is not much difference between the expense of an appeal to the Privy Council and the expense of an appeal to the High Court.

Mr. ISAACS.—Nonsense.

Mr. CONROY.—The average expense of the 223 appeals to the Privy Council has been £210 each, and I know of appeals to the High Court which have cost over £1,000 each.

Mr. FRAZER.—Such cases would have cost £10,000 each if the appeal had been to the Privy Council.

Mr. ISAACS.—To what cases does the honorable and learned member refer?

Mr. CONROY.—I can give the names to the Attorney-General in private. When half-a-dozen parties are represented by counsel, expenses soon mount up. I know of a case in which the brief of the learned counsel was marked with a fee exceeding one hundred guineas, to which, of course, had to be added refreshers. Parties before the High Court are always represented by counsel, but, in scores of cases, poor litigants need not be represented by counsel before the Privy Council, and have to incur no further expense than that of printing documents, such as have to be printed for an appeal to the High Court. By endeavouring to cheapen law, we have enormously increased its expense to many litigants. At the last sitting of the High Court in Melbourne, there were twelve appeals to it; but if the Judiciary Act had

been properly framed, nine of those appeals would not have been heard. What we should do is to amend the Judiciary Act so as to bring the work of the Court within reasonable limits. I admit that there is something to be said for strengthening the Bench so as to have an Appeal Court of five instead of three. To honorable members who take that view I have nothing further to urge. But that is not the ground on which we are asked to consent to the appointment of two extra Justices. If it had been contended that at the time that we passed the original Act excitement ran high, and that there was a grave doubt as to the work the Court would be called upon to do, or as to the appeals which would be made, we might have been asked to reconsider the position, and to increase the number of Justices. With those who take the view that five Judges on the Bench would probably add to the weight of the Court my objection will go for nothing, but I wish to particularly point out our failure to recognise the fact that our own legislation has enormously increased the number of cases that have come before the High Court. I do not altogether like to say, "I told you so," but upon looking up the debates I find that I was one of those who pointed out what would result from the passing of the Act in its present form. I pointed out that if we gave to the Court the original jurisdiction contemplated—there was no necessity for it, because we had all the necessary machinery in full operation—we should enormously increase the work of the Justices. I urged that instead of having one Full Court, we should, within two or three years, require at least two Courts, and that, if cases were to be speedily disposed of, we should within ten years be called upon to appoint 17 or 18 Judges. So far my prediction has been fulfilled. I need only refer to the speech of the Attorney-General for proof of this. He referred to the work that had been done by the Justices, and showed that my forecast was a perfectly correct one. The honorable and learned member for Angas also delivered a very able speech upon the same point. Any one reading that speech to-day cannot fail to be struck by the foresight displayed by the honorable and learned member, and we must be thankful that we have amongst us some men who would grace any debating assembly in the world. I particularly refer to the honorable and learned member,

because he was one of those who pointed out that we were exceeding our powers in taking away the right of appeal from the Supreme Courts of the States to the Privy Council, and that we were wrong in deciding that the High Court alone should hear such appeals. The judgment which has since been given by the Privy Council in the *Outtrim* case fully bears out what was said on that occasion. We took it upon ourselves to give extended powers to the High Court, and I venture to say that within the next two or three years we shall find it necessary to appoint another five Justices in addition to those whose elevation to the Bench is now contemplated. Our Judiciary Acts invests the Justices with so much power that it is only because they have refused to exercise their original jurisdiction that they have been able to cope with the work. By making litigants go to the High Court straight away we do not diminish the expense to them, but rather increase it. The Justices of the High Court occupy an almost unique position—I am employing the exact words of the Attorney-General—and we ought not to add to their number, if we can avoid it, especially in a moribund Parliament. If, by making the Court, as was first intended, a strictly appellate tribunal, we can get along with the present number of Judges, we ought to do so. I was one of those who stated that we ought to limit the powers of the Court, because I foresaw that before long we should be called upon to strengthen the Bench. If we allow the Act to stand as at present, we shall only play with the question by appointing two extra Justices. If the report presented by their Honours goes for anything, we should appoint at least four more Justices. Already there are some remanets* in at least two of the States, and, therefore, some litigants will be prevented from obtaining an early decision of their causes, and will be involved in extra expense. We should constitute two Full Courts, so that sittings might be held simultaneously in different States for the hearing of appeals. The alternative is to amend the Judiciary Act in the direction of taking away some of the rights of appeal that are now given. If we had made such an amendment before this, nine of the twelve cases which were recently dealt with in Victoria would have absolutely disappeared.

Mr. JOSEPH COOK.—What were they?

Mr. CONROY.—Appeals from the decision of a single Judge.

Mr. ISAACS.—If the right to appeal from the decision of a single State Judge were done away with, litigants would have to pass through two Courts instead of one, in order to reach the final appellate tribunal.

Mr. CONROY.—The Attorney-General knows very well that that is not correct. Does he think that litigants ought to have the right to appeal from Court after Court? He knows very well that in the great majority of cases litigants are satisfied with the first decisions that are given. Before the High Court was established, the decisions of the States Supreme Courts—irrespective of whether they were right or wrong—stood. There was a certain amount of finality about them.

Mr. FRAZER.—In the majority of cases, according to the judgments given by the High Court upon appeal, they were absolutely wrong.

Mr. CONROY.—The mere fact that we have constituted the High Court does not of itself argue that the Justices composing it are endowed with such an infinitely better knowledge of jurisprudence that we are entitled to say their decisions are always right, and those of the Supreme Court Judges are always wrong.

Mr. FRAZER.—I do not say that they are infallible, but I would much prefer to accept the decisions of the High Court than those of any Full Court of a State.

Mr. CONROY.—The two Justices of the High Court who for a time filled the position of acting Judges in New South Wales, were regarded during their tenure of office as very sound and sensible men, but no greater weight was attached to their judgments than was attached to those of their brother Judges, whose opinions they are now so easily able to supersede.

Mr. JOSEPH COOK.—The most puzzling thing to me is the marvellous way in which our High Court Justices always agree.

Mr. CONROY.—There is no doubt that in the Chief Justice of the High Court, the Commonwealth possesses a jurist of very high powers indeed.

Mr. GLYNN.—The Court itself is one of which the Commonwealth has reason to be proud.

Mr. CONROY.—I think that the Court is one to which nobody in Australia need be ashamed to point, because it possesses men of very great abilities indeed. But it is not too much to say that a great many of us do not regard that Court as infallible,

and we are just as likely to disagree with its judgments as we are with the judgments of three or four of the Judges of the States Supreme Courts.

Mr. GLYNN.—I think that the Appeal Court at Home upsets about 50 per cent. of the decisions of the Divisional Courts.

Mr. CONROY.—Some honorable members appear to think—and the Attorney-General encourages the belief—that by affording litigants an opportunity to appeal direct to the High Court, we enable them to effect a saving. To the majority, I venture to say that that process involves an additional expenditure.

Mr. ISAACS.—I entirely disagree with the honorable and learned member. In addition, I think that he ought to consider whether we have the power under the Constitution to do what he suggests.

Mr. CONROY.—Then we ought so to frame our laws that the number of appeals to the High Court will be limited in the same way as are the appeals to the Privy Council. We cannot constitute two Courts of Appeal, and if the records to which reference has been made show anything, it is that at least two Courts of Appeal are wanted. I say that two Courts of Appeal are not necessary. How can we constitute two Courts? Every one of the cases which have been quoted would require to have been heard by three Justices. Either we are going too far, or we are not going far enough. The appeals which are now being made to the High Court are so numerous that the position is becoming a very serious one. Before that tribunal began to upset the decisions of the States Supreme Courts, litigants were satisfied. That is not the case to-day. I will guarantee that the expense incurred in appealing to the High Court has considerably increased the cost of litigation. Before the establishment of that tribunal, there were about twelve appeals annually from the decisions of the States Supreme Courts. These appeals cost, upon an average, about £210, or £2,500 a year. I will undertake to say that no party can appear before the High Court without incurring an expenditure of from £30 to £40 on either side. If we assess a great many of the smaller appeals at from £80 to £100, what a large sum they represent. In view of the multiplicity of these cases, I hold that we are considerably increasing the cost of litigation. Honorable members themselves are conscious of that. What did the Attorney-General do when the Australian Industries Preser-

vation Bill was under consideration the other day? He limited the power of appeal from the decision of a single Judge. In fact, he provided that there should be no appeal from his decision. In scores of instances that is what obtains to-day. In this connexion I particularly refer to the various Courts of Petty Sessions throughout the States. In numbers of cases their decision is practically final. It surely will not be said that we are diminishing the cost of law when we now find that in all these cases an appeal would lie to the High Court. As I say, we have enormously increased the amount of litigation which can be proceeded with, and that is not to the benefit of the people of Australia.

Mr. JOSEPH COOK.—I understand that litigants have an option, and can go either to the High Court, or to the Full Court of the Supreme Court of a State.

Mr. CONROY.—They can, in some cases.

Mr. JOSEPH COOK.—Then in case there is a congestion of original business that should not lead to a denial of justice, since litigants have that option.

Mr. CONROY.—There would not be a denial of justice where they have that option, nor would there be a denial of justice, even if we did not appoint fresh Justices of the High Court. But the High Court should so frame its rules and regulations as not to allow appeals to be made direct to it.

Mr. ISAACS.—The High Court could not do any such thing.

Mr. CONROY.—If we were to amend our Judiciary Act, and permit appeals only under certain conditions, it could. At the present time a lot of this work is forced upon the High Court as the result of our legislation. This was clearly foreseen when we were passing that legislation, and at the time I pointed out what the result would be. I said that in two years' time the appointment of additional Justices of the High Court would be asked for, and it is manifest, if the figures which have been quoted are correct, that two Courts should have been asked for before, if some power such as I suggest is not to be exercised.

Mr. FRAZER.—Would the honorable and learned member force litigants to go to the State Full Court before they can get to the High Court?

Mr. CONROY.—Most unquestionably. I would not allow an appeal to the High

Court from the Supreme Court of a State, except in a matter in which an appeal would lie to the Privy Council. Such a matter should be allowed to go to the High Court. I thought that when we were establishing this Appellate Court we proposed to do so practically in lieu of the Privy Council, and that consequently there would be no more appeals to the High Court than there had been to the Privy Council; nor would there have been if we had framed our legislation properly. I pointed out at the time that if we framed our law as proposed, the number of our appeals would be enormously increased. I have been justified by the event. In the Outtrim case the other day the Privy Council decided that section 39 of our Judiciary Act is absolutely *ultra vires*.

Mr. ISAACS.—No; they have given no decision on the subject yet.

Mr. CONROY.—I assure the honorable and learned gentleman that they have decided that, and have also decided to hear the appeal.

Mr. ISAACS.—They may so decide, but they have not done so yet.

Mr. CONROY.—The honorable and learned member for Northern Melbourne, who is one of those who took the same stand as I did in this matter, assures me that what I state is a fact. The honorable and learned gentleman congratulated me on being one of those who, with himself, had taken the view that section 39 of the Judiciary Act was *ultra vires*, and he told me that the Privy Council had held that that was the case.

Mr. ISAACS.—They have given no judgment yet.

Mr. CONROY.—I certainly understood that from the newspaper reports of the case. The reports telegraphed out to the newspapers showed that the Privy Council entirely set aside the argument used that they were prevented from hearing the appeal, and decided that the section to which I have referred is *ultra vires*. I wish to see the High Court made an Appellate Court pure and simple.

Mr. ISAACS.—What original jurisdiction would the honorable and learned member take away?

Mr. CONROY.—The whole of the original jurisdiction under section 30 and following sections of the Judiciary Act. Section 30 provides that, in addition to the original jurisdiction conferred by the Constitution, the High Court shall have

original jurisdiction in all matters arising under the Constitution or involving its interpretation.

Mr. ISAACS.—Surely the honorable and learned member would not take the interpretation of the Constitution from the High Court?

Mr. CONROY.—Surely the Attorney-General is not going to put that limited meaning upon the words quoted, considering that that means that it has original jurisdiction in regard to every matter arising under section 51—not section 73.

Mr. ISAACS.—No, no.

Mr. CONROY.—I am one of those who give a different reading to the section.

Mr. ISAACS.—Will the honorable and learned member look at the next subsection, No. II.? It is not given as arising under any laws made by the Parliament.

Mr. CONROY.—What is more, in all our legislation we are proceeding to invest the High Court with original jurisdiction.

Mr. ISAACS.—That is quite a different question.

Mr. CONROY.—I am pointing out that this is being done. It is done under the Patents Act, Trade Marks Act, Copyright Act, and Arbitration Act, and it is proposed in the Australian Industries Preservation Bill. In all these measures we have conferred, or propose to confer, original jurisdiction on the High Court.

Mr. ISAACS.—Would the honorable and learned member repeal all those measures?

Mr. CONROY.—I do not desire to repeal them, but I say that we should put the High Court in the position of an Appellate Court, pure and simple. If we do not, the expense will be enormous, and it will not be merely a matter of the appointment of two more Justices. If the appointment of only two more Justices were involved, the matter would not be worth arguing about.

Mr. JOSEPH COOK.—It seems to me that the more we increase the status of this Court, the more it is bound to attract business from other Courts.

Mr. CONROY.—We are framing our laws in such a way that the whole of the business must go to the High Court, and I remind honorable members that later on we shall not be in a position to take away a great deal of this original jurisdiction. I am not now arguing as to whether five Judges should constitute the High Court. Honorable members may have a perfect right to say that there should be five Judges; but if we continue on the lines which we

have adopted so far, we must have two Courts. We cannot deny justice to the people, and we shall deny it if we do not provide sufficient Justices to hear their cases.

Mr. JOSEPH COOK.—I do not quite agree with the honorable and learned member in that, because there is the option.

Mr. CONROY.—What we should do is to make the High Court an Appellate Court, pure and simple. If we did, three Justices would be able to do the work. I do not say that if that were done there should be only three Justices of the High Court. It might be advisable that there should be five, and I should not be disposed to quarrel with those who would take that view.

Mr. KELLY.—Has not the High Court original jurisdiction as well as appellate jurisdiction?

Mr. CONROY.—I am pointing out that that is precisely the source of the serious danger confronting us.

Mr. JOSEPH COOK.—Where does the danger arise, since litigants have the option of going to the Full Court of a State, if they feel that they will be crowded in the High Court?

Mr. CONROY.—Because the High Court, like all other Courts, will try to appropriate all the work for itself. There is not a Court that does not do that. Honorable members will not find in history an instance of any body of lawyers who have not tried to collect all the work into their own Court. The Ecclesiastical, Probate, and Divorce Courts have all tried to do so.

Mr. ISAACS.—How could they? The High Court cannot collect business.

Mr. DEAKIN.—I wish we knew what Court could deal with the honorable and learned member.

Mr. CONROY.—If I were convinced that a Court was competent to deal with me I should readily submit to its jurisdiction. I do not desire to labour the matter, but merely to point out where we are going. If the House decides still to march on in the same direction there is no more to be said. My objection is to the very large expenditure that this Bill would involve. We are taking away from the great bulk of suitors the opportunity to appeal to the readiest and handiest Court; and if there are not Courts sitting constantly in the cities, we shall have a serious state of affairs, in which the appointment of two, or half a dozen, or a dozen Justices would not be sufficient.

Mr. FRAZER.—Surely the litigant is the best judge as to the Court for his case; if he prefers finality in one Court, would the honorable member prevent him from going to it?

Mr. CONROY.—The honorable member will see that many cases have to go through several Courts. Let the honorable member multiply the cases of last year by £100 only, allowing £50 expenses on either side; and if he can show a litigant who could, at that expense, take through a case that lasts over a day, I should be glad to meet that litigant and his solicitor. So far from diminishing the expenses of appeals, it is proposed to increase them to an enormous extent.

Mr. ISAACS.—The honorable member would double the expense.

Mr. CONROY.—The Attorney-General is quite wrong. If the power given to appeal to the High Court were only that given in the case of the Privy Council, we should not get very many more cases than are taken to the latter tribunal.

Mr. ISAACS.—Nearly all the appeals in New South Wales are from the Full Court to the High Court, and that means double appeals.

Mr. CONROY.—But as soon as people get over the idea that the High Court exists for the purpose of upsetting every decision of the Full Court of a State—as soon as the Supreme Court of New South Wales understands what the decisions of the High Court are—appeals will decrease in number. During the last two years the High Court, by its decisions, has been making a body of law which will diminish the chance of appeal unless appeal be made on the principle of the toss of a penny, and in view of the many decisions of the Supreme Court that have been upset. It is not good there should be that feeling of antagonism, and I do not desire to see it stronger than it is now. My point is that unless we amend the Judiciary Act we shall have to greatly increase the number of Justices—that is, we shall have to do so unless the High Court is made an appellate Court pure and simple. There is always a prejudice against the appointment of extra Judges; but I take it to be an axiom that Judges should be appointed whenever they are wanted. The Attorney-General has come forward with an argument in favour of the existence of a second Court, but he has not

proposed Judges for that Court, and the necessity for it would be obviated if the High Court were made what it was originally intended to be. I do not say that a Court of five Judges is not better than a Court of three Judges, but it is as well to look the matter straight in the face, and recognise the fact that, unless we amend the Judiciary Act, two Judges will not be nearly enough, but that, on the contrary, we shall have to appoint at least three more, and possibly a fourth. At all events, if appeals continue to increase in the same proportion, or in anything like the same proportion as in the past, we shall have to provide next year for at least two more Judges; and while we are at work we might as well consider whether it would not be well, by an amendment of the Judiciary Act, to render such appointments unnecessary. The one argument that could then be brought forward in favour of extra Judges would be that their appointment would strengthen the Court and give greater weight to its decisions. Sometimes appeals are heard in the Supreme Courts of the States by five or six Judges, and I remember two occasions on which a Full Court of seven Judges sat to determine very important points of law. It would be very unsatisfactory if a decision by seven Judges of a Supreme Court should be upset by an appeal Court consisting of only three Judges. The Attorney-General has never appealed to us on these grounds, but says that the Court is to deal with extraneous matters entirely; so that the one strong ground I thought he had in defence of the Bill, he has thrown away. Under the circumstances I am unable to give that support to the second reading of the Bill that I might otherwise have been glad to extend.

Debate (on motion by Mr. JOSEPH COOK) adjourned.

House adjourned at 10.50 p.m.

Senate.

Friday, 20 July, 1906.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

EMINENT DOMAIN BILL.

In Committee (Consideration resumed from 19th July, *vide* page 1523).

[56]

Clause 1—

This Act may be cited as the Eminent Domain Act 1906.

Senator Sir JOSIAH SYMON (South Australia) [10.32].—I move—

That the words "Eminent Domain" be left out, with a view to insert in lieu thereof the words "Lands Acquisition."

The term "Lands Acquisition Act" would shortly describe this measure. Its object is to make provision for the acquisition of lands and lands only, and interest in lands, by the Commonwealth. The long title is—

An Act relating to the acquisition by the Commonwealth of land required for public purposes, and for dealing with land so acquired, and for other purposes connected therewith.

The short title, I think, should agree, as far as possible, with the long title, and the object of the Bill. It is a Bill for the acquisition of lands by the Commonwealth, and consequently we want to so frame the short title that the uninitiated may readily understand what the object aimed at is. The short title merely compresses the long title into the fewest available number of words. The term, "Eminent Domain," is misleading in that it covers a very great deal more than the acquisition of land. "Eminent Domain" is not what is being dealt with by the Bill. It is a mere theoretical expression which indicates the source from which power is derived for the purpose of enabling a sovereign authority to take lands forcibly, if need be, from the individual for the good of the community. That is a power which rests necessarily in every sovereign authority, because the interests of the individual must be subordinated to those of the community. "Eminent Domain" is not a familiar expression to any of us, and even those who are trained English lawyers are unaccustomed to it. It is not known to the municipal law of England or the British Empire. It is used by public writers on international law, as indicating that condition of things in relation to an independent sovereign in his own territorial dominions, which precludes any other sovereign from exercising domain within them. That was the origin of the expression. It was a phrase used in international public law. Within the last twenty-five or thirty years it has been adopted in America to indicate that the United States, in the exercise of their power as a sovereign people, were entitled to acquire forcibly, if need be, not

merely the lands of private persons, but all their personal property. Everything which was supposed to belong to private individuals in the community was liable, as it is under any sovereignty, to be taken over for State exigencies or necessities. The term is used in that country, but it is not known to the English law. It does not define the object of this Bill. If "Eminent Domain" is to be adopted as a doctrine here, and the subject of enactment, it ought not to be used as a short title. A Bill which is for a limited purpose to deal with the acquisition of lands only should not be covered by such a short title as though it were dealing with the acquisition of all property which belonged to private individuals, and which was intended to be taken for the benefit of a State. I think it will be plain to honorable senators that that will be undesirable. The Bill does not deal with those principles, even as they are understood in America, which are covered by the theoretical expression "Eminent Domain." It only covers the acquisition of lands. We should make the short title of the Bill intelligible to the casual reader. Then I have a strong objection to our importing terms with which we are not familiar.

Senator MCGREGOR.—I thought that the honorable senator was a free-trader?

Senator Sir JOSIAH SYMON.—This is one of the exceptions to the rule. When I find a good thing being offered to me from outside, I am prepared to take it, but when I find a bad thing, or a thing which is not applicable to our conditions, then I think that the better plan is for us to keep it out. Again, by the use of the expression "Eminent Domain," we are raising grave doubts as to what the scope and intention of the Bill is, even in relation to lands. The Bill is not intended to deal with sovereignty or domain over the lands taken by the Commonwealth. Whatever the jurisdiction may be, it will exist independently of the Bill, until it is dealt with by a special enactment. The Bill is not intended to change in any way the law which will operate on lands taken over by the Commonwealth under powers therein contained. But if we use the expression "Eminent Domain," it may be open to doubt whether we do not intend to enlarge in some way the Commonwealth jurisdiction. It might be construed in order to justify a claim which would give juris-

diction to the Commonwealth over whatever lands it acquired in a State, so that the local law should no longer run, and this position of affairs might be open to argument. We know how easy it is to raise subtle arguments on points of that kind. When an offence was committed on an area acquired by the Commonwealth, it might be argued that it was like a sort of reserved territory, in which an arrest for the offence could not be made under the State authority. I do not say whether to that extent it would be effective or not, but questions of that sort might easily be raised. Difficulties of many kinds are suggested by the use of a new expression, which it is unnecessary to employ. Finally, if honorable senators will look at what the title is, they will see that it is quite unnecessary for us to adopt a new-fangled expression like "Eminent Domain."

Senator DE LARGIE.—It sounds so very nice!

Senator MCGREGOR.—It is nearly as good as "Mesopotamia."

Senator Sir JOSIAH SYMON. — Perhaps that is the only recommendation which it has. I do not know why it was selected. The long title is very good, but very long. The short title that I suggest is "Lands Acquisition Act."

Senator MCGREGOR.—That is too common!

Senator Sir JOSIAH SYMON.—It is not quite aristocratic enough for my honorable friends opposite. But it is plain and to the point. If it is too plain, as Senator McGregor says, that is a very good error to make. The plainer and simpler we make the language used in our legislation, the better. Our object should be that he who runs may read. If we have a Bill dealing with the acquisition of lands, let it be called a Lands Acquisition Bill.

Senator MCGREGOR.—It is a good thing to be comprehensive.

Senator Sir JOSIAH SYMON.—Yes: but not with the use of a term which includes things not dealt with by the Bill. It is very undesirable to use a new expression to which we are unaccustomed, and which is no part of our legal phraseology, when a simple and direct expression would answer the purpose.

Senator KEATING (Tasmania—Honorary Minister) [10.44]. — After listening very carefully to the remarks of Senator Symon, both yesterday and this morning, I venture to suggest to the Committee that

he has not advanced any solid reason why the title he urges should be adopted in preference to the short title of the Bill. No doubt we all aim at getting simplicity in titles. The title of the present Act—Property for Public Purposes Acquisition Act—is very cumbersome. The title which is suggested by the amendment is “Lands Acquisition Act.” In all the States there is a number of Acts on this subject. Here, for instance, is a volume of Tasmanian Statutes, in which I find following close upon one another a Land for Public Purposes Acquisition Act 1884, a Lands Resumption Act 1891, and Lands Resumption Act 1902. There is another Act bearing on the same subject which does not seem to have any particular short title. Then there are the Lands Vesting Act 1898, and the Lands Clauses Act 1857. All these Acts have their parallels in the Statutes of the different States. There is one way of indicating to the people of the States who will be affected by legislation of this character, which is analogous to States legislation, the difference between the enactments of the Commonwealth and the corresponding enactments of the States.

Senator MILLEN.—Did the Government find any necessity for choosing another title for the Conciliation and Arbitration Act? They adopted the same title as that of a State Act in that instance.

Senator KEATING.—Possibly if we could have adopted another title it would have been advantageous. But the Constitution enables us to legislate with regard to conciliation and arbitration, and it was desirable that we should adopt the terms of the Constitution in that respect.

Senator Sir JOSIAH SYMON.—So does the Constitution enable us to legislate with regard to the acquisition of land.

Senator KEATING.—But we are not absolutely tied with regard to the particular title we shall adopt for any piece of legislation. In the case of conciliation and arbitration, we had a term which was known to everybody as exactly indicating the subject as to which legislation took place.

Senator Sir JOSIAH SYMON.—That is the case here.

Senator KEATING.—We have over and above the particular powers that are conferred, those powers of sovereignty which are inherent in every sovereign government.

Senator Sir JOSIAH SYMON.—But that is not what we are dealing with.

Senator KEATING.—I think it is. I paid to the honorable and learned senator the utmost attention when he was speaking, and I must ask him to reciprocate that courtesy while I am addressing myself to this amendment.

Senator Sir JOSIAH SYMON.—Surely I may ask a question.

Senator KEATING.—Certainly; but I decline altogether to carry on a duet with any honorable senator.

Senator Sir JOSIAH SYMON.—I have no desire to carry on a duet with the Minister, but I wish to ask a question when I think it necessary.

Senator KEATING.—The honorable and learned senator may have no such desire, but his actions seem to indicate something to the contrary. It has been objected to the short title of this Bill that Eminent Domain is an expression that is not known to the municipal law of Great Britain. I venture to differ from Senator Symon in that respect. The expression has been known to the municipal law of Great Britain.

Senator Sir JOSIAH SYMON.—Where? May I ask that?

Senator KEATING.—It has been referred to in the courts. The expression, as the honorable and learned senator has said, may have had its origin in connexion with international public law, but it is known to English municipal law. The term itself is defined in the Law Lexicons. It is defined in the ordinary English dictionaries. It is not, therefore, a term that has purely emanated from America. It is not a new fangled Yankee notion which had no existence until twenty-five or thirty years ago, and I venture to say that if the only criticism that could be levelled at the title was that it was an importation from Yankee land, that would be no demerit in itself. But I find in the *Encyclopædia of the Laws of England*, a recent publication, a chapter under the heading of “Eminent Domain” (page 486), where the term is defined. This work says—

The right of the State or the Sovereign to its or his own property is absolute, while that of the subject or citizen to his property is only paramount. The citizen holds his property, subject always to the right of the Sovereign to take it for a public purpose. This right is called “eminent domain.”

It goes on to say—

The exercise of this power by the State, whether directly or by delegation, is known in American law as the exercise of the right of "eminent domain," which may therefore be defined as the power of the State to take private property for public use.

Senator MILLEN.—Not merely land.

Senator KEATING. — It includes all property.

Senator MILLEN. — Does this Bill include all property?

Senator KEATING.—It does not.

Senator CLEMONS.—That does not matter, of course!

Senator KEATING.—When you give a title to a Bill, it does not necessarily indicate that everything under that heading is included in the legislative provisions of the Bill. The work which I hold in my hand is an encyclopædia of the laws of England, not an encyclopædia of the laws of America, and it devotes something like a page and a half to a description of the term "Eminent Domain."

Senator Sir JOSIAH SYMON.—The honorable senator just read that the term was first used in American law.

Senator KEATING. — The book mentions, as a matter of historical fact, that the exercise of this power is known in American law as "Eminent Domain."

Senator Sir JOSIAH SYMON.—It is not known in English law.

Senator KEATING. — It is known in English law.

Senator BEST.—It is certainly a recognised term in English law.

Senator KEATING. — In Wharton's *Law Lexicon* the term is thus defined:—

Eminent Domain, the right which a government retains over the estates of individuals to resume them for public use.

Senator MCGREGOR.—Is that an American publication?

Senator KEATING.—No; it is a well-known English book published by Stevens and Sons.

Senator MILLEN. — And also covering Crown land.

Senator KEATING.—I am not denying that for a moment. In the Oxford *New English Dictionary* a reference is made to "Eminent Domain"—

Ultimate or supreme lordship; the superiority or lordship of the sovereign power over all the property in the State, in accordance with which it is entitled to appropriate by constitutional methods any part required for the public advantage, compensation being given to the owner.

Then it goes on to say—

A term chiefly used in International Law, and the law of the United States of America.

It does not say that the term is confined exclusively to the United States, nor is it confined exclusively to international law. This in an authoritative English dictionary, in which the term is first defined as the right of a sovereign or of a State to resume the property of an individual for public purposes, due compensation being given. In an American law dictionary which I have here the term is described at greater length. On page 658 of Bouvier's *Encyclopædia of the Law*—or law dictionary—under the heading of "Eminent Domain," it is stated—

The phrase "eminent domain" appears to have originated with Grotius.

Senator Sir JOSIAH SYMON.—He was not a Roman.

Senator KEATING. — I am aware of that. He was an eminent jurist of about the seventeenth century.

The power is a universal one, and as old as political society, and the American constitutions do not change its scope or nature, but simply embody it, as described by Grotius, in positive, fundamental law.

The power covered by this term is as old as political society, and the adoption and use of it in the United States does not by any means make it solely American. It expresses the power that resides in every sovereign community—the right of the resumption of private property for public purposes, compensation being given to the person who is deprived of his private property rights.

Senator BEST.—Besides, the Americans have no patent right in it.

Senator KEATING.—They have no patent right in it, and the fact that they have adopted it should not influence us in the direction of being scared at the novelty of the term, so far as Australia is concerned. It is advisable that we should have, wherever we can, a short title for our Bills, and we should also, if we conveniently can, have as a short title, wherever there is a corresponding subject in States legislation, one that will clearly indicate to those who will be the subject of both classes of legislation, the distinction between Commonwealth and State laws. The object is that they may know, when either class of legislation is being put into effect, whether it is State or Commonwealth legislation. For these reasons, I think that the title is one that I can

fairly ask the Committee to let stand. I shall therefore ask honorable senators, if Senator Symon will not withdraw his amendment, to assist me in maintaining the title as it appears in the Bill. It is a title that clearly expresses the class of power which the Commonwealth would be exercising. It indicates that under the provisions of this measure the Commonwealth would be exercising its power for the purpose of acquiring land. It would be for public purposes that the Commonwealth as a sovereign power would be resuming property, and it would be resumed subject to that provision which is incident to the exercise of "Eminent Domain"—that is, according to the individual who is deprived of his property with adequate compensation.

Senator DRAKE (Queensland) [10.58].—In our legislation we should, I think, always consider the interests of the public, and in a special degree the interests of persons who are likely to be affected. We have now to consider the case of a man who is the owner of land which is likely to be taken away from him by the Federal power. He has a right to be placed in a position in which he can find out the easiest possible manner under what conditions his land is to be taken away. I know that it is almost impossible to hope that, generally speaking, a layman will be able to understand the law when he sees it.

Senator GUTHRIE.—Or a lawyer either.

Senator DRAKE.—Or a lawyer either sometimes; but we should recognise, so far as we can, the right of a layman to know what his rights are under the law. A layman whose land is to be taken away by the Commonwealth will probably procure a copy of the Commonwealth Statutes. If he looks at the index he will find there, first of all, the heading, "Property for Public Purposes Acquisition Act, 1901." He will naturally assume that there he will find the law on the subject; nor will he ever suspect that that Act has been repealed by another bearing the title "Eminent Domain Act."

Senator MCGREGOR.—Does the honorable and learned senator suspect that he will not go to a lawyer first?

Senator DRAKE.—I want to enable a man to find out what his rights are without going to a lawyer. He may perhaps eventually have to go to a lawyer.

Senator BEST.—No greater calamity could overcome him!

Senator DRAKE.—It is by obscure measures repealing Acts that the reproach is enabled to be hurled against lawyers of making the law so difficult that it can only be understood by the profession. Where we have an Act dealing with a specific subject, we should, even in the title, indicate as nearly as possible what the purpose of the Act is.

Senator BEST.—In the existing Act the English title is not adopted.

Senator DRAKE.—We have in all the States Acts dealing with the resumption of land, and in every case in the short title there is something to show what is the subject-matter of the Act. The Minister in charge of the Bill has expressed the fear that the amendment would give rise to confusion as between the Commonwealth Statutes and the States Statutes on the subject. It must be remembered, however, that any person sufficiently interested to search the law on the subject would know that it was to be found in a Commonwealth Statute, seeing that a Federal power was to be exercised, and, therefore, I cannot see that any confusion could arise. Senator Symon has made it abundantly clear that the short title of the Bill is not the most appropriate that could be selected. I support the amendment on the ground that our Statutes ought to be made as clear as possible to the public, especially those members of the public who are particularly affected. That end can best be attained by adopting a short title which clearly indicates the subject-matter of the Bill, and directs the attention of the public to the fact that the Act which was passed in 1901 has been repealed.

Senator Sir JOSIAH SYMON (South Australia) [11.2].—I do not know that, in an ordinary case of a short title, I should be disposed to say another word, but this matter is much more important than perhaps some honorable members imagine. It could not possibly be suggested that I submit this amendment with any intention to be troublesome; my sole object is the simplification of the Bill. I am in no way scared by the use of a term that bears an American mark. We have substantially, and certainly in principle, derived our Constitution from that of the United States; and I have no sort of *a priori* objection to any constitutional or municipal law phrase which may be brought from America, so long as it is applicable, and understandable of the people. The Honorary Minister

has given no reason why we should not adopt the simple non-technical expression, "Lands Acquisition Act," as a short title. "Eminent Domain" is, in essence and on its face, a technical expression, and I am bound to say, without doing any injustice to their learning or knowledge, that there are scores of lawyers in Australia who, if they tumbled across the phrase in an index of Acts of Parliament, would have to refer to one of the many dictionaries consulted by the Minister, in order to ascertain what was meant.

Senator DAWSON. — The lawyer might not know what to look for.

Senator Sir JOSIAH SYMON. — That is so. If a lawyer were looking into the matter at the instance of a client, he would, after having ascertained the interpretation of "Eminent Domain," have to explain that the Act did not deal with the subject of Eminent Domain, but simply with that part of it which relates to the acquisition of land. He would have to explain that the Act had nothing to do with that great part of the doctrine relating to the acquisition of all the property of an individual, if the necessities of the State demanded.

Senator DAWSON. — In such a case, what becomes of the unfortunate layman?

Senator Sir JOSIAH SYMON. — Yes; what becomes of the unfortunate layman, for whom we are legislating? We are not legislating in order that, on the very threshold of the Act, the fortunate or unfortunate layman shall be sent to a lawyer. There are difficulties enough in the substance and the sections of Acts of Parliament, without making it necessary for a layman to consult a lawyer as to the very meaning of a title. The point raised by Senator Drake requires one word more of emphasis. Four years ago we passed an Act with the same object that it is desired to achieve by reason of this Bill. The present legislation is supposed to be an improvement, and, therefore, I ask, why should we change the short title? This Bill, when it gets on the statute-book, will be indexed under the heading of "Eminent Domain," and nobody will know that it is practically the same legislation, or has any relation to the legislation, passed some years ago. The argument of Senator Drake is irrefutable, if we are to take into consideration the interests of the community, and not put the Statutes in a state of inextricable confusion. As a lawyer, I do not need the honorable Minister to in-

struct me as to the original meaning of "Eminent Domain." The meaning is the assertion of the theory or doctrine that the sovereign authority is entitled, in case of national necessity, to take the property of any individual, whatever that property may be. The doctrine was imported from another public law into America, because in that country there was no sovereign, and, therefore, no expression to meet the case. The expression is not used in any English Act that I am acquainted with, but, of course, the doctrine exists in practice in the old country and finds expression in the Land Clauses Consolidation Act. Our legislation on the subject goes further, and requires the word "acquisition," so that the title of the present Act, is correct.

Senator BEST. — If the honorable senator thinks that we ought to adopt a recognised title well known to the public, why not take the English title?

Senator Sir JOSIAH SYMON. — I say we ought to adopt a title which describes the Bill, but we could not take the title of the English Act. Had Senator Best been here yesterday he would have heard me suggest that, instead of embodying in one Act the power of acquisition, plus machinery, it would be much better to have a Land Clauses Consolidation Act, which would provide the machinery only, leaving the acquisition to be accomplished by general or particular Acts.

Senator BEST. — That is not the practice of any of the States.

Senator Sir JOSIAH SYMON. — I am making no complaint on that score. The reason that we cannot use the title "Land Clauses Consolidation" or "Lands Compensation" is because the Bill also gives the power of acquisition. The long title, therefore, is quite proper, because it indicates that the legislation gives the power of acquisition, and also provides the machinery by which the acquisition shall be carried into effect. We must have a short title, to indicate, as far as possible, the substance of the measure, and I suggest that, instead of going abroad for a technical phrase, we should use absolutely the simplest and most intelligible. In England the term "Eminent Domain" has never been adopted. In the States there is an expression more elaborate.

Senator BEST. — "Lands Compensation," which covers acquisition.

Senator Sir JOSIAH SYMON.—Then, I think that is quite enough; and there is no need for an esoteric technical expression like "Eminent Domain," which, according to the authorities, is chiefly known in another law, and in America.

Senator CLEMONS (Tasmania) [11.12].—I have listened to the arguments in regard to the title of the Bill, and have been endeavouring to summarize them. So far as I understand the position, this title has been suggested, in the first place, because no one knows its meaning, and, in the second place, because, if some industrious person endeavoured to ascertain the meaning he would be sure to find that it was inapplicable, inasmuch as it embraces more than is embraced by the Bill. Further, it is clear that another reason why we are asked to adopt the title of "Eminent Domain" is that when it had to be indexed, the index would be of no value to an ordinary person, who would never connect the phrase with the acquisition of land. If there were a fourth reason possible, it must be that if we do not use a title like this, no one will imagine it to be a Federal law instead of a State law. At any rate, these are the reasons which, I gather, are presented by Senator Keating for the use of the words "Eminent Domain." When I hear arguments for the adoption of a title so extraordinary, I think there must be a fault somewhere; and I shall vote against the use of the words "Eminent Domain."

Senator PULSFORD (New South Wales) [11.13].—I hope the Committee, in view of the reasons advanced by Senator Drake, will decide to make an alteration in the title. No one who takes an interest in public life can fail to notice that legislation is becoming more and more confusing to the people; and it is our bounden duty to make our Acts of Parliament, and other public documents, so clear that they shall speak for themselves. It ought to be possible for any one who desires to look up Commonwealth legislation on a particular subject, to place his finger at once on the right Act. If anybody should support such a policy, it is the lay senators opposite. Those who have hitherto spoken on the question are representatives of the law, who may be trusted to find their way in the dark; but, in the interests of people outside the legal profession, our legislation ought to be made as simple as language will permit.

Question—That the words proposed to be left out be left out—put. The Committee divided.

Ayes	...	...	...	12
Noes	...	...	...	15
Majority	...	...	...	3

AYES.

Baker, Sir R. C.	Pulsford, E.
Clemons, J. S.	Symon, Sir J. H.
Dawson, A.	Turley, H.
Dobson, H.	Walker, J. T.
Drake, J. G.	Teller:
Fraser, S.	Henderson, G.
Millen, E. D.	

NOES.

Best, R. W.	Pearce, G. F.
Croft, J. W.	Playford, T.
Guthrie, R. S.	Smith, M. S. C.
Higgs, W. G.	Stewart, J. C.
Keating, J. H.	Story, W. H.
McGregor, G.	Styles, J.
Mulcahy, E.	Teller:
O'Keefe, D. J.	de Largie, H.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clauses 2, 3, and 4 agreed to.

Clause 5 (Definitions).

Senator KEATING (Tasmania—Honorary Minister) [11.20].—Following the usual custom, I move—

That the clause be postponed.

It may be necessary, as a result of amendments made in the Bill, to consider new definitions.

Senator MILLEN (New South Wales) [11.21].—I have no objection to the Minister following the usual course in postponing this clause, but I see some difficulty in relation to the matter I brought under the notice of the Senate yesterday. I am not sure that an alteration in the definition of "Crown land" is not involved at this stage to meet the difficulty I have raised.

Senator KEATING.—I do not think the honorable senator will be prejudiced by the postponement of this clause.

Senator MILLEN.—Of course the Minister does not think that anything will be prejudicial which will assist a proposition he puts before the Committee.

Senator KEATING.—The matter to which the honorable senator has referred can be brought up on clause 57.

Senator MILLEN.—I do not think so. I do not think that it covers the persons to whom I have referred. I have mentioned the case of people who have become part purchasers, and yet have no title.

Senator KEATING.—When we get back to the definition clause again the matter can be brought up.

Senator MILLEN.—It is possible that by that time I shall have lost all opportunity to make an amendment to meet the difficulty. Under the existing Act conditional purchasers in New South Wales and in the other States are regarded as the owners of the land, and if the Commonwealth thought fit to resume their land, they would have to be dealt with directly. But by the definition of "Crown land" in this Bill the Commonwealth, in acquiring land of this description, would not deal with the men who are the equitable owners and in occupation of the land, but with the State Government, and the unfortunate conditional selectors would be left to fight for whatever compensation they could get from their State Government. I know of no other part of this Bill in which it would be proper for me to debate this question, but I shall not object to the postponement of the definition clause if the Minister will indicate any other provision of the Bill on which the matter may be discussed, or, if he cannot do that, will give me an assurance that he will not oppose a recommittal, or the adoption of such other course as will enable the difficulty to be brought fairly before the Committee.

Senator KEATING (Tasmania—Honorary Minister) [11.25].—I understand the difficulty which Senator Millen has put forward. In replying briefly yesterday on the second-reading debate, I indicated that I thought he need have very little apprehension on the subject, because, in my opinion, the definition of "land" taken in conjunction with the definition of "Crown land" will entirely overcome the difficulty. The definition of "land" includes any estate or interest in land, legal or equitable.

Senator MILLEN.—Will the Minister say why it is proposed to differentiate with regard to private persons and those holding land from a State?

Senator KEATING.—We do not differentiate. When we come to deal with clause 57, the honorable senator will see that "a part of any land comprised in a lease" does not necessarily refer to a lease from a private person. We give in this Bill a definition of "Crown land" first of all, and what we do desire to cover is land which

is purely the subject, so to speak, of a promise on the part of a State to sell to a third person.

Senator BEST.—The conditional purchase is more than that, because the conditional purchaser has an inchoate right.

Senator MILLEN.—No.

Senator BEST.—Has he not the deeds, or a lease?

Senator MILLEN.—No; he has neither one nor the other. He has no parchment or document conferring a title.

Senator KEATING.—Senator Millen will see that if a person has any estate or interest in the land, legal or equitable, he is deemed to be the owner of the land. That is provided for in our definition of "land," and that definition includes Crown land. I can assure the honorable senator that I realize the importance of his observations, that I recognise that persons who have an interest of this character should be in a position to prosecute their own claims, and should not have to rely on the State to do so. I have not the slightest hesitation in saying that no obstacle whatever will be offered to prevent the matter being set right, if necessary, and any proposals which he may have to bring forward discussed on their merits, even though we should pass the other clauses of the Bill before dealing with the definition clause.

Senator CLEMONS.—I do not believe that these people have any equitable or legal right, and that is the trouble.

Senator KEATING.—If the Crown is in such relation with regard to a person in connexion with land, that that person has some promise or other to acquire it from the Crown, but has no title whatever, and no estate or interest in it of any kind, legal or equitable—if, for instance, he is in the position purely of a promisee, so to speak—we do not desire that the Commonwealth should have to deal with him. But if he has anything at all which gives him a legal or equitable estate or interest in the land, he will be considered the owner of the land under this Bill, and will be entitled to make his claim directly for compensation as one of the persons affected by the proposed acquisition. Senator Millen will have an opportunity to discuss the matter when we eventually deal with the definition clause, and should it appear that any alteration or the insertion of another clause is necessary, no opposition will be offered to the question being dealt with on its merits. In asking for the postponement of

the definition clause, I am but following the usual custom. It is possible that some amendment made in the Bill will involve the insertion of new definitions, and in the circumstances it is desirable that the definition clause should be considered after the other clauses have been dealt with. Honorable senators may be aware that it is the usual practice in Great Britain for definition clauses to appear after the other clauses of a Bill. Here we have adopted a contrary practice, but it has been our custom to postpone the definition clause until after the consideration of the other clauses.

Senator Sir JOSIAH SYMON (South Australia) [11.30].—There are two points I hope to deal with on the definition clause. I pointed out yesterday the great desirability, as a matter of courtesy, that there should be a proper recognition of the position of the States, and that the compulsory taking of the Crown lands of a State should be dealt with by a separate Bill. There is no necessity to deal with both subjects in the same Bill. I pointed out the desirability, out of courtesy to the status of the sovereign States of passing a separate Bill, and said that I intended to move an amendment upon the second definition in the clause. I do not wish to raise difficulties in the way of postponing the clause if that opportunity will be open sufficiently at a later stage. Here it would come conveniently, because if the definition of "Crown lands," were eliminated it would indicate that the Senate desired that the provisions with regard to the compulsory taking of Crown land from a State should be dealt with by a separate Bill, and that a nicer method if possible should be adopted, than that of merely putting a notification in the *Gazette*, and stating that such notification should take the land away from the State, and vest it in the Commonwealth. There is another point which arises out of the definitions of "land" and "owner," which terms include a State. We now have an excellent opportunity of dealing with that subject, but if the Minister will indicate that it may be sufficiently done elsewhere, then, of course, I shall offer no objection to the postponement of the clause. Then with regard to the definition of "public purpose" he intimated yesterday, as we all expected, that it is not intended that the provisions of this measure should apply to the land for the Federal Capital Site. I propose to make that quite clear by inserting an exception in the definition

of "public purpose." My honorable friend knows that I entirely accept his assurance, but an assurance is not an Act of Parliament.

Senator KEATING.—I do not think it will be necessary.

Senator Sir JOSIAH SYMON.—If my honorable friend will indicate that that may be done at some later stage, I shall be content. First of all, he gives us an assurance that there is no such intention, and then he thinks that under the powers of the Bill it might not be done, but as I pointed out yesterday in the clause with regard to compensation, the significant words "subject to the Constitution," are introduced. That is to say, a State cannot get any compensation for land which it has to part with for nothing, and the only lands which a State has to part with for nothing are those which may be taken for the purpose of the Federal Capital. I should like these points to be disposed of as early as possible. If my honorable friend will indicate where they may be conveniently raised, I shall offer no objection to the postponement of this clause.

Senator KEATING (Tasmania—Honorary Minister) [11.35].—If Senator Symon desires to separate the provisions empowering the Commonwealth to acquire the Crown lands of a State from the machinery clauses, the best place for him to test the question will be on this definition clause, because I think that afterwards, in making provision for compulsory purchase, we enable the Commonwealth to acquire, in a certain way, the lands of an owner, and according to the definition the word "owner" includes a State. The three definitions to which the honorable senator has referred would have to be altered in order to enable the Crown land of a State to be dealt with differently from the mode proposed by the Bill. I refer to the definitions of "Crown land," "land," and "owner." My honorable friend has again referred to the possible acquisition, under the terms of this measure, of land in New South Wales for the purpose of a Federal Capital. Yesterday I said that, as far as I knew, it was never intended to use its provisions for that purpose. I explained then that I used the qualification "as far as I know," because it was not until about a minute before that that the idea was ever suggested to me, and that was by an honorable senator who was engaged at the table in making

some notes. But, upon looking through the Bill, I do not think that it could very well be used for that purpose. My recollection, when the point was raised yesterday, was that it was raised in connexion with the Bill of 1901.

Senator DRAKE.—We omitted a clause so as to make it clear that it would not so apply.

Senator KEATING.—I am not quite clear as to whether anything of that kind was done; but I know that Senator O'Connor, the then Vice-President of the Executive Council, intimated that it was not intended to use the provisions of the Bill for the purpose of acquiring land for the Federal Capital, and I said that, "as far as I knew," that had been the continuous policy of every Government. I am in a position now to withdraw even the qualification "as far as I know," and to give a most unqualified assurance on the part of the Government that there is not the remotest idea of applying the provisions of the Bill to the acquisition of land for the purpose of the Federal Capital.

Senator MILLEN.—That is all right, so far as the present Government is concerned.

Senator KEATING.—I invite the attention of Senator Symon to clauses 17 and 21 of the Bill. The former clause says—

Upon the publication of the notification in the *Gazette* the land described therein shall, by force of this Act—

- (a) be vested in the Commonwealth; and
- (b) be freed and discharged from all trust obligations, estates, interests, contracts, licences, charges, rates, and easements,

to the intent that the legal estate therein, together with all rights and powers incident thereto or conferred by this Act, shall be vested in the Commonwealth.

The object of the Bill is to enable the Commonwealth to acquire the legal estate in lands.

Senator CLEMONS.—It will have the legal estate in the Federal Capital Site in any case.

Senator KEATING.—In clause 21, the Bill provides for the registration of the notification. In other words, we shall hold the legal estate in the lands in the State, our titles will be registered in the State, and we shall hold them like any other holder of lands in the State.

Senator Sir JOSIAH SYMON.—That is doubtful.

Senator BEST.—It is the acquisition of Crown land. It will become Crown land of the Commonwealth.

Senator KEATING.—Exactly, but according to clause 21, we shall register our title in the State.

Senator Sir JOSIAH SYMON.—That does not matter.

Senator BEST.—But it will become Crown land.

Senator KEATING.—Quite so.

Senator BEST.—And subject to the law of the State.

Senator KEATING.—That is not the way in which we shall hold the Federal territory. During the postponement of the clause, Senator Symon may give his consideration to this feature of the Bill, that it simply provides for acquiring the legal estate in the land in a State, the title of the Commonwealth to which will be registered subject to the laws of the State in the records of the State. But, as regards the land acquired for the Federal Capital, that will be the territory of the Commonwealth, and independent of any jurisdiction as to registration, or anything of the kind, in the State. I am only drawing attention to this matter for the benefit of those who think that the Bill might be utilized for such a purpose. I give them an assurance that it is not intended by this Government, and never was intended, I believe, by any Government, to use the law for such a purpose; that, on the other hand, it is intended to acquire the legal estate in the land as contradistinguished from the acquisition of Federal territory.

Senator FRASER.—But any Act which we may pass will not revoke the provision in the Constitution.

Senator KEATING. — Certainly not. We shall have to pass a separate Act to acquire the Federal territory.

Senator PLAYFORD.—If it is desired to make it absolutely clear, we could insert two or three words, saying that nothing in this Act shall be construed to mean so-and-so.

Senator Sir JOSIAH SYMON (South Australia) [11.40].—I knew quite well that when the Minister of Defence applied his mind to the subject the difficulty would be solved at once. "If you put in two or three words," he says, "that will make it clear, and will absolve the Government from a promise." No Ministry likes to give an assurance which, when they happen to go out of office, as they all must do some day or other, may not be honoured. Senator Keating knows that in the case of the Federal Capital Site, not merely Crown

land, but also private land, will have to be acquired. Whatever may be the case with Crown lands, there is no differentiation if private lands are required for that purpose. Of course, the legal estate will be vested in the Commonwealth, and the registration will be absolutely the same as if it were a private owner. The only difference will be that it will exercise sovereignty over the whole of the area, and the private lands will then become Crown lands of the Commonwealth. I do not think that that would remove the difficulty. The right solution is that which the Minister of Defence has offered to us, and which I hope we shall all accept. As regards the definition of "Crown land," Senator Keating says that it may be best dealt with on the definition clause. As he thinks that it will be more convenient to deal with that clause later on, I shall not oppose its postponement, because, although it may slightly embarrass us in dealing with the machinery owing to the definition of owner to which he has called attention, we still can come back to the clause, and give effect to our view of separating the provisions with regard to States.

Motion agreed to; clause postponed.

Clause 6—

The Governor of a State, acting with the advice of the Executive Council thereof, may (by force of this Act and notwithstanding anything to the contrary in the law of any State) sell or lease to the Commonwealth any Crown land of the State which is required for any public purpose, and execute any instrument or assurance for the purpose of granting, conveying, or leasing the land to the Commonwealth.

Senator Sir JOSIAH SYMON (South Australia) [11.44].—In my second-reading speech I offered some observations with regard to this clause. The provision, as it stands in the existing Act, is—

Senator BEST.—In sections 3 and 5.

Senator Sir JOSIAH SYMON. — No; section 3 gives power to the Governor-General to acquire.

Senator BEST.—And section 5 deals with the Governor of any State.

Senator Sir JOSIAH SYMON. — The honorable senator will find that section 3 is subdivided and reproduced in clause 15 of the Bill, while clause 6 is a reproduction of section 5, which reads as follows:—

In the case of any Crown land of any State purchased under this Act, the Governor of the State may grant such land in the name of the King to the Commonwealth.

That is the simple power given to the Governor of a State by virtue of the Act,

to sign the document. That, of course, is purely a Ministerial act. In this Bill a very grave departure has been made. There is no comparison between the clause and the section, although the marginal note of the clause refers to section 5. Under this provision there is a distinct interference with the self-governing powers of the State. It relates, as was said yesterday in the course of the discussion, to the selling of land privately—that is, not to taking it by compulsion. It declares that the Governor of a State may sell or lease to the Commonwealth any Crown land—

by force of this Act, and notwithstanding anything to the contrary in the law of any State.

That is to say, suppose a State Parliament had passed an Act forbidding the alienation of any particular piece of land, the Executive, owing no responsibility to the Commonwealth, owing responsibility only to its own Parliament and its own electors, would be entitled to set the State Act at defiance, and enter into an agreement to sell that land to the Commonwealth. I say, first of all, that, if anything of that sort is to be done, it must be done by the Executive of the State under its responsibility to its own Parliament and its own people. If land subject to an Act of Parliament of that kind is required by the Commonwealth, the Commonwealth can, of course, obtain it by compulsory taking under the subsequent provisions of this Bill. But it is not necessary that the Commonwealth should insert a provision enabling the State Government to set the State laws at defiance. The point is that this provision takes away the responsibility of a State Government to its Parliament, by enabling the State Executive voluntarily to do something in defiance of an Act of its own Parliament under the authority of a Commonwealth Statute. I venture to think that no State would willingly submit to the Commonwealth Parliament imposing upon the Executive of the State duties of this kind, and taking away its responsibility to carry out the State laws. The Commonwealth power under the right of Eminent Domain, or sovereignty, may take the lands of a State, no matter for what purpose they have been dedicated, or reserved, or restricted by the operation of a State Act. But the Commonwealth Parliament has no right to take away from the States Parliaments their control over their own Executives, and to

relieve them from the duty of consulting their own Parliaments on the subject. Honorable senators have only to read the clause to see how far-reaching it is. I do not know why it should have been put in this shape, and why the old section should have been changed, if the object was merely to enable the Governor of a State to do a Ministerial act by signing a grant without an agreement having been entered into. Of course, a State Executive can enter into an agreement voluntarily, but subject to its responsibility to its Parliament. But if this clause were passed, its action would not be subject to its responsibility to Parliament at all, because here it is said that, notwithstanding anything in the law of any State, the Government of a State may sell, lease, or grant land to the Commonwealth. If the Commonwealth is not to interfere with the self-governing powers of the States, it would be better to restore the clause to the form in which this provision stands in the existing Act, enabling the Governor of a State to execute the grant; or else it would be advisable to strike it out altogether, because the mode of executing a grant, or by whom it is to be executed, depends upon the local law. I doubt whether we have power to direct the Governor of a State, or to empower him to execute a grant. That, however, is a more or less harmless point. The real point is that we do not want to see an interference with a State power, or to lessen the responsibility of a State Executive to its own Parliament by a Commonwealth law, unless it is absolutely essential.

Senator BEST (Victoria) [11.51].—I have had an opportunity, whilst Senator Symon has been speaking, to look up the existing law and the proposed alteration, and I must confess that I do not think that the new clause, as to its legal effect, takes us any further than the old section did. I read together sections 3 and 5 of the existing Act. Section 3 provides that—

The Governor-General may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State, for the absolute purchase by the Commonwealth for a consideration in money or its equivalent of such land, or for the exchange of such land for any land of the Commonwealth.

Then, in order to carry out that provision, section 5 is supplementary, and says that the Governor of a State may execute the necessary documents for the purpose. It is

a matter of fact that if there is an agreement between the Governor-General representing the Commonwealth and the Governor of a State to acquire any State land, essentially the Governor must resort to the local laws for the purpose of enabling him to carry out that bargain. It is a bargain on the part of the Commonwealth, on the one hand, to purchase land belonging to the State, and it is recognised that that property must be dealt with in accordance with the law of the State. Consequently my first view is that I do not think it is necessary that there should be any alteration whatever. But if an alteration is proposed, I am certainly disposed to agree with my honorable friend, Senator Symon, that this clause is put in a rather unfortunate form—it may be unintentionally. It does seem to me to be very extraordinary that we in the Commonwealth should set to work to legislate as to what the Governor of a State shall do. It is unusual, and it is especially unnecessary in the case of a matter of mutual agreement. I suggest that there is an abstract principle involved which may result in some friction. It may be resented by the States that we as a Commonwealth should say in this clause that the Governor of a State, acting with the advice of the Executive Council thereof, may do so and so. The States may say, "Thank you for nothing; we do not want you to authorize our Governors what to do and what not to do." We did not attempt to put it in that form in the old Act. We did not pretend to say what the Governor of a State might do. We did not pretend to give novel powers. The last case of the kind was the Meteorological Bill, which was before us a little while ago. In that Bill there was inserted a clause enabling the Governor-General and the Governor of a State to come to a certain agreement. We did not attempt to say in the forefront of the measure that the Governor of a State might do so and so. We enabled the Governor-General to enter into an arrangement with the Governor of a State, relying upon local powers and abilities for the purposes of carrying out that agreement. In the existing law it is put very plainly that the Governor-General may agree with the owners and with any State where the land to be acquired is the Crown land of a State. In the existing law the State is specifically mentioned. Certainly, even in the existing law, section 5 was not necessary, because when it says

that the Governor-General may enter into an agreement with respect to the purchase of Crown lands with a State, the Governor of a State has the power to enable him to carry that out. Therefore, seeing that the Government can achieve the same object in a manner involving less friction, and can enable the Governor-General to enter into agreements, relying upon the local power which must necessarily exist, I would ask my honorable friend, Senator Keating, to consider whether he cannot recast the clause, in order that we may follow precedents, and avoid any possibility of friction and resentment on the part of the States.

Senator CLEMONS (Tasmania) [11.59].—I wish to point out what I think is a very curious matter in connexion with this clause, and one that is especially worthy of consideration in a legislative body like the Senate. It is in one respect an ordinary provision, which would appear in any Land Resumption Act of a State, dealing with the transfer of any property acquired by such a State from any private individual in it. But the position which we are confronted with is very different. We have to consider, not merely the means by which the Commonwealth can acquire the land that is at present the property of private persons; but also the means whereby the Commonwealth shall acquire the land of a State. Such a case cannot exist in any ordinary State law. The persons at issue there are simply the State itself and private individuals. Here there is a very different issue. In my opinion, it is extremely desirable that the provisions for acquiring lands for the Commonwealth from private individuals and from States should be kept separate. We ought to have two Bills, one dealing with the acquisition of property from private persons, and the other with the acquisition of property from the States. Of course, it might be possible, by a different arrangement of the Bill, to disentangle the two matters, so as to make the distinction perfectly obvious to any one interested, whether he be a member of a State Ministry, a member of a State Parliament, or a private citizen, and, to show clearly how each class of land is dealt with. As it is, we have only to look at the definition clause to see how hopelessly the two matters are confused. The simple definition of the word "owner" is quite sufficient to indicate what I mean; we are told that "owner" applies equally to a private

citizen and to a State. I do not say that it is necessary as a matter of courtesy, but it is certainly desirable to embody in a separate measure the provisions we are proposing to put into law with reference to the compulsory purchase of State lands. I wonder that the point has not previously occurred to the Minister in charge of the Bill; but it does occur to me that the States might properly demand, as they really deserve, that consideration. I do not think it is fair to treat the States with no more consideration than is extended to private citizens.

Senator KEATING.—I think the States prefer the course adopted in the Bill.

Senator MULCAHY.—I am afraid that in order to meet Senator Clemons' views the Bill would have to be re-drafted.

Senator CLEMONS.—And I seriously think that the Bill ought to be re-drafted. I am not opposed to the provisions which deal with the acquisition of State lands; but it would be very much better to have these provisions, if not in a separate Bill, at any rate in a separate part of the Bill. Such a recognition is due to the States themselves; and I shall make some effort to have the Bill amended in the direction indicated. In the meantime I submit the suggestion as one well worth the consideration of the Government.

Senator PLAYFORD.—Why differentiate between a public owner and a private owner of land? One requires as much protection as the other; indeed, the private owner requires more protection than does the State.

Senator CLEMONS. — Does Senator Playford regard that as an adequate answer? Does the honorable senator say that a federated State in such a matter as the compulsory acquisition of lands, is entitled to no further consideration than is an ordinary individual? Such transactions imply a certain amount of collision of sovereign authorities—the assertion, at any rate, of the higher right of the Commonwealth as against the powers of the State. I do not care to use the word "sovereign," which is often misleading; but what I have stated is the position. It may not be much for a single State to assert a similar authority in the case of an individual; but when the Commonwealth proposes to compulsorily take land from one of the federated States, surely Senator Playford can see—

Senator **PLAYFORD**.—In this connexion, I see no distinction between the State and the private individual. The latter is entitled to just as much care and consideration as is a State.

Senator **CLEMONS**.—If Senator Playford likes to make a public profession of such views, I am sure I shall not attempt to convert him. I must say, however, that I am astonished that a member of the Senate should so express himself.

Senator **PLAYFORD**.—I do not think the States desire to be treated any differently from their own subjects. Why should they?

Senator **CLEMONS**.—That is an extraordinary statement to make. If there is any remnant of the view once held that the Senate should represent the States, it is marvellous to hear it stated that the States are deserving of no more consideration than are private individuals.

Senator **PLAYFORD**.—I do not believe the States want more consideration.

Senator **CLEMONS**.—I shall leave the honorable senator with that statement. I have no desire to mutilate the Bill, but I shall endeavour to have separated the provisions dealing with the acquisition of land from States, and the acquisition of land from ordinary citizens.

Senator **FRASER** (Victoria) [12.6].—Clause 6, I understand, deals exclusively with Crown land; and surely it is not intended that the Federal Government shall force a State into a bargain against its own wish.

Senator **KEATING**.—That is just what we are trying to avoid by this clause.

Senator **FRASER**.—But surely it would be more courteous to differently frame the clause, the language of which appears very harsh, as affecting State lands. The Federal Parliament has nothing to do with the control, and so forth, of the lands of the various States, though, of course, there is power, with the consent of the States, to take land for certain purposes. It appears to me as if, in this clause, it was proposed to override the States, seeing that we have the words "notwithstanding anything to the contrary in the law of any State." I do not know whether legal senators regard the matter as I do; but it strikes me as being rather objectionable language to use when we are dealing with the lands of a State.

Senator **PULSFORD**.—It is a slap in the face.

Senator **FRASER**.—These negotiations can only be conducted by means of communications between a State and the Commonwealth; and the State is not compelled against its wish to sell land to the Federal Government, even in the case of the Capital Site.

Senator **DRAKE** (Queensland) [12.8].—I hope that the Honorary Minister, when he replies, will let us know whether it is intended by this clause to go further than does the present Act, or, in other words, to effect any new purpose, or give any power not conferred in the present Act. We desire to know whether the Bill simply puts the powers of the original Act in a different form, or whether a change has been made. The more I study it, the more strongly I feel that this is a case in which it would have been better to have had an amending, instead of a repealing measure. On the surface, the number of alterations appear to be comparatively few, though they may be very important, for all I know. In any case, it would have been better to have had an amending Bill, so as to show exactly the alterations that are proposed. As I read clause 6, it simply provides for the acquisition of land which the Commonwealth, under the Act, has power to compulsorily resume with compensation. If that be so, the power seems to be the same as that conferred by the original Act; but I agree with the honorable senators who have preceded me, that the clause is most unfortunately drawn. If it be intended that the power shall be exercised in the way indicated, the intention could have been expressed in a much more agreeable manner. At present the clause has all the appearance of instructing the Executive of a State as to its duties.

Senator **BEST**.—The simplest way to overcome any reservation there may be in a local grant would be to declare that the land shall thereupon become Crown land, and belong to the Commonwealth.

Senator **DRAKE**.—That is done in another part of the Bill; and where, therefore, is the necessity for clause 6 in its present form, which, as I say, appears to instruct the Executive of a State as to the State's powers over lands? I think that the phraseology of the Act of 1901 was much better. That Act confers on the Governor-General—which means ourselves—the power to enter into negotiations, and make a bargain with a State, and pro-

vides that if terms cannot be arranged, the Commonwealth shall have power to compulsorily resume.

Senator KEATING (Tasmania—Honorary Minister) [12.12].—I have listened with much interest to the arguments of honorable senators. I should like to point out that the very object of the clause is to make the relations between the Commonwealth and the States in these transactions more harmonious. Under the present law of the Commonwealth, if it requires Crown land, it can acquire those lands by agreement or compulsorily. In every instance, hitherto, in which the Commonwealth has acquired Crown land for public purposes, the State concerned has been approached with a view to negotiation. When approached in this way the State points out that, while the Commonwealth Act empowers the Governor of a State to grant land in the name of the King, the State law requires that he shall do so subject to certain reservations and conditions. For instance, one condition that is attached to grants in Western Australia is that, within twenty-one years from the issue of the grant, the State may resume, without compensation, for certain specified public purposes, if no improvements shall have been made on the land. In one particular instance, a deed from one of the States purported to grant land to the Commonwealth, subject to the reservation that the State itself could, within twenty-one years, under certain circumstances, resume the land as against the Commonwealth. To such a condition the Commonwealth, of course, objected, and it then appeared that the State had no desire to have that condition imposed, but that the condition was compulsory under the State law.

Senator FRASER.—That must have been a special case.

Senator KEATING.—Not at all. I could give quite a number of instances. In New South Wales, in nearly every instance, the Commonwealth has been forced to exercise its compulsory powers; and why? Because, while the law of New South Wales empowers the State Governor to grant the land, the State law requires that there shall first of all be selection or an auction. The Commonwealth, under such circumstances, is asked whether it is willing to have the land subjected to auction, and, of course, a negative reply is given. Thereupon, the State, which does not desire to with-

hold the land, expresses willingness to let it be transferred by the more speedy process of compulsory purchase. It is said by Senator Symon that this defect is overcome by clause 17, but that clause applies only to acquisition by compulsory process.

Senator Sir JOSIAH SYMON.—Exactly.

Senator KEATING.—We are in the position in New South Wales that if the Commonwealth desires even only half an acre for public purposes, it has to be acquired compulsorily.

Senator Sir JOSIAH SYMON.—A notification in the *Gazette* settles the matter.

Senator BEST.—It is only necessary to introduce the *Gazette* notice into this particular clause to effect the purpose desired.

Senator KEATING.—This clause is to make it absolutely certain that the Governor of a State, when exercising the powers conferred upon him, exercises them directly on the authority of Commonwealth law.

Senator Sir JOSIAH SYMON.—I will not ask the question if it will embarrass the Minister, but does he not think that the Commonwealth has no power whatever to repeal a State Act of Parliament, which imposes restrictions on land. It may take land compulsorily, but it has no power to repeal a local Act.

Senator KEATING.—We do not propose to repeal local Acts. As I pointed out on the second reading of the Bill, in connexion with this clause, we rest the authority of the Governor of a State when dealing with the Commonwealth in these matters entirely upon our legislation. This legislation is within our sphere. It is in the exercise of one of the powers conferred upon us by the Constitution. When legislation within our jurisdiction is repugnant to any local legislation upon the same matter, to the extent of the repugnancy and to that extent only the local legislation is avoided. That is all that is required. It is required to avoid any local legislation that would interfere with the interests of the Commonwealth, and only to that extent. This is not proposed out of any spirit of hostility to the States. The whole object is to enable the acquisition of land from the States to be carried out by negotiation rather than by the compulsory process. I am probably correct in saying that all the advisers of the Federal Government are of opinion that the law as it stands at present enables the Governor of a State to transfer property without any reservations which a State law might impose. But there has

been a doubt raised in the minds of the advisers of some, at least, of the Governments of the States. They are not indisposed to give the lands we require, but they say "To set the matter beyond all doubt, you had better exercise your compulsory power," and in New South Wales to this day we have been exercising our compulsory powers of acquisition. Is it not much more desirable that we should acquire State lands by negotiation wherever possible, and should resort to compulsion only in cases where we have vainly exhausted all the possibilities of negotiation? The amendment of section 5 of the existing Act here proposed is to set aside any doubt as to the authority of a Governor of a State, and to meet the views of those States in which such a doubt has been raised.

Senator FRASER.—Have they agreed to it?

Senator KEATING.—I do not know that they have agreed to the clause itself, but I understand that all that they require is an amendment of the section in respect to which some doubts were raised as to the authority of the Governor of a State. Honorable senators must see that the whole object of the clause is to enable negotiations between the State and the Commonwealth to proceed. So far from being anything like an aggravation or interference with the States, the object is to substitute negotiation for compulsory acquisition. If we use our compulsory powers we may, of course, acquire any property we desire. Our relations with the States so far have been harmonious, but who knows that hereafter it may not be said in some of the States that whenever the Commonwealth acquired property from those States it always resorted to the compulsory method, although it had an alternative to negotiate?

Senator DOBSON.—Is not clause 6 permissive?

Senator KEATING.—I was going to show that. Senator Symon says that this clause relieves a State Executive from responsibility to the State Parliament. To what extent? To this extent, that the Executive is enabled to say to the State Parliament, "We have done a legal act."

Senator Sir JOSIAH SYMON.—I think it would be an illegal act.

Senator KEATING.—The policy of the action would be a matter for the State Executive to consider. We do not throw any

obligation upon a State Executive to assent in every instance. We simply empower a State Governor with the advice of his Executive Council to do this directly under the authority of our law.

Senator Sir JOSIAH SYMON.—What right have we to empower him?

Senator KEATING. — We have the right.

Senator Sir JOSIAH SYMON.—We have the right to confer upon a State Governor the power to set aside a State law?

Senator KEATING.—Undoubtedly, we have the power to acquire State lands for public purposes of the Commonwealth. We have already done what Senator Symon says we have no right to do, and the honorable and learned senator took a part in the first session of the Parliament in providing for that.

Senator Sir JOSIAH SYMON.—If we did it it was wrong, but I do not think that we did do it.

Senator KEATING. — The extent to which we have conferred the power is the only point that has been raised.

Senator Sir JOSIAH SYMON. — Senator Best has pointed out that we did not do that at all. What we did was to empower the Governor-General to enter into negotiations, and when they were completed to empower the Governor of the State to consent to the grant.

Senator KEATING.—We have said that the Governor of the State may grant such land, and that is all that we say now. We say that he may do so by force of this measure, notwithstanding anything to the contrary contained in a State law.

Senator Sir JOSIAH SYMON.—We say in this clause that the Governor of a State may sell or lease, notwithstanding any local law to the contrary.

Senator KEATING.—Quite so.

Senator Sir JOSIAH SYMON.—I say that we cannot do it, and that no State ought to submit to it.

Senator KEATING.—I am very sorry to hear the honorable and learned senator suggest in this Chamber that any State should take up such an attitude.

Senator Sir JOSIAH SYMON.—Certainly I do, because this is a most unfederal provision.

Senator KEATING.—I do not think that any State is not desirous of working harmoniously with the Commonwealth.

Senator Sir JOSIAH SYMON.—It is the Commonwealth Government that is not desirous of working harmoniously with the States.

Senator KEATING. — The Commonwealth has shown no disposition to work inharmoniously with any State. The object of this clause, as I have said before, is to secure negotiation as the first step in dealing with a State, and that we shall not be put in the position in which we are at present, of having to resort to our compulsory powers in every instance in which we desire to acquire land not subject to such reservations as those to which I have referred.

Senator DRAKE.—Could we not provide for an agreement in the notification in the *Gazette*?

Senator KEATING.—That is practically the procedure which we are following at present.

Senator Sir JOSIAH SYMON.—Why not leave it at that?

Senator KEATING.—The State authorities say to us, "We cannot give you this land without the right to resume it within twenty-one years." We say, "We cannot take the land from you and give you the right to resume." They reply, "We have no wish to impose that condition upon you, but the State law imposes that condition, and therefore you had better acquire the land compulsorily." Why should the Commonwealth be driven to the constant practice of compulsorily acquiring land from a State when we can negotiate in the case of private individuals?

Senator DRAKE. — Why could we not state in the notification that the land is acquired by agreement?

Senator KEATING. — Even then we should be adding one step to the process of acquisition, and, so far as the Commonwealth is concerned, we should be also placing ourselves in a position that would very likely hereafter be seriously misunderstood. Because it might be said, in the case of some State, that in every instance every inch of ground acquired from the State had been acquired by compulsory purchase. Who could dispute it? It might also be said that the Commonwealth had the alternative of negotiation. Honorable senators must see that the clause is aimed at what we all desire, namely, that in all these transactions the utmost harmony shall prevail between the Commonwealth and the State whose land is acquired.

Senator MCGREGOR (South Australia) [12.26]. — I listened yesterday very patiently to the objections raised by Senator Symon to this particular clause, and to-day I have listened patiently to all that has been said. But the very objection which has been raised to the clause constitutes the argument which should be used in favour of it. Honorable senators urge that, so far as we possibly can, we should approach the States in the most cordial way, and should do nothing in the direction of aggravating the States authorities; that we should never exercise the full powers of the Commonwealth, or of any Commonwealth Act, until we have exhausted every other means of arriving at the desired end. That is what Senator Symon has been saying for hours. Yet in this clause it is so evident that that is the intention of the Government that I am unable to understand why any honorable senator should oppose it. Senator Keating has said that in the past the Government have found that there are difficulties in negotiating with the States, and they have had to resort to compulsion. The honorable senator has given instances, which I could multiply, and honorable senators must see that they might easily be made more numerous in the future than they have been in the past. It would be possible in any State for a law to be passed that no land should be acquired by anybody except through some particular agent.

Senator FRASER.—That law would not hold good against the Commonwealth Act.

Senator MCGREGOR. — It would not hold good against the existing Act. Has not the Minister told honorable senators that we can always fall back upon the compulsory system of purchase. Honorable senators, a few minutes ago, were trying to make us believe that they desired that the States should be treated in a conciliatory manner. That is what the Government are proposing to do. In this clause they say that, instead of exercising the power, which it is admitted we have, we desire to negotiate, and to acquire properties from the States in the most friendly manner.

Senator Sir JOSIAH SYMON.—That is not what the clause says.

Senator MCGREGOR.—Most decidedly it is. It says that the Governor-General and the Governor of a State—

Senator Sir JOSIAH SYMON.—It does not mention the Governor-General at all.

Senator MCGREGOR.—That is so; but the honorable and learned senator knows that it is through the Governor-General that the acquisition is always made.

Senator Sir JOSIAH SYMON.—This clause does not deal with the Governor-General.

Senator MCGREGOR.—I am telling the honorable and learned senator what the method is. This clause gives the Governor of a State, with the consent of the Executive Council of that State, the power, when dealing with the Commonwealth, through the Governor-General, or anybody else, to transfer land to the Commonwealth.

Senator Sir JOSIAH SYMON.—No; to sell it. To repeal a local Act of Parliament.

Senator MCGREGOR.—It says, "Notwithstanding anything to the contrary in the law of any State"; but it is to get over that difficulty that this clause is inserted. If the Executive of a State has the slightest objection to override any State law, they have only to say to the Commonwealth, "We will not do it," or, "We cannot do it; you will have to exercise the powers you have, and take the land compulsorily." Then honorable senators opposite get up and talk about the difference between a private individual and a State in this matter. I cannot imagine any difference. Is it not as great a crime to do an injustice to an individual as to a number of individuals? If we do an injustice to a State, we do injustice to a number of individuals; and if we do an injustice to a land-owner, it is just as criminal as if we did it to a State. If we acquire land from an individual, we have at the same time to acquire the rights of the State in respect of that land. That is the only difference, and honorable senators have entirely overlooked it. Where the Commonwealth acquires land from an individual, with that acquisition should go all the rights which the State has thereto. But in this clause we are simply asked to enact that where any law of a State prevents the State, in a technical sense, from negotiating with the Commonwealth, if the Governor, through the Executive, is prepared to enter into negotiations with the Commonwealth for the transfer of the land, the Commonwealth is prepared to do so in the way which may be most agreeable to the people of the State. But honorable senators on the other side say "No; you must fall back upon your absolute right of compulsory purchase. We shall not give you the opportunity through the Governor of a State to acquire land for

the Commonwealth." As Senator Keating has said, in years to come the authorities in a State may say—"That is the way in which we have been treated. Every piece of land which has been acquired by the Commonwealth has been forcibly taken from us; we have never been allowed an opportunity to negotiate." Who is preventing that from being done? It is only honorable senators on the other side who are seeking to place an obstacle in the way of the Commonwealth doing what they argue ought to be done. I hope that they will read the clause, endeavour to understand what is really meant by it, and believe that, instead of doing an injustice to any State, it is only providing a means whereby the most harmonious relations may exist between the States and the Commonwealth.

Senator BEST (Victoria) [12.33].—It would have been most useful if Senator McGregor had first fortified himself with an idea of the contention from this side.

Senator MCGREGOR.—I heard it.

Senator BEST.—Nobody has suggested for a moment, either directly or indirectly, that in the future it should become necessary to compulsorily resume any land from a State. If such a practice has, for the purposes which have been mentioned, been resorted to in the past, now is the time to put an end to any difficulty which has existed. Clause 6 of the Bill says in specific terms that the Governor of a State, acting on the advice of the Executive thereof, may do certain things. It has been urged that it is unfortunately framed, and that, in order to achieve the same end, in a previous Act we said that the Governor-General might negotiate with the State to do certain things, in this case, to purchase land. In these circumstances, it will be seen that we have not taken upon ourselves the apparently unfair position of prescribing what the Governor of a State should do. On the contrary, we have provided, as we did recently in the Meteorological Bill, that the Governor-General might enter into an arrangement with the Governor of a State, and the State laws have always been sufficient to enable the Governor of a State to carry out any such agreement.

Senator MCGREGOR.—Honorable senators have been told that, under existing circumstances, they are not sufficient.

Senator BEST.—That is what the Minister has suggested. I want him to realize the serious principle involved in passing the clause in this shape. Of course he will

have the right to give us the justification for this departure, but I submit that the reasons which he has already advanced are totally inadequate. If everything which is sought for can be achieved in a nice way, instead of introducing the unfortunate principle to which I have referred, what is the objection to recasting this clause for that purpose? The Minister has said, "Yes, that would be all very well; but then we have to bear in mind that in some instances the Governor of the State has only the right to make grants subject to certain reservations."

Senator MULCAHY. — Subject to Crown Lands Acts.

Senator BEST. — Subject to the local laws. That would be very sound if we had no means of overcoming the difficulty. I contend that the provision in the Constitution Act which says that the Commonwealth may acquire property practically means that we may acquire the absolute right to property free from every reservation. In this Bill it is recognised that that is the real and true construction, because it provides that, in the case of a compulsory resumption—

the notification shall have the effect of cancelling any dedication or reservation to which the land was subject at the date of the publication of the notification.

No one in the Chamber doubts for a moment that we have the right to cancel all forms of reservations contained in any document in reference to any land compulsorily acquired. Now it is said that we want to provide for the acquisition of land by voluntary arrangement. The true method, I submit, is to enable the Governor-General to acquire the land, and then to declare, as we have done, that when once the land is so acquired, the notification of the agreement in the *Gazette*—

shall have the effect of cancelling any dedication or reservation to which the land was subject at the date of the publication of the notification.

That would relieve the clause of the objectionable feature to which I have referred, and it would give us precisely every power which we desire to possess. And what is more, the Governor of a State, in entering into negotiations with the Governor-General, would be aware that the moment he signed a grant to the Commonwealth, all dedication or reservation would be cancelled.

Senator MCGREGOR.—That is a distinction without a difference.

Senator BEST.—If it is a distinction without a difference, and it would have the effect of removing from the clause objectionable features, it should be accepted and the clause recast. But the honorable senator cannot seriously contend that there is no difference. I ask him: Is it not objectionable for this Parliament to declare what the Governor of a State shall do?

Senator MCGREGOR.—Only what he may do.

Senator BEST.—If we were driven to do that, it would be a different thing; but here is a mutual arrangement which is to be provided for. Let us follow the precedent which we established in dealing with these matters. Why should we unnecessarily create friction with any State by determining what shall be the duty of the Governor of a State?

Senator MULCAHY.—Will it not be also necessary in each case to empower the Governor-General and the Governor to negotiate?

Senator BEST.—It is necessary that we should do as we have hitherto done, and that is, give the Governor-General the power to act. Section 3 of the present Act says—

The Governor-General may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State, for the absolute purchase by the Commonwealth for a consideration in money or its equivalent of such land, or for the exchange of such land for any land of the Commonwealth.

All that we need to do is to add to that provision the following words:—

The notification of such agreement in the *Gazette* shall have the effect of cancelling any dedication or reservation to which the land was subject at the date of the publication of the notification.

That would completely get rid of the objection which the Minister has urged. No one doubts that we can enact that provision. Why, then, should we unnecessarily create friction?

Senator MCGREGOR.—We are not creating friction.

Senator BEST.—My honorable friend must see that the clause, if enacted in its present form, would create friction. To begin with, why should we alter the phraseology of the existing provision? If it is defective, there is a way of amending the defect. If we prescribe what the power of the Governor of a State shall be, the provision may appear inoffensive in this Bill; but there may be times when, if the

precedent were followed, it would bear quite a different aspect, and lead to friction. I have proposed a reasonable and effective means whereby the difficulty suggested by the Minister could be overcome.

Senator PULSFORD (New South Wales) [12.44].—The clause as it stands appears to me to be highly offensive to the States, and I have no hesitation in saying that it would be so regarded by New South Wales. I wish to draw attention to a remark made just now by Senator McGregor, because I think it will explain a little error into which he has fallen. He said that the wording of the clause would enable some technical defects to be overcome. When it bestows upon the Governor of a State the power of making an arrangement with the Commonwealth contrary to the law of the State, it goes far beyond the mere correction of technical defects, and it is that to which I object. I hope that a very clear amendment will be made, so that what at present is very highly objectionable may be removed. I cannot understand the representative of any State seeking to pass a clause worded as this is. Although I have no doubt that it was drafted with very good intentions, still it is capable of very evil results.

Senator Sir JOSIAH SYMON (South Australia) [12.45].—I thought that the Honorary Minister would, after what has fallen from Senator Best, indicate his acceptance of the amendment suggested. It seems to me to be one that would meet the case. The matter to which attention has been called certainly involves a very grave question of method, to put it upon its lowest ground. I hope that, after the lucid explanation of Senator Best, Senator McGregor will begin to have a glimmering of understanding as to what the clause means. He undertook, at the close of his animated but not very clear speech, to lecture honorable senators on this side of the Chamber as to their lack of understanding of the meaning of the clause.

Senator MCGREGOR.—I complained of waste of time.

Senator Sir JOSIAH SYMON.—The honorable senator wastes the time of the Senate with senseless interjections more than any other member of it. I always find that those who are in the habit of suggesting that others do not understand provisions are themselves wandering in a kind of Cimmerian darkness. I wish to

enlighten Senator McGregor a little, because I believe that he is a man who is occasionally susceptible of instruction. I will point out what he has entirely overlooked—that in this Bill there is in the first place a power for the acquisition of land by mutual agreement, and, in the second place, a power for the acquisition of land by compulsion. This provision is not intended to have any relation to the acquisition of land by compulsion. It has relation to the acquisition of land by agreement. The power of a person to dispose of land by agreement depends upon his ownership and interest in it; and if he is a person occupying an official position, like the Governor of a State, it depends upon the authority given to him by the Parliament of the State, and no one else. In a self-governing country the authority of the Governor is derived from the Parliament of the State. He has certain instructions from the Sovereign, who appoints him to his official position, but his power to deal with Crown lands is now, under the self-governing Constitutions which we possess, dependent upon the approval of Parliament. In relation to negotiations for the acquisition of land which may be entered into by the Commonwealth with a State, all that the Commonwealth can do is to empower its agent—using that term as applicable to the Governor-General—to do what we think he ought to do. If at present power to enter into an agreement to acquire State land, or land held by a State Government, is not vested in the Governor-General, we can confer that power by legislation. But we cannot confer that power upon the Governor of a State. The authority of the Governor of a State to deal with the land of the State depends upon the power the State Parliament gives to him. The State has its rights, just as the Commonwealth has its rights, and we have no power to instruct the Governor-General to give directions to a State Governor. He must receive those instructions from the Parliament of the State to which he owes allegiance, subject to and in accordance with the allegiance that he owes to the Sovereign who appoints him. The vice of this provision, as Senator Best has pointed out, is that it involves an assumption by this Commonwealth of an authority to confer the power of selling and disposing of State lands upon the Governor of a State. I say emphatically that we do not possess that power, and cannot exercise it. We

have no right to do it. Further, if we could do it, I do not believe that we ought to do it. We have no right to dictate to the States Parliaments and Executives. And even if we had the power we ought not to exercise it in this particularly offensive manner. My honorable friend Senator McGregor has said that he does not see that it is offensive. He says that it is particularly harmonious. The particularly harmonious way in which we are acting is for the Commonwealth Parliament, without so much as a "by your leave" to the people of a State, to say to the Governor of a State that he is to enter into an agreement with the Commonwealth to part with the lands of the State in spite of the provisions of any local Act of Parliament.

Senator MCGREGOR.—No; because the State Executive would take very good care not to act except under the authority of an Act of Parliament.

Senator Sir JOSIAH SYMON.—I am talking of the legislation which we in a highhanded manner are seeking to pass for the purpose of pretending to give power to the Governor of a State to do something which only the State Legislature can authorize him to do. We can, by virtue of the law, say that, when we acquire land under the Constitution, all dedications and all reservations shall be wiped away, and that we require it in absolute unconditional fee-simple. But we cannot give a power to the Executive of a State to override the Acts of Parliament of a State in the way that we are asked to do. It is a silly thing to attempt. It is a contemptible thing for this Parliament to put upon the statute-book something which, if it is not effective, is useless.

Senator O'KEEFE.—Would not the Executive of a State be more likely to consider the wishes of a State than the wishes of the Commonwealth if those wishes were in conflict?

Senator KEATING.—Hear, hear!

Senator Sir JOSIAH SYMON.—We have been lectured from the stand-point of harmonious relations as to the necessity of coming to a mutual agreement. We are all at one as to that. There is nothing to prevent an agreement being entered into between the Commonwealth and the State. Senator Best's proposal would absolutely provide for it. It is provided for in the existing law, in the section which Senator

Best read, which says that the Governor-General may enter into an agreement with a State. But the power of the State to enter into that voluntary agreement depends upon its own law, which we cannot alter.

Senator O'KEEFE.—The Executive of a State would not be likely to do anything against the wishes of that State.

Senator Sir JOSIAH SYMON.—Why should we assume that we have the power to compel it to do so? I am here representing one of the States, and I say very emphatically that we ought to be extremely solicitous to adopt a form which will carry out our intention without creating offence. We are all agreed as to the desirableness of mutual arrangements. But it will be impossible to carry out those mutual arrangements if we have the impertinence to interfere with a State Parliament, by saving what power the State Governor shall have in selling State lands. If we could do that, it would be a very serious thing. I contend that we cannot. This clause has been inserted inconsiderately. There can be no question about that.

Senator KEATING.—It has been inserted after a good deal of consideration.

Senator Sir JOSIAH SYMON.—The existing section is an admirable one. If it were thought desirable, dedication and reservation could be made to disappear in the manner proposed in the suggested amendment. I scarcely think that that is necessary; but whether it is necessary or not, we do not get over it by giving the Executive of a State under a Commonwealth Act of Parliament power to override its own State legislation.

Progress reported.

Sitting suspended from 1 to 2 p.m.

PAPERS.

Senator KEATING (Tasmania — Honorary Minister) [2].—I beg to lay upon the table the following papers:—

Copies of plans in connexion with the reports on proposed sites for the Federal Capital in the Yass-Lake George district.

I do not propose that the plans be printed for circulation, but that they be hung up in convenient places in the corridors of the Senate. I understand that the expense of printing would be rather disproportionate to the advantages gained.

Senator DOBSON.—By whom are the reports provided in the first place?

Senator KEATING.—I think they are provided by the State of New South Wales.

Senator PLAYFORD laid upon the table the following paper:—

Further memorandum on collection of digested cases of the United States Federal and State Courts relating to trusts, and a tabular digest of the United States anti-trust legislation.

Ordered to be printed.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

SECOND READING.

Senator PLAYFORD (South Australia—Minister of Defence) [2.3].—I move—

That the Bill be now read a second time.

I wish, at the outset, to state, what is already well known to honorable senators, that this Bill has received a considerable amount of attention in another place, where it passed without a division, so far as either the second reading or the third reading was concerned. The Bill deals with trusts, monopolies, and the practice of dumping. In the first place, I propose to say a few words in regard to trusts, and then to refer to similar legislation passed in other parts of the world, concluding with a few general observations. Trusts, combinations, and pools, when they become monopolies, which is always their object, can be carried on either to the advantage or to the disadvantage of the public. Honorable senators who are well versed in ancient history know that there was once a philosopher of the name of Thales, who was told by the business men of the city of Athens that he was only a dreamer—a poor philosopher—and did not know anything about commerce. Thales, however, succeeded in making a "corner" in olives, which at that time was a necessary and much-used food of the people; and the result was that he got a monopoly which enabled him to sell at his own price, and make considerable gains. In this way he showed the business men that, although he was a "poor" philosopher, he still possessed, at all events, some knowledge of the art of acquiring money by means of a monopoly. Then honorable senators who have a knowledge of Biblical history will remember the "corner" in corn and other cereals which was established by Joseph in Egypt.

Senator Sir JOSIAH SYMON.—Surely the Minister does not complain of the object of that "corner"?

Senator PLAYFORD.—The result of that "corner" was that the people of Egypt lost their land, and practically their

liberty. The "corner" that Thales established only resulted in the "fleeing" of the public; but the effects of the action of Joseph can be seen in Egypt even to the present day.

Senator WALKER.—That was a State monopoly, remember.

Senator PLAYFORD.—It ultimately became a State monopoly, but that did not make the conditions any better for the poor people who were made slaves.

Senator WALKER.—There are honorable senators who desire the State to monopolize everything.

Senator Sir JOSIAH SYMON.—I am afraid the Minister has not chosen a very happy illustration.

Senator PLAYFORD.—It is a very proper illustration of the evils which can be accomplished by a monopoly, whether conducted by the State or by private persons. Even a State monopoly, which results eventually in the degradation of the people—in depriving the people of their lands and possessions, and practically making them slaves—is an evil; and, as I have said, the effects of Joseph's operations may be seen in Egypt to-day. At the outset, honorable senators very naturally ask—What is a trust? On that point I hold in my hand a paper, prepared at the instance of the Premier of New Zealand by Mr. Tregear, Secretary of Labour in that Colony.

Senator MCGREGOR.—The Minister should not quote that paper; Mr. Tregear is a Socialist!

Senator PLAYFORD.—I do not care whether Mr. Tregear is or is not a Socialist; I only quote his report so far as facts are concerned. Senator McGregor knows that we are all Socialists now.

Senator Sir JOSIAH SYMON.—Plato was a Socialist.

Senator PLAYFORD.—No doubt. I remember the late Marquis of Salisbury, at a dinner at which I was present in London, saying, "We are all Socialists now," although he was leader of the Conservative Party. If a man tells me that he is a Socialist I do not know what he means; but I do know what a man means if he tells me that he is a Communist.

Senator Sir JOSIAH SYMON.—What does the Minister think the Marquis of Salisbury meant?

Senator PLAYFORD.—He meant what he said, that we are all Socialists—it is only a question of degree.

Senator Sir JOSIAH SYMON.—I thought the Minister said he did not know what was meant.

Senator PLAYFORD.—I do not know the extent to which Socialism may carry a man, but I know that we are all Socialists. Society is founded on Socialism; every law we pass is socialistic, and the most advanced Conservative or hide-bound Tory will admit that we must pass laws for the government of the people. But the laws are socialistic nevertheless, though some men go to extremes. One man may say that he is a Communist; I know what he means. Another may say that he is an Individualist; I do not know what he means. But I am satisfied of this: that Individualism carried to extremes leads to Anarchy, and that Socialism carried to extremes leads to Communism.

The PRESIDENT.—Does the Minister think that these remarks have anything to do with the Bill before us?

Senator PLAYFORD.—I was replying to interjections, and I beg the pardon of honorable senators if I have been led astray. Mr. Tregear, in his report, deals with the definition of "trusts," and points out that the dictionaries differ in such a way as to make the explanation not very plain. For instance, "trust" is defined in the *Standard Dictionary* as follows:—

An organization for the control of several corporations under one direction by the device of a transfer by the stockholders in each corporation of at least a majority of the stock to a central committee or board of trustees, who issue in return to such stockholders respectively certificates showing in effect that, although they have parted with their stock and the consequent voting-power, they are still entitled to dividends or to share in the profits—the object being to enable the trustees to elect directors in all the corporations, to control and suspend at pleasure the work of any, and thus to economize expenses, regulate production, and defeat competition.

Mr. Tregear, with a view to clearness, divides that definition into three parts, dealing respectively with pools, rings, and trusts. The definition of "pool," according to Mr. Tregear, is—

A "pool" is a combination or agreement between certain persons or firms, in order to influence the market by controlling output, dividing territory, extending trade, and sometimes determining prices.

A "ring," says this gentleman, is—

A "ring" is a similar combination, but devoted more especially to controlling selling-prices.

For instance, a number of manufacturers of one or several articles may agree to

form a "ring," one condition of which is that those articles shall not be sold below a certain price. A "trust," according to Mr. Tregear, is defined as follows:—

A "trust" is a corporation or combination of corporations into unity for the purpose of amalgamating plants and properties, economizing expenses, buying and selling to best advantage, ousting competition, and controlling markets.

The trusts that are best known, and, I suppose, the largest in the world, are those of the Standard Oil Company, the Consolidated Tobacco Company, and the Anthracite Coal Company.

Senator PEARCE.—What about the Beef Trust?

Senator PLAYFORD.—There is the Beef Trust, and a great many others.

Senator CROFT. — Does Mr. Tregear quote authorities, or he is expressing his own opinion?

Senator PLAYFORD.—Mr. Tregear, in the first place, quotes the dictionary definition, and then proceeds to divide that definition into the three parts I have mentioned—pools, rings, and trusts, all of which act in different ways, although their object is practically the same, namely, to get a monopoly. Trusts are not necessarily all bad, in the sense that in their operations they produce injurious results to the public. It entirely depends on how a trust is conducted whether or not a bad effect is produced. Trusts naturally desire to get as much profit as possible—that is human nature—but all trusts are not worked absolutely to the injury of the public. Mr. Tregear points out—

The great enterprises which have legitimately reduced the cost of production and have won a place for American enterprises in the international industrial world should not be strangled by adverse legislation, but only controlled by national regulation. To strike down industrial or commercial combinations, with the result of closing factories and mines, and turning workers by thousands into the streets, would be a calamity whose extent could hardly be imagined.

Mr. Tregear then makes a quotation from some remarks by the Hon. E. Morrell, of the House of Representatives, Washington, as follows:—

The trusts are not a cancer in the body politic; they are not an excrescence on the body politic; they are a part of the vital principle of the body politic. They need to be properly regulated and watched and controlled, just the same as any vital organ of the body needs to be; but, in like manner, they need to be guarded from violent injury.

In the conduct of business it often happens that, by means of combination, expenses may be very considerably reduced. By this means, the cost of production may be cheapened, and it may be possible to supply the particular article at a lower rate than that which prevailed before the combination took place. If that be so, who is to complain? The working man ordinarily likes to be employed by a big combination, because, as a rule, big combinations pay the highest rates of wages. If the public are not injured, but benefited, by a combination, as a result of a reduction in the cost of production, who is to complain? Nobody; because under such circumstances the community as a whole benefits.

Senator MILLEN.—Would not a beneficial trust of the kind indicated by the Minister come under the operation of this Bill?

Senator PLAYFORD.—No.

Senator PEARCE.—It would if it were unfairly interfering with local industries.

Senator Sir JOSIAH SYMON.—Of course it would.

Senator PLAYFORD.—It would only if it restrained trade or commerce to the detriment of the public, or with intent to destroy by means of unfair competition, any Australian industry, the preservation of which would be advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers.

Senator Sir JOSIAH SYMON.—The more they lowered prices, the more these trusts would come within that definition.

Senator PLAYFORD.—No; not necessarily.

Senator Sir JOSIAH SYMON.—Will the Minister explain how that would be?

Senator PLAYFORD.—I cannot answer all these questions now. We must leave them to a later stage of the proceedings.

Senator Sir JOSIAH SYMON.—I thought the Minister was dealing with that subject.

Senator PLAYFORD.—No; I am not dealing with it now at all. The only point I am making now is that there are, and may be, combinations and trusts whose operations are not necessarily injurious to the public.

Senator DRAKE.—Is the paper from which the Minister is quoting available to honorable senators generally?

Senator PLAYFORD.—I do not know. It is a parliamentary paper, printed in New Zealand.

Senator Sir JOSIAH SYMON.—It would be useful if we could get a copy of it.

Senator PLAYFORD.—It would, and if I can supply honorable senators with copies of the paper, I shall be only too pleased to do so.

Senator MCGREGOR.—The honorable senator is quoting it fully, and we shall be able to obtain the information from the report of his speech.

Senator PLAYFORD.—I am quoting only those parts which I think of interest, and which bear out my argument.

Senator Sir JOSIAH SYMON.—What is the date of the paper?

Senator PLAYFORD.—It was published in 1903. Its title is *Trusts and Anti-Trust Legislation*. There is a memorandum by the late Premier of New Zealand, in which he says that, having decided to bring forward legislation to prevent the formation of rings and trusts, he wishes to have the latest information on the subject, and upon that Mr. Tregear prepared the report from which I am quoting. I come now to deal with the evil effects of trusts, and they are set down as—

(1) Over-capitalization or "watering of stock"; (2) secrecy or lack of publicity in organization and conduct; (3) destruction of competition by underselling, &c.; (4) management of institutions by absentees for benefit of absentee capital; (5) management for private benefit of officials; (6) destruction of local public spirit; (7) power to corrupt elections and bribe parliaments; (8) power to influence Courts and set the law at defiance; (9) absence of personal liability for illegal actions; (10) holding vast properties (as in mortmain) without taxation; (11) shutting down mills, mines, &c., at will, and throwing thousands out of employment; (12) the use of boycott and black-list; (13) fraudulent opposition to patents and use of patents; (14) discrimination in tariffs and rebates.

In reference to the question of patents, we have only one monopoly that is recognised by law, and that is the monopoly of patentees. They may sell their rights to manufacturers, but it has been found that trusts are sometimes formed to defeat the object of a patent. They may actually pirate the patentee's invention, and, having done so, defend their action in the Courts against him, or offer him some ridiculous price for it, and otherwise injure him very considerably. I do not know that I need quote anything further on that particular point. These are the charges that are brought against trusts. I quote now from page 8 of this paper—

One of the methods employed by trusts to raise the value of their properties and depreciate those of others has been the illegal use and

misuse of patents. Combinations have used their political and pecuniary influence to prevent patents applied for being granted, and in order that they might use the invention as being unpatented. A Court case disclosed that associated railway companies made an agreement for the purpose of restraining individual owners of patents from freely negotiating sale of interests in their patents, and from collecting compensation from any member of the association who has appropriated a patent invention. The combination was to use all means against any person bringing a suit against one of these members, was to collectively "boycott" or refuse to negotiate with the patentee, and not to settle a suit or claim so long as a similar suit or claim was maintained against any other member of the association; this, of course, to cut off "the sinews of war" from the opponent. (See *Pettibone, the United States*, 13 "Supreme Law Reporter," 542, 1893.) Thus, any competition for a patent is suppressed, and the combination either uses the patent without payment or purchases it at its own price. As the law of the United States declares that there shall be a fair and open market for patents, such acts as those spoken of are plainly in "restraint of trade," and are illegal.

Senator PEARCE.—That is not the only abuse of patents.

Senator PLAYFORD.—There is a paragraph here which I may quote with regard to discrimination—

In the early part of this year it came to the knowledge of the President that great railway systems in the Middle West, upon which every section of the country is dependent for the movement of breadstuff, had entered into unlawful agreements to transport the shipments of a few favored grain buyers at rates much below the tariff charges imposed on smaller dealers and the general public. This injustice prevailed to such an extent and for so long a time that most of the smaller shippers had been driven from the field, and the business formerly enjoyed by them absorbed by a limited number of persons who received secret and preferential rates. In a word, there was practically one buyer on each railway system, and the illegal advantages he secured from the carrier gave him a monopoly of the grain on the line with which his secret compact was made.

Senator MULCAHY.—That cannot happen in Australia.

Senator PLAYFORD.—Not now; but it did happen in Australia not long ago.

Senator MILLEN.—It does happen now to a modified extent, but this Bill will not touch it.

Senator PLAYFORD.—I have been speaking with regard to trusts in the United States. Singular to say, in the experience of the United States these corporations appear in almost all cases in the form of trusts and combines, but when we come to consider the experience of Europe, we find that there they take the form of pools. A number of independent manufacturers

form a pool. They agree to a certain output and a certain price, and if one manufacturer more than he is entitled to manufacture under the agreement, he has to pay something to the others in the pool for so doing.

Senator MULCAHY.—That might be quite legitimate.

Senator PLAYFORD.—I quote from page 22 of Mr. Tregear's report, to show what is done in this way in Austria.

Coming to the question of legislation in regard to industrial combinations, we find that so far back as 1870 a drastic measure was passed in which it was declared that any agreements between business firms to raise prices are invalid. As an example of the working of the law may be cited a case in which an agreement regarding sales having been broken by one of the parties recourse was had to the Court. The decision of the Court was that not only was the agreement invalid, but that it was not necessary to prove that the price of goods had increased, for such prices might have increased without the agreement. The agreement could not become the subject of any valid contract, and, therefore, no penalty consented to by parties to the agreement among themselves could be inflicted. Even the institution of a selling bureau, a very common institution among Austrian pools, has been held to be invalid, and any violation of its contracts cannot be punished by legal methods. These decisions, making the adherence to such agreements entirely a question of personal honour, have tended somewhat to discourage the formation of trusts.

Honorable senators will see that in Austria they have a law under which a man may enter into whatever agreements he pleases, but so far as they are in restraint of trade they are invalid. It might be contended that if a certain manufacturer manufactures more than the quantity of goods agreed upon by arrangement with others in a pool, or sells his goods at a lower price than that agreed upon, he is liable, under his contract, to a certain penalty, but, under the law, it is impossible to enforce that penalty, and in this way trusts have been to a very considerable extent discouraged in Austria. In Germany the law on the subject is very uncertain. As a matter of fact, the Prussian Government are themselves in a trust, and operate a trust. Public feeling in Germany is not specially hostile to trusts, but the publicity given in that country to the operation of corporations militates against their establishment. In the United States, this position arose in connexion with the formation of these corporations. There are in that country a number of separate States, and the Federal power can interfere only in connexion with inter-State or

oversea commerce. It cannot interfere with the internal legislation of what are practically sovereign States. The result has been that when one State has passed a stringent corporation law compelling any business corporation to issue a yearly or half-yearly balance-sheet, and to give publicity to its operations in order that the public might know exactly how its business was carried on, another State, anxious for the establishment of that corporation within its borders, has modified its law by giving facilities to the corporation to avoid the publicity enjoined by the law of the first State. A corporation would, therefore, naturally establish itself in the State which afforded the greatest facility for the carrying on of its business in the dark. The State of New Jersey, opposite New York, is noted for the very lax way in which it allows corporations to be formed, and a great many of the corporations and trusts of the United States have been incorporated in that State. In England, and in Europe, as a whole, such publicity in connexion with the operations of corporations and trusts has been insisted upon, that, amongst other things, the watering of stock has been largely prevented, and that is one of the great abuses of trusts in the United States. As a consequence, trusts have been discouraged in England and in Europe to a much greater extent than in the United States. I stated just now that in Germany, the people do not trouble very much about trusts and combines, and that, in fact, the Prussian Government is a party to a combine. I may quote the following on the subject from page 24 of this report:—

In the case of the potash combination, its products were formerly wholly obtained from mines belonging to the Government, but private mines were opened, and agreements made, in which the State itself (Prussia) is a party. The State had factories of its own to work up the products of the mine, and upon forming a pool with other mine and factory owners made certain rules, which, being agreed to, bind mine owners not to supply to outside factories, or these factories to buy from independent mines, but the Government retains the power of regulating the amount of output, and even of making special concessions in price for the benefit of German agriculture.

There can be little reason to consider the State as being a partner in an evil combination, when on many occasions the rights reserved to itself have been productive of enormous advantage through its chemists and agriculturists to the nation. It does not scruple to punish guerilla competition by a competitive war, and has forced private enterprises to desist from busi-

Senator Playford.

ness, or enter the combination, but its direct influence has been that of the beneficent aristocrat.

That goes to prove a statement I made some time ago, namely, that all trusts are not necessarily disadvantageous to the public interests. Here is a case in point, so far as Germany is concerned. In England, there is a number of trusts.

Senator MCGREGOR.—What! In England?

Senator PLAYFORD.—In England there is a great number of trusts.

Senator MCGREGOR.—I thought that England was a free-trade country?

Senator PLAYFORD.—Amongst my papers, and I think amongst the papers which I laid upon the table, there are some extracts which show that, next to the United States, England is the great country of trusts. Our free-trade friends say, and say loudly, that the trusts and combinations which are supposed to work so injuriously in the United States, are the product of protection, and that trusts and combinations are not so prevalent in other countries. In Europe, France is one of the most protectionist countries, whereas, the only free-trade country is England. France, the protectionist country, has hardly any trusts, but England, the free-trade country, has more trusts than any protectionist part of Europe. The argument of our free-trade friends, therefore, will not hold water.

Senator Sir JOSIAH SYMON.—What about America?

Senator PLAYFORD.—The United States, we are told, is cursed with trusts, because it is a protectionist country.

Senator Sir JOSIAH SYMON.—So it is.

Senator PLAYFORD.—Compared with the protectionist countries in Europe, England has more trusts than they have, and immensely more trusts than France has.

Senator PULSFORD.—And less than America has.

Senator PLAYFORD.—If protection is the cause of trusts, then France ought to have more trusts than England has, whereas it has fewer. In America there is a certain party which is constantly affirming that trusts are the result of protection, and the protectionists deny the statement. Mr. Tregear sums up the position by stating that in certain cases, protection does assist trusts, but that, taken as a whole, it is not the cause of trusts, because they are found in free-trade England to a larger extent than in protectionist France.

Senator DAWSON.—By the expression "more trusts," does the Minister mean that there are more people in the trusts?

Senator PLAYFORD.—I mean that in point of number, capital, and so on, there are more trusts in England than in France, where, I understand, there are only one or two.

Senator DAWSON.—In that highly-protected country, America, the operations of a few trusts cover the whole Continent.

Senator PLAYFORD.—In England, the law relating to pools, rings, and trusts, is the old common law under which anything done in restraint of trade is illegal. The law as to corporations is extremely strict as regards the publicity which tends to deter the formation of trusts.

Senator Sir JOSIAH SYMON.—Have we any trusts here?

Senator PLAYFORD.—Undoubtedly, we have combinations here, but I do not say whether they are injurious or not, as I do not wish to argue that point. I shall tell honorable senators by-and-by why I ask for the Bill, apart altogether from the question of whether there is anything in the Commonwealth in the nature of an evil to cure by its provisions. I believe that there is, but I am not going to single out special combinations.

Senator Sir JOSIAH SYMON.—The honorable senator is merely preparing physic, although he has not got a patient.

Senator PLAYFORD.—Yes; and that is a very wise thing to do.

Senator Sir JOSIAH SYMON.—The honorable senator does not know what is the matter with his patient, but he is going to physic him.

Senator PLAYFORD.—But we do know what is the matter. We know that throughout the civilized world, for the last half-century or more, trusts have been formed, and in many cases, to the injury of the people. We do not expect to escape an evil of that sort.

Senator BEST.—"Prevention is better than cure."

Senator PLAYFORD.—Undoubtedly, in this case, "prevention is better than cure." I desire now to refer to the anti-trust legislation which has been enacted in various parts of the world. Some time ago, I laid upon the table a memorandum which was prepared by my secretary, and which gives honorable senators all the information which was obtainable on that subject. If

they will turn to the paper, they will see that the first Act of the United States was the Inter-State Commerce Act of 1887—

This Act forbids the restraint of trade and commerce by carriers and shippers engaged in Inter-State commerce.

Its principal objects are summarized thus:—

To secure just and reasonable charges for transportation; to prohibit unjust discrimination in the rendition of like services under similar circumstances and conditions; to prevent undue or unreasonable reference to persons, corporations, or localities; and to abolish combinations for pooling freights.

Senator Sir JOSIAH SYMON.—In England, there is a similar Act called the Railways and Canals Act.

Senator PLAYFORD.—It was found that these pools and combinations, when they became sufficiently powerful, made arrangements with the railway companies for special rates. In some cases, the special rates were enormously to the advantage of the combinations, and against other people. Take the case of the Standard Oil Company. By means of the enormous rebates which they got from the railway in the carriage of goods from the Pennsylvania oil-fields, they were able to compete with all their rivals, and in a short time to compel every one of the owners of the oil-wells in Pennsylvania to go into their combination until they got an immense monopoly.

Senator DAWSON.—How does that apply to Australia?

Senator PLAYFORD.—I do not say it does apply. I am only pointing out that the Inter-State Commerce Act was one of the first Acts passed in America for the purpose of preventing the monopolies which were obtained under the rebates and concessions granted by railway companies. We have no fear of anything of that sort arising here, and therefore we have not made any provision in that regard. In the Commonwealth Constitution we took the power to create an Inter-State Commission, which would have the right of regulating this kind of traffic between the States. Before our Constitution Act was passed we had discriminating rates on the States railways. Victoria granted rebates on the carriage of wool from the border of New South Wales to Melbourne. South Australia had special rates with regard to the carriage of wool on her railways, and New South Wales also had special rates from part of Riverina. Because we had the power to create an Inter-State Commission

if we desired, the Railways Commissioners met together, and, I understand, came to an arrangement by which no such rebates are now granted. Therefore, as far as we know, there is no necessity for the appointment of an Inter-State Commission.

Senator Sir JOSIAH SYMON.—But there is nothing to prevent them from giving these rebates and discriminations within the area of the State itself?

Senator PLAYFORD.—No. The next Act against trusts was passed in America in 1890, and it is called the Sherman Anti-Trust Law. It makes every contract, or combination in form of a trust in restraint of commerce, illegal, no matter whether it is injurious or not. According to the memorandum on Anti-Trust Legislation—

It declares every contract, combination, in form of a trust or otherwise, or conspiracy in restraint of trade or commerce, to be illegal; every party thereto guilty of a misdemeanour, and punishable by fine not exceeding \$5,000 or by imprisonment not exceeding one year, or by both said punishments.

The Sherman Act was followed in 1894 by the Wilson Act, the object of which was to deal with trust agreements by importers. The Commerce and Labour Act of 1903 provides an official agency to obtain information with a view to better regulation and legislation. The Expedition Act and the Elkin Act, passed in the same year, are machinery Acts to simplify the taking of proceedings under previous Acts. In the States and Territories of the United States there are certain anti-trust laws. On this subject my secretary says, in his memorandum—

The nature of the anti-trust legislation may be indicated by a brief reference to some of the State enactments—

In the State of Arkansas, all combinations which tend to lessen free competition in importation, production, or sale of goods, or to regulate or fix the prices, are deemed to be conspiracy, punishable by imprisonment or fine; in Illinois, any trust, pool, combine, agreement, or understanding for regulating prices of goods, or limiting quantities made or sold, is a misdemeanour, punishable by fine or imprisonment, or both; in Kansas, it is a misdemeanour to create or maintain a confederation to regulate the price or quantities of goods, fees of attorneys and doctors, or rate of interest, punishable by fine or imprisonment, or both; in New York, it is a misdemeanour to combine to create a monopoly in the production or sale of any commodity of common use, or to restrain competition

in the supply or price, punishable by fine or imprisonment, or both; in Tennessee, it is a felony, punishable by fine or imprisonment, or both, to create or maintain any combination that tends to prevent free competition in the production or importation or sale of goods, or to regulate the price; in Michigan, making a contract is one crime, and acting under it another, both punishable by fine or imprisonment, or both.

Senator Sir JOSIAH SYMON.—Does the Statute say that "making a contract is one crime"?

Senator PLAYFORD.—To make a contract is one crime, and to act under the contract is another crime.

Senator Sir JOSIAH SYMON.—Surely the Statute does not say that!

Senator PLAYFORD.—Even if a man does nothing under the contract, he is punishable because he made it, and if he acts thereunder he is liable to additional punishment. I understand that those words are in the Act.

There are, as indicated already, laws in many other States to similar effect. In making a comparison of the State laws, it is noticeable that in some of the States statutory exceptions from the heavy penalties have been made in favour of producers and raisers of agricultural products and live stock, and also in favour of organization of labourers.

I only quote these statements to show what a mass of legislation has been passed on the subject with which we are dealing in this Bill, and to point out that there must be some reason for its enactment.

Senator DOBSON.—Since the Sherman Act was passed, have trusts increased or decreased in America?

Senator TRENWITH. — They have been clever enough to dodge every Act that has been passed.

Senator PLAYFORD.—The trusts have been fined, and subjected to all sorts of penalties in order to deter them.

Senator FINDLEY.—They have decreased in San Francisco—there has been an earthquake.

Senator Sir JOSIAH SYMON.—An earthquake is the only thing that will stop them.

Senator PLAYFORD. — In Canada, in 1904, a law was passed which was intended to operate against the practice of dumping. This law provides for the collection of special duty on undervalued goods. Market value is to be the value when sold for home consumption in the country of export, not

the exporter's price which is often considerably under the price charged where manufactured. The definition of "market value" is—

The fair market value thereof in the usual and ordinary commercial acceptance of the term at the usual and ordinary credit (and not the cash value, unless known to be a "cash" article by universal usage, and so *bond fide* paid for) when sold for home consumption in the principal markets of the country whence, and at the time when the same were exported directly to Canada.

Senator Sir JOSIAH SYMON.—Is that the definition in this Bill?

Senator PLAYFORD.—That is the definition in the Canadian Act, and we have adopted it to a considerable extent. Canada had to protect her own manufactures against American trusts, many of which are very large concerns. In the United States there is frequently a surplus stock which manufacturers wish to export. They have supplied the whole of their home market, and for the disposal of their surplus the practice to which they used to resort was to sell abroad at a very low rate, sometimes more than 50 per cent. below the price at which they supplied their goods to people in the United States. When these goods were imported into Canada, the importers used to claim that they had a right to pay duty *ad valorem* at that reduced price. What Canada has done is this: She says, "We will take no notice whatever of your price, whether you say it is a cash price or not. We will go to the place where the goods are manufactured, and ascertain the price charged by the manufacturers in their own country. We will make you pay duty on that." That system was found necessary in order to contend against dumping.

Senator TRENWITH.—Does the honorable senator say that he has an authentic list of articles which have been dumped?

Senator PLAYFORD.—I have a list, and shall probably come to it in going through my notes. Honorable senators will also be aware that New Zealand has passed what is practically an Anti-Dumping Act, which provides that when goods are sold by importers in New Zealand at a price at which the manufacturers of such goods in that country cannot sell in competition if they are to receive anything like a fair profit, then the State will give them a bonus to help them.

Senator FINDLEY.—What is the date of that Act?

Senator PLAYFORD.—It was passed last year. I have a word or two more to say about trusts. There was held in the

United States, in 1899, what was known as the Chicago Trust Conference. It was attended by representatives from all parts of the United States. They made a great many inquiries, and a report was brought up, from which I shall quote a portion. It will give honorable senators an idea of the extent to which trade and commerce in the United States are in the hands of monopolists—

Questions were sent to wholesale dealers, commercial travellers, rail-roads, combinations, labour organizations, contractors and manufacturers, economists, financiers, public men, &c.

According to these replies the following articles cannot be bought outside the trusts: anthracite coal, bagging, grass goods, cigarettes, copper (rolled), coffee, glass, iron, and steel (certain iron and steel products, such as chains, nails, and shovels, pipe, &c.), glucose, kerosene oil, liquors (domestic distilled, except some Kentucky whisky), matches (certain makes), raisins, roofing (felt and slate), powder and ammunition, stoves, sardines, starch, snuff, solder, scythe snaths, tinplate, tinware, tobacco (certain brands as Battle-axe, Horseshoe, Duke's Mixture, and Durham), white lead, white pine lumber, wooden-ware, and yeast cakes.

That is a fine list of monopolies! These trusts are able to charge the public, not, perhaps, exactly what they like, but considerably in excess of what is a fair price. This they do for the purpose of putting an extraordinary profit into their own pockets. Another important question dealt with by this conference was as to the effect which combinations had had upon distribution—that is, the effect upon the small storekeeper who distributes goods to the consumer. On this subject the following statement is made in the report:—

One hundred and ten say it is injurious, because it decreases their business and profits, and tends to eliminate them, and forty-nine wholesale dealers think they have been benefited by the formation of combinations.

In answer to the question what effect combinations have on the consumer, one hundred and five think consumers are injured, while only twenty-four think they are benefited, and forty-one think there is no difference.

The items of information about prices aggregate five hundred and six. Four hundred and fifty-two were to the effect that prices rose after combinations were made, twenty-four that they fell, fifteen that there was no change, and fifteen that they were fluctuating, two hundred and ten do not specifically assign trusts as the cause of the change (increase in most of these cases), and forty assign other causes, usually increased demand, rise of raw materials, or the Tariff.

I quote this to show, in the first place, the effect of these monopolies, and the number of articles which they monopolize. I also quote it to show that, in the great majority of cases, those who are able to speak

with any degree of knowledge on the subject consider that in the long run trusts are injurious. There are, it is admitted, good trusts and bad trusts — those that have done injury, and those whose operations have been attended with a certain amount of good. The replies to the circulars sent out showed that in certain cases the trusts had done some good. Now I wish to quote a passage from the final report of the United States Industrial Commission of 1902. The report is very valuable. The Commission was appointed by the United States Senate. There were to be upon it five members of the Senate, to be appointed by the presiding officer, five members of the House of Representatives, appointed by the Speaker, and nine other persons, who should fairly represent the different industries and employments, to be appointed by the President by and with the advice of the Senate. The Commission was appointed in 1898. It sat for a number of years, and, after collecting an immense amount of evidence from all parts of the United States, brought up a report embodying its conclusions. The gist of that report is to be found in the following recommendations:—

We now further recommend—

1. That district attorneys of the United States be authorized and directed to institute proceedings for violations of the Federal anti-trust laws.

2. That combinations and conspiracies, in the form of trusts or otherwise in restraint of trade or production, which by the consensus of judicial opinion are unlawful, should be so declared by legislation uniform in all jurisdictions, and as to all persons, and such Statutes should be thoroughly enforced.

3. That stringent laws be enacted by the Congress and the several State Legislatures, making both penal and criminal the vicious practice of discriminating between customers, and cutting rates or prices in one locality below those which prevail generally, for the purpose of destroying local competition; and that such laws should give to any person damaged the right to sue for and recover prescribed penalties, and make it the duty of prosecuting officers to proceed against the offenders.

Senator MILLEN.—That applies to internal trade.

Senator PLAYFORD.—I am not quite sure whether it applies to foreign trade also. Honorable senators will notice the very drastic proposals there made. It will be observed, also, that we have followed the United States laws pretty closely in drawing up this Bill. Now I wish to refer to the measure itself. I will call attention to the principal clauses in it, although I shall

not attempt to go through it exhaustively. The first matter in the Bill to which I wish to call attention is the definition of the term "commercial trust." It is defined to include—

A combination whether wholly or partly within or beyond Australia.

This provision has been very carefully considered by the Attorney-General, who has had regard to the different decisions that have been given, particularly in the United States Courts, in the various actions that have been brought against trusts and combines. Some of them have been able to escape punishment in consequence of the law not having been as carefully worded as it might have been. The Attorney-General has endeavoured, and I believe he has succeeded, in framing a definition under which it will be very difficult for trusts and combines to defeat the law. The term "commercial trust" will include all combinations that have been attempted up to the present time. Clause 4 relates to individuals. It provides against—

Any person who either as principal or as agent makes or enters into a contract . . . (a) with intent to restrain trade or commerce to the detriment of the public.

In the United States laws on this subject, those words, "to the detriment of the public," are not included. Consequently, some trusts, although their operations have not been proved to be to the detriment of the public, have been punished simply because they came within the law. For instance, there is the case of the *United States v. Coal Dealers' Association of California*, an outline of which is as follows:—

Practically all the coal used in San Francisco was mined in Washington, Oregon, and British Columbia. A very large number of the coal dealers in San Francisco formed themselves into an association, agreeing not to sell coal below certain prices. The association entered into a contract with the producers of coal in Washington, Oregon, and British Columbia, whereby the producers agreed to co-operate with the association to carry out its purposes, and the producers agreed not to sell coal to any non-member except for a much higher price than they charged members. United States took action to enjoin proceedings under this arrangement.

The Court held that the combination affected the rate of coal as soon as it arrived in San Francisco from other States, and before it had become a part of the mass of property in the State it remained in Inter-State commerce, and, therefore, came under the Anti-Trust Act. It was unnecessary to discuss whether the restraint was reasonable, for the Sherman Anti-Trust law forbids all restraints *whether reasonable or not*.

It will be seen that in that case an injunction was granted. Clause 4, paragraph *b* of sub-clause 1, sets forth that it is an offence to enter into any contract or combination—

with intent to destroy or injure by means of unfair competition any Australian industry, the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers.

The penalty for the offence is a fine of £500, and it is provided that every contract made or entered into in contravention of the clause shall be absolutely illegal and void. Clause 4, it will be seen, refers to persons, corporations being provided for in clause 5, which reads as follows:—

Any foreign corporation, or trading or financial corporation formed in the Commonwealth, which, either as principal or agent, makes or enters into any contract, or engages or continues in any combination

Then follow words precisely similar to those of paragraphs *a* and *b* of sub-clause 1 of clause 4, and, as under that clause, the penalty is £500, while every contract so made is to be void. The question may be asked whether there is power to deal with foreign corporations. If honorable senators turn to section 51 of the Constitution they will see that the Commonwealth Parliament has power to make laws with respect to—

Trade and commerce with other countries, and among the States.

That is sub-section 1 of section 51; and sub-section 20 gives the Parliament power to deal with—

Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth.

It will be seen, therefore, that we have very extensive powers in this connexion. We cannot deal with individuals doing purely Inter-State business, but we may say to foreign corporations that they must not do certain things, or that, if they do, they shall be punished.

Senator MULCAHY.—How is it proposed to reach foreign corporations?

Senator PLAYFORD.—Foreign corporations, which come within the Bill, will have agents in Australia.

Senator MULCAHY.—But supposing a foreign corporation has no agent?

Senator PLAYFORD.—I cannot answer questions of that kind on the second reading; and I suggest that the honorable senator should raise these points in

Committee, where I shall have the assistance of my legal colleague. Clause 6 deals with unfair competition, and clause 7 provides against any monopoly of Inter-State or external trade. Clause 8 refers to the monopoly of trade by corporations, and includes any foreign corporation or trading or financial corporation formed within the Commonwealth. I desire to call special attention to clause 10, which provides for injunctions. It is laid down by this clause that no injunction shall be granted until there shall have been a hearing and determination on the merits of the case; in other words, it will not be possible to obtain what the lawyers call an interlocutory order, which is made on a sort of *ex parte* statement to the Judge, often relied on in ordinary processes of law. The clause renders it imperative that the facts shall be laid before the Court, which must make inquiry before an injunction can be granted. Clause 11, which deals with actions for damages, is taken from the Sherman Act, and I propose to quote a case in order to show how that Act works in operation. The case is as follows:—

MONTAGUE *v.* LOWRY.—This case is one in which an action was brought by a private person against a combination engaged in the manufacture of tiles, grates, and mantels, to recover treble damages under section 7 of the Sherman Anti-Trust Act. Plaintiffs in that case claimed that they had been boycotted by the Trust, and were unable to purchase goods except from members of the combine at "list prices," which was 50 per cent. higher than was charged to members of the combine. Plaintiffs obtained treble damages.

Honorable senators will notice that in this clause any person who is injured may sue for treble damages, as in the case which I have just quoted. In regard to suing under the Bill, it is provided that where imprisonment is involved, the case shall be heard before a Judge and jury, but that where it is purely a matter of a fine, the decision shall be left to a single Judge of the High Court.

Senator PEARCE.—Can the Minister say whether there is power under the Bill to deal with a trust which is confined to one State?

Senator O'KEEFE.—The Constitution itself would, I think, prevent our exercising any such power.

Senator PLAYFORD.—I must say that I am not very clear on the point. There is no doubt that, under sub-section 20 of section 51 of the Constitution, we have

power to deal with foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth.

Senator O'KEEFE.—But not within the limits of a State.

Senator PLAYFORD.—If a corporation is formed within the limits of a State, it is formed within the limits of the Commonwealth.

Senator GUTHRIE.—For instance, could we deal with the Sydney Gas Company?

Senator PLAYFORD.—I do not know; I should not like to express an opinion on that point. There are provisions regarding second offences, followed by clause 15, which deals with the public notification of the term of contracts or combinations, but to which, though a long provision, I need not refer to further. Part III. of the Bill has for its object the prevention of dumping. When this part of the measure was originally drawn, it was provided that a Board should make the necessary inquiry into any case of alleged dumping, but, in another place, a Justice of the High Court was substituted, to the improvement, I think, of the Bill. We are more likely to get careful, legal, and consistent decisions from a single Judge, than from the members of any Board.

Senator MILLEN.—Who may be interested in the trade.

Senator PULSFORD.—May I ask if the Bill will prevent export dumping?

Senator MILLEN.—Will our surplus wool be allowed to be dumped into England?

Senator PLAYFORD.—That is not dumping. As to this part of the Bill, I should like to read to honorable senators opinions expressed in debate in the United States Congress.

Senator PULSFORD.—I do not like the slang term "dumping."

Senator PLAYFORD.—It is a term which, I suppose, the people understand. In the *Congressional Record*, of the 5th February, 1903, is the following:—

That the great industrial trusts are selling vast quantities of American products abroad at prices far less than those at home, which they exact from their own countrymen, is common knowledge; but it is difficult to obtain the exact figures of foreign sales in such cases, because the manufacturers are unwilling to acknowledge any advantage in prices to foreigners, less it injure their sales at home, and by the system of discount on regular prices so universally practised, it is easy to conceal the facts. It was only by advertising in the *New York World* a reward of \$100 that the Democratic Congressional Committee succeeded in obtaining some of the export price and discount lists, from which and from other reliable evidence the following statement is made up. It is believed to be entirely trustworthy:—

TARIFF-TRUST PRICES AT HOME AND ABROAD.

Articles and Description.				Export Price.	Home Price.	Per cent. of Difference.
Acetylene Gas Generator—				dol.	dol.	
Colt, figure 10, light	..	..	each	40.00	55.00	37
Ammunition Caps—						
BB round	...	...	per 1,000	1.03	1.49	43
Central fire, 32 long, Colt's	...	...	"	6.48	9.00	40
Rim fire, 22 long	...	...	"	2.16	3.00	39
Primed shells, 21 short	..	...	"	0.72	1.53	112
Borax—						
City refined	...	...	per lb.	0.2½	0.7½	210
Carbide—						
Lump	...	...	per ton	55.00	70.00	27
Chucks—						
Skinner's standard drill, No. 100	...	...	each	3.09	4.90	58
Skinner's ind. lathe F. 12-inch	...	...	"	15.88	24.00	51
Union Manufacturing Co. ind. No. 18, 10-inch	...	...	"	10.20	16.60	63
Union Manufacturing Co. face plate jaws, No. 48, 8-inch	...	...	4 set	23.52	39.00	66
Harness Snaps, Covert's—						
"Trojan" loop, 1½-inch	...	...	per gross	2.40	3.23	35
"Derby" loop, 1-inch	...	...	"	1.68	2.24	33
"Yankee" roller, 1½-inch, XC breast strap	...	...	"	1.00	1.37	37
Lead, pig	...	...	per 100 lbs.	2.00 to 2.50	3.97½	58 98

TARIFF-TRUST PRICES AT HOME AND ABROAD—continued.

Articles and Description.	Export Price.	Home Price.	Per cent. of Difference.
Meat Choppers—	dol.	dol.	
Enterprise, No. 5 each	0.75	1.04	39
Enterprise, No. 10 "	1.14	1.56	37
Enterprise, No. 22 "	1.51	2.08	38
Enterprise, No. 32 "	2.25	3.12	38
Nails, Wire, base price per 100 lbs.	1.30	2.05	58
Piano, Bradbury each	300.00	375.00	25
Playing Cards, Bicycle per gross	12.35	25.66	108
Powder—			
Duck, in canister, pound... .. per lb.	0.37½	0.45	20
Duck, in 25-lb. kegs "	0.24½	0.32	30
Indian Rifle, in 25-lb. kegs, FFF g, &c. "	0.11½	0.16	37
Smokeless, in 25-lb. kegs... .. "	0.37½	0.48	27
Rakes, malleable iron shanks—			
10-inch per doz.	1.18	1.50	27
12-inch "	1.28	1.60	25
14-inch "	1.39	1.75	26
16-inch "	1.50	1.85	23
Sad Irons, BB, in cases per lb.	0.02½ to 0.03½	0.03½ to 0.04	25
Saws, Disston and Sons—			
Band—			
2½-inch, gauge 18 per foot	0.21	0.34	62
10-inch, gauge 18 "	1.25	1.54	23
Hand—			
No. 12, 24-inch per doz.	14.82	18.04	22
No. 16, 24-inch "	11.97	14.57	22
No. 107, 24-inch "	10.83	12.30	13
Sewing Machines—			
Domestic, No. 1 each	13.25	20.00	59
Domestic, No. 4 or 9 "	17.48	25.00	43
Shovels—			
Barter, socket strap per doz.	5.83 to 6.52	7.50 to 8.41	29
Rowland, plain back "	5.12-5.83	6.75-7.00	29
Tin Plates—			
Bessemer per 100 lbs.	3.19	4.19	31
Typewriters—			
Remington and others each	55.00-65.00	100.00	54-82
Wire, Barbed—			
Galvanized per 100 lbs.	2.25	2.90	29
Painted or varnished "	1.86	2.60	40
Wire, Plain—			
Fencing "	1.37½	2.00	45
Galvanized :			
Gauge 4 to 9 "	1.54	2.70	75
" 10 to 11 "	1.62	2.97	83
" 12 "	1.76	3.10	76
" 13 to 14 "	1.81	3.37	85
" 15 to 16 "	2.08	3.78	81
" 17 "	2.46	4.05	65
" 18 "	2.63	4.32	64
Wire Rope—			
Galvanized, 2½-inch circumference .. per 100 ft.	3.12	9.70	211
1-inch circumference "	0.72	2.60	261

That long list, which honorable senators may examine for themselves, shows the percentage of difference between the export prices and the home prices in the case of fifty or more different articles. The preference in favour of the country to which the goods are exported, ranges from 13 per cent. to as high as 261 per cent.

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Senator MILLEN.—Does that represent the extent to which these exporters fleece their own people?

Senator PLAYFORD.—The figures represent the difference between the home prices and the prices at which the goods are sold to people abroad, and the average difference, I should say, is considerably

over 50 per cent. The list will give honorable senators some idea of the dumping that was going on. We know from the action taken in Canada that it is being practised, and we know that dumping is taking place here. Any one who paid attention to what was done by the Harvester Trust will know that when they first brought their goods here they valued each harvester at £26. When Mr. McLean, as Minister of Trade and Customs in the Reid-McLean Ministry, raised the valuation to £38 or £39, they paid duty on that valuation without a word. Since then the value of these machines for duty has been still further raised, and I believe the importers are kicking against that decision, and are bringing an action against the Minister of Trade and Customs on the subject. But that they have been dumping their goods here at an unfair price and in unfair competition with our own manufacturers, and evading duty by a low valuation of their machines, there can be no mistake at all.

Senator FULSFORD.—I deny it absolutely.

Senator PLAYFORD.—That is shown by the fact that, whilst they at first valued their harvesters at £26, they paid duty without a word of complaint when the valuation was increased to £38 or £39.

Senator MILLEN.—What else could they do when their machines would not otherwise be let in?

Senator PLAYFORD.—I do not think there is any necessity for me to prove that dumping exists. I ask whether, if any honorable senator were a manufacturer here and goods were imported to compete unfairly with those he produced, he would not think that some steps should be taken to put a stop to it? There is no doubt whatever that he would.

Senator DOBSON.—Will not the Tariff Commission give us useful evidence in connexion with this matter?

Senator PLAYFORD.—No. I was a member of the Tariff Commission for a considerable length of time, and whilst they have collected a little information on the subject, I can tell honorable senators that it is all in the direction I have indicated, and not on the other side.

Senator FULSFORD.—Will the Minister take care that we have the evidence collected by the Tariff Commission before we are asked to consider this matter?

Senator PLAYFORD.—No, decidedly not. This Bill is independent altogether of the work of the Tariff Commission. I

do not know what the Tariff Commission may report, but I can tell honorable senators that the evidence given before the Commission in connexion with dumping went to show that it exists. There has been no evidence to show that it does not exist.

Senator MILLEN.—It depends on what the Minister calls dumping. All imports may be said to be dumped.

Senator PLAYFORD.—By clause 17 it is provided that—

Unfair competition has in all cases reference to competition with those Australian industries, the preservation of which, in the opinion of the Comptroller-General or a Justice, as the case may be, is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers.

I think that no honorable senator can object to that. Clause 18 provides when competition shall be deemed to be unfair. It will be unfair if—

- (a) Under ordinary circumstances of trade it would probably lead to the Australian goods being no longer produced or being withdrawn from the market, or being sold at a loss, unless produced at an inadequate remuneration for labour; or
- (b) the means adopted by the person importing or selling the imported goods are, in the opinion of the Comptroller-General or a Justice, as the case may be, unfair in the circumstances.

In the second part of this clause it is provided that, in certain cases which are set out, and which I need not read, because we shall consider them in detail in Committee, the competition shall be deemed unfair unless the contrary is proved. Then I come to the proceedings which are to be taken under these clauses. There will be a Comptroller-General, who in all probability will be Dr. Wollaston, the present chief of the Customs Department. It is provided that whenever he has received a complaint in writing, and has reason to believe that any person, singly or in combination with any other person within or beyond the Commonwealth, is importing into Australia goods with intent to destroy or injure any Australian industry by unfair competition with Australian goods, he may certify to the Minister accordingly. The certificate of the Comptroller-General shall specify the imported goods, the Australian goods and industries likely to be injured, the name of the importer, the grounds for assuming unfairness in the competition, the name, address, and occupation of the person upon whose information

action is taken, and any further statement which the Comptroller-General may see fit to make. He will then give the importer an opportunity to come before him and show cause—to answer the complaint which has been received in writing from the person who claims to be aggrieved. The certificate of the Comptroller-General will then be submitted to the Minister, and on receipt of it the Minister may, by order in writing, refer to a Justice the investigation and determination of the question. He will notify in the *Gazette* that the question has been so referred, and forward to the Justice a copy of the Comptroller-General's certificate. Provision is then made as to what the Justice shall do. He is to be given power, as set out in a clause containing nine sub-clauses, to fully investigate every matter, and when he has prepared his decision he is to forward it to the Minister. Clause 22 provides the action to be taken upon the determination of the Justice, and then there is provision in relation to a bond. These are the provisions of the Bill, and I contend that they are manifestly fair. The other branch of this Parliament took immense pains in dealing with the subject, and a great many alterations were made upon the Bill as at first introduced. We have received the measure after the wisdom of the House of Representatives has been applied to its consideration and amendment.

Senator DOBSON.—Do the prosecutions which have taken place in America show that the Sherman Act is fairly effective?

Senator PLAYFORD. — I think there must be some kind of telepathy between the honorable and learned senator and myself, because that is just what I am coming to. I have a note "to refer to other reported statements that trust laws are a dead letter in the United States." I know that that is an old cry. It is true that there have been many cases in which the laws have failed to be effective, but there are many others in which they have been successful. I propose to refer to some of the cases in which the law has been successful in dealing with trusts. The Attorney-General has very carefully looked into those cases in which the law has failed. He has noted the reasons for the failure, and in this Bill we have protected ourselves as far as possible against a similar unfortunate result.

Senator MCGREGOR.—We have different Courts in this country.

Senator PLAYFORD.—Dealing with cases in which the law has been successful I have the following note:—

United States v. Jellico Mountain Coal and Coke Co., 43 *Federal Reporter* 898, 1891.—Owners of the Kentucky Coal Mine and the dealers in Nashville, Tennessee, formed a combination whereby all the Nashville dealers could sell coal at the same price, the price to be fixed by the combination; and the mines agreed to sell no coal in Nashville to any person not a member of the combination. The United States brings action under the Sherman Anti-Trust Statute to enjoin proceedings under this agreement.

Finding of the Court.—In making the agreement the transportation of the coal from Kentucky to Nashville, Tennessee, was a necessary incident to and element in the arrangement, and its execution would have been impossible without it.

That made it commerce between the States, and brought it within the purview of the Federal law—

It was, to all intents and purposes, commerce between the States, and as it is clear that it was a combination in restraint of trade, it falls within the Act.

Defendants are enjoined.

In January, 1903, Mr. Gaines, a member of the Federal House of Representatives, for Tennessee, said—

This Coal Trust was destroyed. Yet the honest coal business survives, and is thriving in Kentucky and Tennessee, and coal is selling there to-day at \$3.50 to \$3.75—and why? The laws are enforced. Our Anti-Trust Statutes are enforced. The people are on top.

Honorable senators will see that they glory in the fact.

Senator PEARCE.—Will the honorable senator tell us why the same law failed to deal with the Sugar Trust, the Tile Trust, and the Beef Trust?

Senator PLAYFORD.—It did not fail to deal with the Beef Trust.

Senator PEARCE.—The first prosecution of the Beef Trust failed.

Senator PLAYFORD.—I have a word or two to say about the Beef Trust, which will show that the law did not fail to deal with it, and I propose to give some idea of the methods adopted by the Beef Trust, in which they not only injured the consumer, which is the usual practice of monopolies, but the producer also.

Senator PEARCE.—Although one case against the Beef Trust may have succeeded, it still exists.

Senator PLAYFORD.—No.

Senator MILLEN.—The honorable senator mentioned it himself as one of the big trusts of America.

Senator PLAYFORD.—It was one of the big trusts of America, but it certainly does not exist as a trust now. There may be some understanding amongst those engaged in the business, but I dare say the President of the United States is looking after them pretty sharply at the present time, and if there is any understanding between them it is likely that they will fare badly. I call the attention of honorable senators now to the note I have in connexion with the case *United States v. Swift*, 122 *Federal Reporter*, 529 April, 1903. Swift was a member of the Beef Trust, and the case was tried in the United States Circuit Court, in the northern district of Illinois.

This case involved what is known as the Beef Trust, one of the most formidable of the industrial combinations of the United States. It was urged that of the total volume of trade and commerce among the States and Territories in fresh meats the Trust controlled about 60 per cent. The Trust is alleged to be guilty of the following acts:—

- (a) Directing their purchasing agents to refrain from bidding against each other at auction sales of live stock;

That is against the producer—

- (b) In bidding up the price of such stock for a few days at a time to induce large shipments, and then ceasing to bid to obtain the stock thus shipped at less than ruling market prices.

The object was in the first place to establish big prices. When those prices became known throughout the country stock was sent in from all parts of the United States. Then the prices at once came down, and the owners of the stock could not take them back, perhaps thousands of miles, and were compelled to sell them for whatever they would fetch. In this way, the Beef Trust fleeced the producer in a most disgraceful manner. The note continues—

- (c) In agreeing upon prices to be adopted by all, and restricting the output or quantity of meat shipped;

By that means they kept up prices in the foreign market. There are all sorts of devices in trade, and while one plan adopted is to dump goods into a foreign market, another is to prevent shipments to foreign markets when they would have the effect of lowering prices in those markets.

Senator MILLEN.—Whether they send goods or not, they are to be punished.

Senator PLAYFORD.—Yes; they are a bad lot; there is no doubt about that. The note of this case continues—

- (d) In directing uniform prices for cartage and delivery throughout the United States as a device to increase the price to dealers and consumers; and
- (e) in negotiating with carriers for secret rebates on their enormous shipments, thus bringing about unjust discrimination against other shippers and competitors for the purpose of stifling and destroying competition.

The Court held that these facts constituted an unlawful combination and conspiracy within the meaning of the Sherman Act, because it was restraint of trade and commerce, and, applying the rules laid down in the *Addystone Pipe* case, granted an injunction perpetual, forbidding the continuance of the acts of defendants complained against.

(The injunction was granted in April, 1903. Further litigation followed, but the decision was upheld by the Supreme Court of the United States, in January, 1905.)

Then the injunction is set out, but I need not read it. It appears, however, that the trust comprised seven corporations, one co-partnership, and twenty-three other persons.

Senator PEARCE.—Now they have what is called a gentleman's agreement, which is expressed in no writing and no bond, except a bond of honour.

Senator PLAYFORD.—I know that that has been stated, but I do not know that it has been proved. Whether there are men of honour among these people I am unable to say. I have four typical cases which show that in the United States the anti-trust law has been enforced. It may be said, in fact it has been said, that in the Commonwealth there is no necessity for this Bill. Some time ago I stated that I did not intend to allude to individuals or to corporations. But I expressed the belief that there were trusts and combines in existence in Australia. I will not say for a moment whether those trusts and combines are injurious—whether, like chips in porridge, they do neither good nor harm—or whether they are beneficial, as in some cases they may possibly be. I do not lay stress upon that aspect of the matter as one of the reasons for bringing in the Bill, but I submit that, in the absence of a restraining law, it is inevitable that sooner or later we should have trusts and combines working here which would be injurious to the public. It is a great deal wiser, therefore, to pass such legislation as this before any injury has been done than to wait until some of our

citizens complain. We cannot pass retrospective legislation. We can only deal with cases which may arise after the passing of the law. It is wise, therefore, to legislate in advance. In this connexion I wish to quote some words which Senator Hoar addressed to the Senate of the United States on the 6th January, 1903, when it was considering certain proposed anti-trust legislation, and when he was arguing in favour of such legislation being proceeded with immediately. His statement is a wise one—and is worthy of being quoted. Speaking on the subject of the regulation of trusts or corporations, he said—

So it is for the future more than for the present that the wisdom of our legislators is called upon to take thought. And, Mr. President, the condition of that country is unhappy whose legislator does not take thought for the future even more than for the present. Happy is the people whose statesmen foresee and prevent grievances, instead of waiting to experience them to cure them. In dealing with this trust problem, and the danger of vast accumulations of wealth in single private hands, we are seeking to lay down beforehand the law of a healthy life, and not to grope after a cure for a deadly sickness.

That is the position I take up in regard to this Bill. Honorable senators may say that there is nothing in the nature of trusts and combines in the Commonwealth which demands the enactment of such legislation; I do not care whether there is, or is not. Looking at what has been done in other countries in this respect, and remembering the injurious effects which trusts and combines have produced, more or less, in different parts of the world, I submit that it is a great deal better for us to place this measure upon the statute-book now than to wait until the evil actually exists. I contend that if it be enacted, we shall be able to deal with any case which may arise before much mischief can be done. I believe that it will have a deterrent effect, in that it will prevent trusts and combines being formed which would be injurious to the public interest.

Debate (on motion by Senator MILLEN) adjourned.

Motion (by Senator PLAYFORD) proposed—

That the adjourned debate be an Order of the Day for Wednesday next.

Senator DRAKE (Queensland) [4.38].—I desire to ask the Minister of Defence whether he will be able to give every

member of the Senate a copy of the paper by Mr. Tregear, from which he quoted in his speech?

Senator PLAYFORD (South Australia—Minister of Defence) [4.39].—I cannot lay the whole of the paper upon the table of the Senate, because it contains the greater portion of the information which appears in the memorandum on Anti-Trust Legislation. But I shall get such parts of the paper as I think will be useful printed, and circulated among honorable senators as soon as possible.

Question resolved in the affirmative.

Senate adjourned at 3.40 p.m.

House of Representatives.

Friday, 20 July, 1906.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

POSTAL ADMINISTRATION.

Mr. CARPENTER.—Last night I referred to certain changes which have recently been made in the Post and Telegraph service in Western Australia, and asked the Postmaster-General what the Government intend to do in the matter. As he did not reply in the debate, I now ask again whether it is proposed to take any action.

Mr. EWING.—The Postmaster-General, who is not now in Melbourne, has the case in hand, and, no doubt, will be able to satisfy the honorable member within a week or two that his and the other statements which have been made in connexion with the case have not been forgotten.

COLLECTION OF FEDERAL ROLLS.

Mr. FRAZER (for Mr. WATKINS) asked the Minister of Home Affairs, *upon notice*—

1. Has he requested the State authorities to instruct the police in New South Wales to supply electors not included on the Federal rolls with the necessary forms for enrolment or transfer?

2. If not, will he wire such instructions as will insure delivery of such forms by the police now collecting names for State rolls?

Mr. DEAKIN.—The answer to both questions is, "Yes."

POSTMASTERS' WATER RATES.

Mr. BROWN asked the Postmaster-General, *upon notice*—

1. Has a circular been issued to postmasters resident in Departmental buildings that, from 1st July instant, they will be required to pay all water rates that may be levied in respect of those residences?

2. Has objection been made in respect of the enforcement of these charges?

3. What is the present position of the matter?

Mr. EWING.—The answer to the honorable member's questions is as follows:—

The Deputy Postmasters-General were notified on the 28th ultimo. that the Minister of Home Affairs had requested that the matter be held in abeyance for the present, and that existing arrangements as to payments be continued. Nothing further has transpired so far as the Postmaster-General is aware.

BOY LETTER-CARRIERS.

Mr. HUGHES asked the Postmaster-General, *upon notice*—

1. Is he aware that boys are frequently employed to do the work of letter-carriers in suburban post offices in New South Wales?

2. Is he aware that in the North Sydney district four telegraph messengers do letter-carriers' work, and are delivering letters to the general public, and that similar instances may be cited in Roselle and other suburbs?

3. Is it a fact that a boy employed to deliver letters at Gordon actually destroyed valuable scrip to save himself the trouble of delivering it to the addressee, and that at Hurstville a boy doing letter-carriers' work deposited some letters in the scrub, which were not found until eighteen months afterwards?

4. Will he cause inquiries to be made into the above with a view of preventing the displacement of men by boys?

Mr. EWING.—Inquiries are being made, and the answers will be furnished as soon as possible.

RETURN OF CAPTAIN CRESWELL.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

1. Is it not a fact that Captain Creswell went to England to gain for the Government "the latest information regarding naval development"?

2. Is it not a fact that Captain Creswell was invited while in England to attend the naval manoeuvres, held last month?

3. Is it not a fact that he accepted this invitation?

4. Is it not a fact that he afterwards returned to Australia without availing himself of this unique opportunity of gaining actual sea experience, valuable alike to himself and to the Commonwealth?

5. Is it a fact, as stated in the House yesterday, that he so returned without Ministerial sanction?

6. If so, what explanation is offered for this unexpected return?

Mr. EWING.—I saw the Minister this morning, and told him that I wished to be able to answer the honorable member's question as soon as possible; but, as he has not yet seen it, and must attend in the Senate all day, I hardly think that I can obtain before Tuesday next the information asked for, though, if possible, I shall let the honorable member have it to-day.

JUDICIARY BILL.

SECOND READING.

Debate resumed from 19th July (*vide* page 1577), on motion by Mr. ISAACS—

That the Bill be now read a second time.

Mr. CAMERON (Wilmot) [10.35].—In connexion with the proposal of the Government to increase the High Court Bench by two additional Judges, I, as a member of the House, am entitled to review the work of the Court, with the object of determining whether it is advisable to make this increase. When, in 1903, we were asked to establish the High Court, we were told that that institution would be the keystone to the Federal building, without which Federation would not produce the highest benefits expected from it. The Ministry of the day proposed the appointment of five Justices, but the number was reduced by Parliament to three. I was against the institution of the High Court at that time, and opposed the Bill. The then Prime Minister, Sir Edmund Barton, solemnly assured the House that he would not accept the position of a Justice of the High Court.

Mr. BAMFORD.—No. He said that he would not accept the position of Chief Justice.

Mr. ISAACS.—That is my recollection. He did not say that he would not accept the position of Justice.

Mr. CAMERON. — My recollection is that he said that he would not accept the position of Justice, and I shall stand by my statement until refuted by the *Hansard* report of his remarks. When the Bench came to be constituted, Sir Samuel Griffith, the then Chief Justice of Queensland, was appointed Chief Justice of Australia, and two members of the Government, of whom the Prime Minister of the

day was one, who had never previously acted as Judges, were made puisne Justices.

Mr. ISAACS.—Mr. Justice O'Connor, I am sure, had at times acted as a Judge of the Supreme Court of New South Wales.

Mr. CAMERON.—That is practically a quibble. He had not been a permanent Judge of any Court in Australia. All three gentlemen may be able lawyers, but two of them had had no previous experience as Judges; while the Chief Justice, though probably an able man, cannot be said to possess greater ability than some of the Judges of the Supreme Courts of New South Wales, Victoria, or the other States. The stinging indictment brought against him by the right honorable member for Adelaide, indeed, raised doubts as to the wisdom of the appointment. Directly the Court commenced its work, it began to reverse the decisions of the Supreme Courts of the States. Now, in my opinion, a Judge of the High Court is not necessarily possessed of greater ability than that of a Judge of a Supreme Court, although his position is higher, and it therefore seems to me a very curious thing that the Justices of the High Court have deliberately set aside practically every judgment coming before them on appeal. But a still graver charge can be brought against them in connexion with their action in sitting upon the cases brought to decide whether the Federal public servants were liable for the payment of the income taxation of the States. They have decided that neither members of the Commonwealth Parliament nor Federal public servants are liable for income tax; but I contend that, under no circumstances, should the case affecting the liability of Federal public servants have been tried by them, because no one should adjudicate in a matter in which he has a direct pecuniary interest, such as the Justices had in the Tasmanian case.

Mr. ISAACS.—To which case does the honorable member refer?

Mr. CAMERON.—The case of *D'Emden v. Pedder*.

Mr. ISAACS.—Was not that a stamp case?

Mr. CAMERON.—The case of *Bowden* was the stamp case. The case to which I refer raised the point whether a Federal public servant is liable for State income tax, and the Justices of the High Court, being themselves Federal public servants, were pecuniarily interested in its decision. The Justices were as much interested in

the decision as were any other public servants, and it was their bounden duty to allow an appeal to be made to the Privy Council.

Mr. McWILLIAMS.—Did they not refuse leave to appeal?

Mr. CAMERON.—Yes. The Premier of Victoria, and also the Premiers of other States, were very anxious that a test case should be submitted for decision by the Privy Council, but the High Court declined to grant the necessary leave to appeal. Although the Prime Minister of the day stated that he was most anxious to facilitate the wish of the 'States' Premiers, so far as I know, nothing has been done in that direction.

Mr. ISAACS.—The question of the liability of Federal public servants to the payment of State income tax is now before the Privy Council, which has reserved its decision.

Mr. CAMERON.—Every obstacle was thrown in the way of an appeal being made to the Privy Council.

Mr. ISAACS.—There was no obstacle.

Mr. CAMERON.—The High Court refused leave to appeal. The Court decided in the case in which the Prime Minister was defendant that members of the Federal Parliament could not be called upon by the States to pay income tax. I presume that in view of their previous decision, the Court had no option but to decide the matter in that way, but I think that they arrived at a wrong conclusion. I do not think that the Victorian Government should have the right to ask honorable members from other States to pay income tax, but such honorable members should not be relieved from paying the taxation levied in their respective States. I would point out that there is no finality about the position which we occupy in this House.

Mr. SPEAKER.—I would ask the honorable member not to discuss that question.

Mr. CAMERON.—Owing to the decision given by the High Court, certain classes of the community have been relieved from the payment of taxation to which all others are liable. The Federal public servants enjoy all the rights of citizenship and have their lives and properties protected, and yet they are not called upon to bear their share of the burdens which fall upon the general taxpayer. I think that this is a most undesirable state of affairs, and I sincerely

trust that the decision of the High Court will be reversed. I am sorry to have to refer to the fact that at least one of the Justices of the High Court has appointed his son as his Associate. When Senator Symon occupied the position of Attorney-General the question of these appointments cropped up, and it was argued that it was only natural for the Justices to appoint as their Associates with whom they would be brought into close contact, persons with whom they were well acquainted, and in whom they reposed the fullest confidence. I would point out, however, that the Chief Justice is no longer a young man, and that in all human probability he will not live for a very much longer term. When he dies, his successor, be he whom he may, will have to accept as his Associate the present occupant of that position.

Mr. ISAACS.—Why?

Mr. CAMERON.—Because in all fairness, a public servant should not be turned out of a position to which he was appointed practically for life merely because of the death of his superior officer. Therefore, I may fairly assume that Mr. Griffith will continue to occupy his present position, even after the death of the present Chief Justice.

Mr. FRAZER.—Does the honorable member suppose that Mr. Griffith will be content to remain a Judge's Associate all his life?

Mr. CAMERON.—I have nothing to do with what he may or may not desire. I am dealing with the argument that was used when he was appointed. To my mind, it is most improper to make such appointments, because they may give rise to suspicions—perhaps unfounded—that the Justices are making use of their positions to confer benefits upon their relations. There is a distinct feeling of hostility against the High Court on the part of the Judges in many of the States, and although suitors who have been successful before them may be content, it is generally considered that their decisions are not in all cases satisfactory. In one instance, they swept aside one of the provisions of the Electoral Act, and absolutely refused to consider it. Two years ago I was a candidate for the representation of the Denison division in this House. I was defeated, and I appealed against the election of my opponent. The case came on for hearing before the Chief Justice, who absolutely ignored the 199th

section of the Electoral Act, which reads as follows:—

The Court shall be guided by the substantial merits and good conscience of each case, without regard to legal forms or technicalities, or whether the evidence before it is in accordance with the law of evidence or not.

The plain intention of Parliament was that a decision should be given upon the substantial merits of the case, apart from legal forms and technicalities, but the Chief Justice decided the case according to the law of evidence. If my statement be correct—and I am prepared to prove every word of it—it affords very reasonable ground for honorable members of this House viewing other decisions given by the High Court with very grave suspicion. I now come to the Bill which is immediately under consideration. The Government propose to appoint two additional Justices to the High Court. We are assured by the Attorney-General that the business with which that tribunal is called upon to deal is growing in volume so rapidly that three Justices are unable to cope with it. That statement may be perfectly true. I am not in a position to dispute it. But I hold that if the volume of business is increasing in the way that has been represented the result is entirely due to the action of this Parliament. If we had not passed the Conciliation and Arbitration Act and the Australian Industries Preservation Bill three Justices would have been ample to transact all the business coming before the Court. Consequently I feel it my duty to resist any attempt to further increase the burdens of the people. I do not think the Attorney-General will deny that if the High Court were relieved of the obligation to deal with cases which will arise under the measures to which I have referred, three Justices would be quite sufficient to cope with the business demanding its attention.

Mr. ISAACS.—I can assure my honorable friend that his statement is far from being accurate.

Mr. CAMERON. — If that be so, I would relieve the Justices of the High Court of the pressure upon them by restoring the right of appeal to the Privy Council. If we did that the number of cases coming before the High Court would be many fewer. At any rate, the experiment is one which should be made before we consent to saddle the Commonwealth with the expenditure incidental to the appointment of two additional Justices. If it be true

that the business of the Court is likely to increase it seems to me that the position might be met by the appointment of one of the Judges of a State Supreme Court. Thus, by the payment of a fixed annual sum in this direction we might permanently obviate the necessity for the appointment of two additional Justices. If the Government will not agree to my suggestion, will they before this measure is passed, definitely state whom they intend to appoint? In the interests of the community as a whole it is advisable that they should take the House into their confidence in this connexion. If they intended to avail themselves of the services of an able Judge from the Supreme Court Bench either of Victoria, South Australia, Western Australia, or Tasmania, their action would not be open to so much criticism. I hold that the States Supreme Court Judges are quite as capable as are the Justices of the High Court, and certainly I would far rather trust their decisions. It is no pleasure to me to be obliged to attack the Justices of the Federal tribunal in this House. But I have a duty to perform, and I will not shirk it. I claim that if we desire to restore confidence in the High Court, we should, if it is necessary to strengthen that tribunal, appoint to its Bench two State Supreme Court Judges.

Mr. KELLY (Wentworth) [11.10].—Before proceeding to discuss the Bill I wish to refer to one statement made by the honorable member for Wilmot which, when its inaccuracy is pointed out, I am sure that he will withdraw. He told the House in the course of his remarks that the first Prime Minister of Australia had pledged himself not to accept a position upon the High Court Bench. I will read the personal explanation of Sir Edmund Barton bearing upon this point.

Mr. CAMERON.—Excuse me. I was not alluding to his personal explanation, but to a previous statement by Sir Edmund Barton.

Mr. KELLY.—I can assure my honorable friend that this is the only statement of which I am cognisant. Upon page 3264 of *Hansard*, Sir Edmund Barton is reported to have said, on 7th August, 1903—

I find that a constant misrepresentation has been made, and is being reasserted each day, to the effect that I intend to appoint myself to be Chief Justice of this Commonwealth. I wish to state in the most emphatic terms that the idea of doing so has not been present in my mind, and that nobody knows better than my honor-

able and learned friend, the Attorney-General, that it is not, and never has been, my intention to do so.

Mr. DEAKIN.—Hear, hear.

I think that, in view of the statement which I have read, the honorable member for Wilmot will be the first to withdraw the charge which he has made.

Mr. CAMERON.—I was not alluding to that explanation by Sir Edmund Barton, but to a previous occasion, upon which I understood him to say that he would not accept a position upon the High Court Bench at all.

Mr. KELLY.—There is just another point upon which I differ from my honorable friend. He seems to think that the associates of the Justices of the High Court hold a statutory position, such as is occupied by officers under the Public Service Commissioner. I am informed upon no mean authority that the associates are not so appointed—that each Justice chooses his own associate, and is at liberty to appoint anybody whom he pleases.

Mr. CAMERON.—As far as Tasmania is concerned, the associate of one of the Judges of the Supreme Court occupied the same position for upwards of forty years. That position carried with it a sort of recognition of the fact that if he chose to continue in it he was entitled to do so.

Mr. KELLY.—I accept the honorable member's assurance as a statement of the position in Tasmania, but I can assure him that that practice does not obtain in a majority of the States.

Mr. ISAACS.—The associate of a Justice of the High Court is not a member of the Public Service. He is appointed entirely "at pleasure," and has no claim to be retained in his office.

Mr. CAMERON.—As a matter of fact, are they ever superseded?

Mr. KELLY.—In New South Wales they are often superseded. The associates of the two Justices of the High Court who came from New South Wales—I say this in fairness to them—are not sons of those Justices.

Mr. CAMERON.—Sir Edmund Barton's son sits with his father upon every occasion.

Mr. KELLY.—My honorable friend is mistaken. The associate of Mr. Justice Barton is Mr. Manning.

Mr. CAMERON.—Then what position does Mr. Justice Barton's son occupy.

Mr. ISAACS.—At present he does not occupy the position of an associate. He was Mr. Justice Barton's associate at one time.

Mr. KELLY.—That fact proves conclusively that the occupant of the position can be superseded. Sir Edmund Barton's son voluntarily gave up his position as associate in order that he might better himself at the Bar. Sir Edmund Barton has now, as his Associate, a son of Sir William Manning.

Mr. CAMERON.—But he formerly had one of his sons acting as his Associate.

Mr. KELLY.—That is so. It shows that the position is a tentative one.

Mr. ISAACS.—Mr. Justice O'Connor's Associate is Mr. Murray.

Mr. CAMERON.—I was not referring to Mr. Justice O'Connor.

Mr. KELLY.—I propose to deal with this measure from the point of view of a layman. As such, I deplore, as we must all do, the need for this Bill; but all who believe, as I do, in the credibility of the High Court Bench, can hardly fail to recognise the necessity for the proposed addition to its strength. We all must deplore the increase of litigants in our Courts. I recognise that litigation is, to a large extent, begotten of legislation, and that, as legislators, we are to a certain degree responsible for this increase in the litigation of Australia. We are called upon under this Bill to accept the logical outcome of our own actions. Statute after statute is passed without due consideration, and each requires to be interpreted before those who have to work under it can understand its meaning. We legislators who have been turning out legislation by weight, and not by quality, are thus largely responsible for the increase in litigation at present obtaining in our Courts. The curious feature of this matter is that legislation is nearly always framed by lawyers in Parliament, in order that other lawyers outside may make a living. That is the consideration which suggests itself to me, and which I think must suggest itself to other laymen.

Mr. KING O'MALLEY.—The honorable member does not think that the lawyers in Parliament do this consciously?

Mr. KELLY.—I do not think there is any conspiracy between my honorable friends in the Chamber and their learned friends outside; but, however much we deplore the increase of litigation in Australia, and the ensuing necessity to add to the number of Justices of the High Court,

we must recognise that necessity, and as logical men act upon it. The responsibility for this required addition to the strength of the High Court Bench lies largely, although not wholly, at our door. There are two reasons. In the first place, the peculiar constitutions of the States in conjunction with the Constitution of the Commonwealth under which we labour, are responsible for litigation. We have in Australia, with a population of 4,000,000, no less than seven Parliaments busy day by day in turning out at express speed seven different sets of statutes, each set requiring innumerable interpreters to make it plain to those who have to work under it. That is one reason for the enormous extent of Australian litigation. Another is, as I have indicated, the slipshod way in which our laws are turned out.

Mr. FRAZER.—One of the complaints made by the Queenslanders on the occasion of our visit to the northern State was that we were causing a decrease in litigation there.

Mr. KELLY.—I think that that was the complaint of a lawyer — just as it is a budding lawyer who makes that interjection.

Mr. FRAZER.—As a matter of fact, the complaint was made by the *Daily Mail*.

Mr. KELLY.—The first of these causes is one that can be removed when the people of Australia come to recognise that the number of Parliaments in a great continent like this should be governed not by the number of acres comprising the Commonwealth, but by the number of people tilling those acres. When they come to recognise that the duty of a Parliament is to legislate for flesh and blood, and not for mere inanimate matter—when they come to recognise, as soon as this Legislature can show that it is worthy of the confidence of the people, that what is wanted is one legislative Parliament for Australia and the decentralization of the various administrative functions of the States Parliaments—we shall have the problem solved. It will be some time before the people of Australia recognise the necessity for cheapening our parliamentary methods in this direction; but, as regards the second of the contributory reasons, we must eagerly search ourselves and see that we do not continue to turn out slipshod legislation. To whatever cause this increase in litigation may be due, it cannot be attributed to the unfortunate litigants who have

to approach the Courts for a correct interpretation of the rather vague laws that we pass from time to time.

Mr. ISAACS.—Our legislation may be right or wrong, but I do not think it is slipshod.

Mr. KELLY.—It certainly needs a vast number of interpreters. Most laymen agree that in nine cases out of ten a litigant is a fool; but whether he is or is not, it will be generally conceded that he is a most unfortunate one. We have, then, to face this position. Knowing that we have not a sufficient number of Justices to deal with the litigation arising from time to time, and, recognising that it is the logical outcome of our own contributory actions, we should give these unfortunate people an opportunity to have their grievances heard and our statutes interpreted with as little delay as possible.

Mr. ISAACS.—And as cheaply as possible.

Mr. KELLY. — That remark will, of course, be re-echoed by every member of the learned profession to which the Attorney-General belongs!

Mr. ISAACS.—I think that it is desired.

Mr. KELLY.—I am sure that the Government will, in its executive capacity, exercise the greatest caution in making appointments to this extremely high office. Notwithstanding the statement of the honorable member who preceded me, I say without fear of contradiction that the High Court has already won a high position in the estimation of not only the legal fraternity of Australia, but the people of the Commonwealth as a whole, and I am sure that the Government themselves will make these appointments in a way that will be worthy of the already great traditions of this Court. Oppositions are constitutionally expected to croak; and I dare say that honorable members opposite will accuse me of a reversion to type if I express the anticipation that before long we shall be in a position to point to the enormously reduced ranks of my honorable friends opposite, and complete the complaint in *The Frogs* of Aristophanes—

Οἱ μὲν γὰρ οὐκ ἔσιν, οἱ δ' ὄντες κακοί.

Some there are no longer, and those there are are bad!

Mr. LONSDALE (New England) [11.25].—I realize that it is difficult to prevent an increase in litigation, but if we inserted in this Bill a provision that solicitors and barristers should not be compe-

tent to accept fees in respect of a case which they lost, we might do something in that direction. One can always find barristers and solicitors who are prepared to give opposite opinions on the same set of words, but the temptation to draw persons into litigation might be removed by the adoption of the suggestion I have made.

Mr. ISAACS.—I think that it would reduce litigation.

Mr. LONSDALE.—If that rule prevailed, a solicitor, before advising a client to enter upon a law suit, would be very careful to consider what were the probabilities of success.

Mr. ISAACS.—Would not the honorable member go further, and say that a Justice whose decision was reversed ought to pay all the costs?

Mr. LONSDALE.—That, too, might be beneficial. The adoption of my proposal would be an interference with the liberty of the individual, but all our laws have that effect. It is because we are seeking to restrain the people from doing that which is not morally wrong—because we are creating offences by Acts of Parliament—that our litigation is increasing so rapidly. We are seeking to interfere with departments of trade and business about which we know nothing, and consequently we have this increase of litigation in the Commonwealth. I am sure that if the Australian Industries Preservation Bill is passed in its present form we shall need two or three more Justices, so that it would be better to allow the further consideration of this Bill to stand over until that measure has been dealt with. If it becomes law, it is probable that in the first session of the next Parliament we shall have a further Judiciary Bill proposing to increase the number of Justices to six or seven. I believe that all who go to law are fools. My experience of the Courts is such that, whenever any one talks to me about going to law, I invariably say, "Even if you have never seen the man who is making the claim against you, it is better that you should settle it rather than contest it in the law courts. You will be better off, and the lawyers will be a little worse off, if you adopt that course." I feel disposed to vote against this Bill. I certainly should do so if I thought that its rejection would decrease the litigation in our Courts. It seems to me that some of the appeals now heard by the High Court might well be dealt with by other tribunals. The High

Court is to a large extent taking the business of all the Supreme Courts of the States. If we could do something to lessen the number of appeals, it would be well. We must make the law as cheap and as easy of access as possible. If the Attorney-General would direct his undoubted ability to the preparation of a scheme which would cheapen and expedite the processes of the law, I think it would be much better than the passing of a Bill of this kind. Litigants are often defeated by legal technicalities, but I do not think that a good cause should ever be lost because it has been placed before a court in disregard of certain legal technicalities. Judges should have power to refuse to be bound by technical points, which, if upheld, would bring about injustice.

Mr. ISAACS.—My experience of the High Court is that its administration is entirely free from technicalities. The members of the Court have regard to the justice and merits of the cases put before them, and will not be bothered with technicalities.

Mr. LONSDALE. — The honorable member for Wilmot has made the contrary statement. I myself have no experience in the matter, and I hope that I never shall have. But, speaking on behalf of the general public, I say that all courts should deal with cases on their merits, apart from technicalities of every kind. It should be possible for a layman who has not money to put his case in his own humble way, and to get justice, if that case is a good one, even though forty lawyers may appear against him. At the present time a man who pleads his own case, however just it may be, is bound to lose his action. It is a blemish upon our civilization that men cannot protect their interests in the law courts without feeing lawyers to appear for them. The honorable member for Wentworth has suggested that the lawyers who are members of Parliament make work for their fellows outside, and, indeed, it seems to me that the technical mind of the lawyer is not calculated to give the best results in legislation. But most of our litigation arises from the crude way in which our legislation is drafted, so that there is room for differences of opinion as to the meaning of many legal provisions. If, in framing the Constitution, the Senate had been made merely a revising Chamber, without power to interfere in matters of policy, our legislation would be better than it is, and I opposed the acceptance of the Constitution,

because, among other reasons, some such arrangement was not contemplated. The senators should be men of the highest knowledge and education, and the duty of the Senate should be to revise and simplify the measures passed by the Lower House. If the Senate had been so constituted, our legislation would be better than it is. Unfortunately, too, this Parliament has shown a desire to interfere in all departments of human activity, branding as offences actions which do not infringe any moral law. But, unless men are interfering with the freedom of, or are otherwise injuring, others, their actions should be unrestrained by legislation. I am afraid, too, that we are losing the idea that Parliament is a body whose duty it is to consider the interests of the whole people, and not of any one section. I scarcely know how to vote on this measure, but, as a protest against the legislation which has brought about the results which the appointment of additional Justices is proposed to remedy, I am inclined to vote against the second reading.

Mr. WILSON (Corangamite) [11.37].—It is very difficult for laymen to deal with this question from the stand-point from which it is viewed by lawyers. The Attorney-General, in moving the second reading of the Bill, explained the need for it very ably, showing that, from the point of view of the legal profession, it is desirable to increase the number of Justices on the High Court Bench.

Mr. ISAACS.—I spoke on behalf, not of the legal profession, but of the whole community.

Mr. WILSON.—I admit that the honorable and learned gentleman put the case as, in his view, it affects the public at large. My feeling is we must do our utmost to limit the Commonwealth expenditure. Whilst economy should go hand in hand with efficiency, there are occasions when we can be economical without injuring the public interest, or doing injustice to those whom we employ. Seeing that we are nearing the close of the last session of the present Parliament, and that an appeal must shortly be made to the electors, I think that the determination of this question might be left to the new Parliament. I do not agree with the Attorney-General that there is need for great haste, and therefore shall oppose the second reading. If the Bill gets into Committee, however, I shall try to provide for the appointment of only one, instead of two Justices. In making appointments of this kind, we should always aim

at obtaining the best men available. I deprecate the method which has prevailed in the States, and has been followed by us, of appointing lawyers to the bench, because they are in active politics. Of course, if those who are in active politics are the best men obtainable, the fact that they are politicians should not be a bar to their appointment, but, before appointing them, we should make absolutely certain that there are not better men outside the sphere of politics.

Mr. MAUGER.—The honorable member would not appoint to the High Court a Judge of a State Court?

Mr. WILSON.—I see no reason for not doing so, if such a man were available, and were the best man obtainable. The Judges of the Supreme Courts of the States are men of experience, and have had an opportunity to gain the confidence of the public.

Mr. JOSEPH COOK.—The Chief Justice of Australia was a Judge of the Supreme Court of a State.

Mr. WILSON.—Yes; but the circumstances surrounding the appointment of the first High Court Bench were exceptional. The public expected that one of the results of Federation would be to decrease the cost of administration, but, unfortunately, the reverse has happened, so that many people are now dissatisfied. I think that, as the Supreme Court Benches of the States are full, a great deal of the work now done by the High Court might be referred to them. Many of the cases that have been referred to the High Court have been appeals from single Judges of the States Courts. Whilst it may be admitted that under present conditions litigants can obtain a final decision by a short cut, there is no doubt that in nine cases out of ten an appeal from a single Judge to the Full Court of the State would be sufficient, and proceedings would not have to be carried any further.

Mr. ISAACS.—The experience in New South Wales shows exactly the contrary. The appeals come from the State Full Court to the High Court.

Mr. WILSON.—The Attorney-General misapprehends my contention. I say that if appeals were first made to the Full Courts of the States, in nine cases out of ten matters would not be carried any further.

Mr. ISAACS.—The Constitution provides for appeals such as are now made.

Mr. WILSON.—I am perfectly aware of that, but I am arguing that the present system results in increasing the work of the High Court, and that appeals from a single Judge of a State Court should be discouraged.

Mr. ISAACS.—How could that be done?

Mr. WILSON.—There are plenty of means of doing so. I would even go so far as to amend the law in that direction.

Mr. ISAACS.—We should have to amend the Constitution.

Mr. WILSON.—Well, let us do so. We should not go on increasing the cost of the administration of justice.

Mr. MAUGER.—As a matter of fact, under the present arrangements the cost of the administration of justice is decreased.

Mr. ISAACS.—Hear, hear; very much.

Mr. WILSON.—If we appointed two new Justices to the High Court we should increase the cost of the administration of justice so far as the High Court is concerned. In addition to paying the salaries of the Justices, we should have to pay their associates, and also to provide for extra travelling expenses, and, altogether, the additional outlay would probably amount to £7,000 or £8,000 per annum.

Mr. ISAACS.—The extra expenditure will not reach £7,000; we shall enable the States to economize to a much greater extent.

Mr. WILSON.—But the trouble is that whilst we are placing in the hands of the States opportunities for exercising economy, savings are not being effected.

Mr. WILKINSON.—That is the fault of the States.

Mr. WILSON.—No doubt, but before we go on increasing our expenditure some understanding should be arrived at between the Commonwealth and States authorities that economies will be effected.

Mr. ISAACS.—We could not possibly do that.

Mr. WILSON.—The present case is on all fours with that of the proposed appointment of a High Commissioner. We have the right to appoint a High Commissioner, but before we do so we should approach the States, and ascertain whether in the event of our making an appointment they could not reduce the expenses which they now incur in respect to their representation in London. I have read the reports placed upon the table by the Attorney-General, and it seems to me that the statements of the Justices and the Principal Registrar are full of probabilities.

Mr. ISAACS.—They are full of experience, too.

Mr. WILSON.—We are told that the Judges have dealt with so many cases and that they have performed a great deal of hard work, that there are so many cases listed, and that so many are likely to stand over as remanets. We know full well that every State Supreme Court has remanets at the end of the term. The Attorney-General may argue that it will be more difficult for the High Court than for a State Court to overtake remanets, but there is no doubt that it can be done. At the inception of the High Court there was a great rush of work, particularly in the appellate jurisdiction.

Mr. ISAACS.—The appellate work commenced very gently, but has been increasing very much. It is still increasing.

Mr. WILSON.—The work of the Court in its original jurisdiction will no doubt grow considerably, but I feel that the time is not ripe for the appointment of any further Justices. I intend to oppose the second reading of the Bill, because I think that we should study economy and refrain from strengthening the Bench until a consultation has been held between the legal authorities of the States and the Commonwealth, with a view to rendering the administration of justice as a whole less costly to the people.

Mr. JOSEPH COOK (Parramatta) [11.55].—Referring to the matter last alluded to by the honorable member for Corangamite, it appears to me that if we rely upon the States and the Commonwealth Justices conferring, with a view to reducing expenses, we shall have to wait a very long time.

Mr. WILSON.—I did not refer to the Justices, but to the legal authorities other than the Justices.

Mr. JOSEPH COOK. — I am afraid that the case would be equally hopeless in any event. At the same time I fully sympathize with the views of the honorable member. The outstanding feature of our Federal evolution is the multiplication, rather than the substitution of functions. Instead of the Commonwealth performing substitutional functions, it appears only to multiply the number of officials and to increase the outlay involved in performing a given amount of work. This is becoming a very serious matter. We already have three Justices, who are reported to be working at full speed. Yet no one has

heard a whisper of a suggestion that the States could get along with any smaller number of Judges. The work of the States Courts seems to be congested as of old, and there is no prospect of relief for the States or the Commonwealth whilst the present conditions exist. Something will have to be done, because at the rate at which we are going on under our Federal jurisdiction, we shall soon take over the bulk of the law business of the Commonwealth. I submit that that was not the original intention with which the High Court was set up. It was intended to exercise Federal, as distinguished from State, jurisdiction. It was contemplated that ordinary mercantile cases would be dealt with by the States Courts, except where an appeal would lie from the States Courts to the High Court.

Mr. ISAACS.—That is all that is being done now.

Mr. JOSEPH COOK.—Oh, no; very much more is being done. All the matters that are dealt with by the High Court do not come under that head. Complaints have arisen as the result of the loose legal framework that we have set up. We shall have to delimit our functions very much more severely than we have done, unless the High Court is to scoop up the whole of the law work of the Commonwealth.

Mr. PAGE.—Many persons now appeal to the High Court who would never think of taking a case to the Privy Council.

Mr. ISAACS.—Hear, hear.

Mr. JOSEPH COOK.—I am not disputing that. I contend, however, that in the degree that we set up additional Federal facilities, the States facilities should be decreased, and the expense diminished. One should be the measure of the other. Otherwise we shall multiply judgments without—and I say it with very great respect, and hope that I shall not be misunderstood—any guarantee that we are placing at the disposal of the citizens greater ability, greater research, and greater finality, so far as the quality of the judgments is concerned.

Mr. WILKINSON.—Why should we not have an honorary magistracy in the Commonwealth?

Mr. JOSEPH COOK.—I am not dealing with that point at present. I am pointing out the serious extent to which we are multiplying legal functions. The public expect, and will sooner or later demand,

some savings in the States Courts which will, at least, counter-balance the great expense entailed in maintaining the High Court. I am afraid that the means suggested by the honorable member for Corangamite will not bring us any nearer to a solution of the difficulty. We shall have to commence here.

Mr. McWILLIAMS.—We are piling up expenses and at the same time asking the States to cut down expenses.

Mr. JOSEPH COOK.—We are bound to pile up all justifiable Federal expenditure, and, so far as that is concerned, we are justified in asking the States to cut down their expenses in proportion. It is quite another question, however, whether the States Courts are likely to do so. One does not surrender one's status and dignity without some slight struggle. That is human nature. What the final solution will be I do not know. But, perhaps, after all, it will be for the taxpayers to deal with the matter when they are electing their representatives. I am one of those who did not vote for the establishment of the High Court. I thought that it was a tribunal, the setting up of which might well have been deferred for a few years, and that the States Supreme Courts might have done all the work required by us. But the tribunal has been established, and I am bound to say that six years' experience of Federal legislation has shown the necessity for it. Our legislation requires that there shall be some tribunal high above party politics, which will decide the constitutionality of our actions, and which will safeguard the States from what I fear are imminent Federal encroachments upon their rights. To me that is the chief argument for the maintenance of the High Court in its fullest possible efficiency and dignity. It is a very important tribunal. One part of it has been specially constituted for the purpose of testing the validity of the actions of this Parliament. That, perhaps, is the side which will ultimately appeal with the greatest force to the taxpayers of the Commonwealth. I am not quite sure that the High Court is not going to save the Constitution and the Federation from the friction which is looming all along the horizon.

Mr. MAUGER.—What friction?

Mr. JOSEPH COOK.—The constant friction between the Federation and the States. Can the honorable member shut his eyes to the seriousness of the position

in most of the States? To-day people are gravely talking — and not irresponsibly either—of taking extreme action to defend the rights of the States against the Commonwealth Parliament.

Mr. McWILLIAMS.—There is a motion before the Western Australian Parliament in favour of secession.

Mr. JOSEPH COOK.—And there have been discussions upon similar motions in other States Parliaments. This fact merely indicates the growing friction which is being occasioned by the exercise of our Federal functions, and by our Federal legislation.

Mr. FRAZER.—Evidently the people of Western Australia desire to see the promise which was made regarding the construction of the Transcontinental Railway respected.

Mr. MAUGER.—Does the deputy-leader of the Opposition really think that there is anything of a serious character threatened in the States?

Mr. JOSEPH COOK.—I certainly do, otherwise I should not say so.

Mr. SALMON.—The delayed construction of the Transcontinental Railway is the cause of the irritation in Western Australia, and the questions connected with the Federal Capital Site are responsible for the friction in New South Wales.

Mr. JOSEPH COOK.—The honorable member will find that it is a good deal more than that. The one outstanding element of friction, in my judgment, is the enormous additional cost which Federation is involving, not so much by reason of the exercise of our Federal functions as by the multiplying of functions. Our expenditure is piling up and the State expenditure is not proportionately decreasing.

Mr. FRAZER.—The chief cause of irritation is the desire of members of the States Parliaments to hide their own deficiencies by blaming somebody else.

Mr. JOSEPH COOK.—I do not say what is the cause of it. I am merely pointing out the fact. It occurs to me that the only tribunal which can guard both the Federation and the States is the High Court itself. Therefore, whatever objections I originally entertained regarding its premature establishment have vanished. I believe that a number of things which we have done, and which we contemplate doing, are in their very nature unconstitutional. Here I should like to point out another

defect in our Constitution. Before we begin to frame Federal laws we do not pause to consider whether we have jurisdiction. Take some of our current legislation as an example. Nobody has taken the trouble to inquire whether the proposed land tax which would fall upon some persons, and not upon others, and which in that way would create class distinctions throughout the length and breadth of Australia, would come within the four corners of our Constitution. Then a Commission was appointed at great cost to investigate a certain matter, and now we are told upon the best authority that this Parliament has not the constitutional right to legislate upon it. Then there are such measures as the Australian Industries Preservation Bill, and the Trade Marks Act—also the question of the extension of preference to unionists—about the constitutionality of all of which there appears to be grave doubt entertained in the best informed quarters. In Canada they do things very differently. There the Government test the validity of a proposition before embodying it in an Act of Parliament.

Mr. WATKINS.—What course do they take?

Mr. JOSEPH COOK.—The Government are at liberty to submit any proposition they choose to the High Court, and to obtain a decision upon it.

Mr. ISAACS.—We have not that power under the Constitution.

Mr. JOSEPH COOK.—But we ought to have it.

Mr. ISAACS.—The matter was mentioned in the Convention, but the proposition was not accepted.

Mr. JOSEPH COOK.—It is absurd for us to pass legislation, hoping that it will be constitutional; but not knowing whether it is so or not. That seems to me a political and legislative speculation, in which we ought not to indulge. Our operations here are too costly for us to act in that way, and the sooner we obtain some amendment of the Constitution to permit of the practice to which I have referred being adopted, the sooner we shall know exactly what our powers are. Such a constitutional amendment would in every way minister to the dignity and status of this Parliament as a whole. Besides saving expense, time, and trouble, it would tend to remove the increasing friction between the States and the Commonwealth. Reference has been made to the constitution of the High Court. I entirely subscribe

to the dictum of the honorable member for Corangamite with regard to the method of appointing Justices to that tribunal. I certainly think—having regard to the functions which it is their prime object to discharge—that there ought to be no test applied to their selection, except that of fitness. I have already stated that in a little time there is bound to occur a clash of opinion of a very serious character between the States and the Commonwealth, and I believe that the High Court will ultimately be found to be the guardian of the Federation itself. Therefore, the quality, character, and general status of that Bench is a matter of supreme importance to all who wish to see the continuance of harmonious relations between the States and the Commonwealth. If this Bill be passed it seems to me that we could not do better, in connexion with the appointments which will have to be made, than to make an excursion into purely legal rather than into political circles. The whole arena should be absolutely open, and the best possible selection should be made, irrespective of whether a man is a politician, a member of the Government, or a member of the Opposition, or whether he is merely a legal practitioner outside of Parliament. This brings me naturally to the question asked by the honorable member for Melbourne Ports as to whether we ought to appoint a Supreme Court Judge from any State to the High Court. I think that, in making a selection, we could scarcely go to a better quarter than to the States Supreme Court Benches. The present Chief Justice of the High Court himself was the Chief Justice of the Supreme Court of Queensland, and I have yet to learn that his occupancy of that high position in the State has in the slightest degree militated against the efficient discharge of his present important functions. On the contrary, there seems to be a unanimous opinion in respect of the quality of his judgments, the immense skill, and the very high abilities—indeed, every other attribute befitting a great Chief Justice—which he brings to the performance of his duties. That is the best answer to the honorable member for Melbourne Ports, who suggests a doubt as to whether we ought to select, as Justices of the Federal tribunal, Judges from the Supreme Court Bench of the States.

Mr. FRAZER.—It is an emphatic answer to the statements of the honorable member for Wilmot.

Mr. MAUGER.—I did not make any observations against the Judges personally.

Mr. JOSEPH COOK.—I am aware of that. I should like to point out that hitherto the Justices of the High Court have been selected from the Government of the day. If the best men for the position are to be found in the Government, by all means let us appoint them; but if they are not, we most assuredly ought not to appoint them. The qualifications of the individual ought to be the supreme and only test applied. I say that advisedly, because I have in my mind's eye a man of commanding ability, who, I am afraid, will have a very poor chance of being selected, although I do not think that his qualifications would be questioned throughout the whole of Australia. I hope that we shall let the public see that in the constitution of our High Court we have regard only to the qualifications of the men whom we appoint. What are the facts connected with the congestion of work in the High Court? That is really our only practical consideration. Looking through the papers which have been submitted to us, I confess that I do not think they quite make out the case put by the Attorney-General. To begin with, no mention of any congestion in the work of the Court was made until a case occurred which should have been heard by the Arbitration Court. Then we find that an application was made for some relief by Mr. Justice O'Connor. Looking broadly at these papers, one is driven to the conclusion that but for the creation of the Commonwealth Conciliation and Arbitration Court there probably would have been no application for further assistance for a long time to come. In the establishment of that Court, we have the genesis of this claim for an increased number of Justices. It began with this single case in the Arbitration Court. It has been suggested—I do not know with what truth—that Mr. Justice O'Connor was not very kindly disposed to the proposal that he should take up the work of the Arbitration Court. To put it plainly, it is said that he "jibbed at it." When asked in the first place to take up the arbitration case he raised an objection.

Mr. ISAACS.—He does not raise any objection to take the case—he merely asks for time and opportunity to deal with it.

Mr. JOSEPH COOK.—I think it is clear from the papers that Mr. Justice O'Connor did not care very much about entering upon the work of that Court. I make this statement without the slightest desire to speak in derogation of the learned Justice. One can naturally understand a man shrinking from the peculiar duties and functions of such a tribunal, unless he feels that he has the qualifications and experience necessary for discharging them. The functions of the Arbitration Court are not those of the High Court, or, at all events, I hope that they are not. We have set up the Arbitration Court with the intention that it shall be not a Court of law, but a Court of equity and good conscience. The trouble is that such tribunals invariably become ordinary Courts of law. It remains to be seen whether the Conciliation and Arbitration Court of Australia will be an exception to the rule. Very much will depend on the character of the Justice appointed to preside over it. Whether Mr. Justice O'Connor objected, or did not object, to take the case, the fact remains that he wrote a very strong letter, setting forth that a delay amounting to a denial of justice was occurring. There seems to be no foundation in his letter for that statement, with the exception of his reference to the one case in the Arbitration Court. He states that all the other work can be overcome by the end of the year, and he suggests nothing further than that some provision should be made for dealing with the one case in the Arbitration Court.

Mr. ISAACS.—No; not in that letter.

Mr. JOSEPH COOK.—I do not say that His Honour makes that suggestion directly, but he refers only to the one case.

Mr. ISAACS.—He signed the letter in question only as President of the Arbitration Court.

Mr. JOSEPH COOK.—That reminds me of another point. Whenever the work of our States Courts becomes congested, the practice is to appoint an Acting-Justice. I wonder whether the Attorney-General sees any great objection to the adoption of the same course in regard to the High Court?

Mr. ISAACS.—The Constitution does not permit of that being done. Any appointment must be as a Justice. It was pointed out when the Judiciary Bill was before the House that that was the position.

Mr. JOSEPH COOK.—Is the Attorney-General speaking of the Judiciary Act or of the Constitution?

Mr. ISAACS.—Of the Constitution, which forbids the appointment of an Acting-Justice.

Mr. McLEAN.—Does that apply to the Arbitration Court as well as to the High Court?

Mr. ISAACS.—No, but if we say that the president of the Arbitration Court shall be a Justice of the High Court we cannot appoint an acting Justice of the High Court to act in that capacity.

Mr. JOSEPH COOK.—That is rather unfortunate. It means that, if the work of the Court is to be kept up-to-date, so that there shall be no delay, amounting as the Justices say, to a denial of justice, there will be no work for the members of the High Court Bench during certain periods.

Mr. ISAACS.—No; the appeal work alone necessitates an increase.

Mr. JOSEPH COOK.—I am not speaking of the proposed increase, but of the continuity, of the work of the Court. As the honorable and learned member is aware, legal work ebbs and flows. Sometimes there is a busy and sometimes a slack season, and if we are going to maintain the Court at such a pitch of efficiency as to enable it to overtake the work allotted to it, the result will be that slack periods will occur, during which some of the Justices will have nothing to do. The practice of the States of appointing acting Judges to clear up arrears of work is a sensible one, and is preferable to the appointment of permanent Justices. As the Attorney-General has pointed out, there is, after all, a way out of the Constitutional difficulty to which he has referred, since we may appoint an acting Justice of lower status to deal with the work of the Arbitration Court.

Mr. ISAACS.—We cannot say that the President of the Arbitration Court shall be a Justice of the High Court, and then appoint an acting Justice for that purpose.

Mr. McWILLIAMS. — But we could amend the Conciliation and Arbitration Act.

Mr. JOSEPH COOK.—That is so. A simple amendment of that Act would overcome the difficulty.

Mr. ISAACS.—We could provide that the President of Arbitration Court shall not be a Justice of the High Court, but I do not think that any Parliament would agree to do so.

Mr. JOSEPH COOK.—I am not so sure of that. The best Judges in the Arbitration Courts of the old country are not lawyers.

Mr. ISAACS.—Even the amendment of the Conciliation and Arbitration Act which has been suggested would not obviate the necessity for this Bill.

Mr. JOSEPH COOK.—In that part of the old country from which I hail Sir Rupert Kettle sat for forty years as the President of Arbitration Courts, and, although not a legal man, he acquired such a degree of efficiency and fair-mindedness that, so far as I can recollect, not one of his judgments was questioned.

Mr. ISAACS.—There is no compulsory arbitration in England.

Mr. JOSEPH COOK.—It is voluntary, but it is none the less arbitration. It does not follow, therefore, that a High Court Justice is necessarily the best president of an arbitration Court. That is a point yet to be determined, and perhaps the process of evolution will make it plainer to Australia than it is. The outstanding fact is that when the Court of five Justices becomes busy, we may have a further requisition with the same statement that there is a delay amounting to a denial of justice. Then there will come a slack period when the Court will have nothing to do. That is the experience of the States Courts, and there is no reason to believe that it will not be the experience of the High Court.

Mr. DEAKIN.—It is not so much the quantity as it is the extreme importance of some of the business, which, in any case, should receive the attention of five Justices.

Mr. JOSEPH COOK.—I am not overlooking that fact. It is the side of this question that most strongly appeals to me. The position in regard to the overworking of the Justices is not so serious as sought to be made out in the official papers, or by the Attorney-General himself. Take the letter of the Chief Justice. He pointed out that at the time of writing there were no arrears. Here is his statement:—

Since the end of the summer vacation, the Full Court has been continuously sitting in Hobart, Melbourne, Sydney, and Brisbane, and again in Sydney. The Melbourne sittings were extended for a week longer than the period first allotted, with the result that all the business, which included some arrears from 1905, was disposed of, with the exception of one case.

Mr. ISAACS. — I thought the honorable member was referring to a later letter.

Mr. JOSEPH COOK.—The Chief Justice went on to forecast the work of the rest of the year, saying that the Justices were likely to be very busy, but hoped to overtake the work by the end of the year.

Mr. ISAACS. — I do not think he says that, but at any rate the Justices have been busier than they anticipated.

Mr. JOSEPH COOK.—He points out that in the present congested state of business their judgments must suffer from want of deliberation and reflection.

Mr. ISAACS.—They cannot long endure the present strain.

Mr. JOSEPH COOK.—I have no doubt that that statement is worthy of all the consideration we can give it. Anything that detracts from the quality of the decisions of the High Court is a matter that ought not to be lightly passed over by us. These are the aspects of the case that appeal to me more strongly than does the suggestion as to the congestion of business. The Chief Justice in the last paragraph of his letter writes as follows:—

Apart, therefore, from the question of the Commonwealth Court of Conciliation and Arbitration, we are of opinion that—if suitors desiring to have recourse to the original jurisdiction of the Court are to have a fair opportunity of doing so, and if the imminent risk of dislocation of the appellate work of the Court is to be provided for—it is absolutely necessary that some addition should be made to the number of the Bench. We think, further, that it is very improbable that Mr. Justice O'Connor will be free at any time during the present year to discharge his functions as President of the Arbitration Court.

All that he says is that those who desire to have recourse to the original jurisdiction of the Court may not otherwise have a fair opportunity to do so. Is that desirable? If litigants find that their business in the Federal Court is being delayed they still have the option of going into the Supreme Courts of the States.

Mr. ISAACS.—One party has the option, but not the other. The defendant has no option.

Mr. JOSEPH COOK.—I dare say that there is something in that; but, speaking generally, litigants have the option of appealing to the States Courts. The consideration that weighs with me relates to the quality of the appellate work of the Court. I do not care much about the original jurisdiction of the High Court; the outstanding feature is the importance of its appellate jurisdiction. That is the chief and primary function of the Court, and nothing, in my judgment, ought to interfere

with the efficient discharge of its functions in that regard. A more important question is the relative status of the High Court, and the Supreme Courts of the States. At the present time, the three Justices of the High Court hear appeals from the decisions of Supreme Courts, each constituted of three Judges of, perhaps, equal ability and more experience, and, although, as has been affirmed by the Attorney-General and the honorable member for Wentworth, the determinations of the High Court are generally received without question, now and again it is asked why the Supreme Court Judges should be always wrong and the High Court Justices always right.

Mr. ISAACS.—Sometimes the three Justices of the High Court have to deal with appeals from the decision of five Judges of the Supreme Court.

Mr. BAMFORD.—That is an argument for increasing the strength of the High Court Bench.

Mr. JOSEPH COOK.—In my opinion, it is the strongest argument for doing so. Still, having regard to the fact that the State facilities for the administration of original jurisdiction have been kept intact, I think that we should not be too hasty in increasing the High Court Bench, and, unless I am convinced by the Attorney-General that two additional appointments are necessary, I shall not agree to the appointment of more than one more Justice. The appointment of another Justice would, according to the statements made in the papers put before us, allow the Court to overtake its work.

Mr. McWILLIAMS.—If the High Court Bench consisted of four Justices, two of them might be of one opinion and two of another opinion.

Mr. JOSEPH COOK.—I do not think that all four Justices would sit as a Court of Appeal. Probably three would do the appellate work, and the fourth other work.

Mr. McWILLIAMS.—Then the additional Justice is to be appointed solely for the transaction of the arbitration work.

Mr. JOSEPH COOK.—As I read the papers, that is mainly what is required and is asked for. Other considerations have been brought forward in the course of the correspondence which at the beginning were not thought of.

Mr. ISAACS.—The Justices did not complain of their own accord. The President of the Arbitration Court pointed out

that the work allotted to him could not be undertaken while he had appellate work to do, and when we asked the Chief Justice to speak about the ordinary work of the Court, he gave it as his opinion that even the appellate work could not be properly done as the Court is now constituted. He did not start complaining.

Mr. JOSEPH COOK.—Why should he not complain if the work is too heavy, seeing that he is responsible for the proper transaction of the business of the Court?

Mr. ISAACS. — The Chief Justice says that the continuous pressure of work gives very little time for research and the preparation of written or even oral judgments.

Mr. JOSEPH COOK.—He said that only after he had been requested to make a statement in writing. Had it not been for the passing of the Arbitration Act, no application would have been made by the High Court for assistance for some time to come.

Mr. ISAACS. — The necessity for additional Justices would still exist.

Mr. JOSEPH COOK.—We know that Ministers do not ordinarily ask the Judges, "Do you want assistance?" They naturally wait for complaints about the congestion of work, and representations as to the need for relief.

Mr. ISAACS.—I do not think that the Justices are in the habit of complaining.

Mr. JOSEPH COOK.—The Judges are quite within their rights in making representations. I desire that the High Court shall have all the effectiveness that we can provide for. But it has been my duty to make the criticism to which I have given utterance on behalf of the Opposition. The consideration which weighs with me most is the need for doing something to increase the status of the High Court—I do not mean the dignity of its units, but the status which the Court as a body would gain by an increase in the number of Justices. Therefore I shall not oppose the Bill, but I wish to know from the Attorney-General why one, instead of two, additional Justices would not meet the requirements of the position?

Mr. SALMON (Laanecoorie) [12.37].—When the institution of the High Court was first brought before Parliament, it was proposed that five Justices should be appointed, but the proposal met with such opposition that the number was reduced to three, and the first Judiciary Bill was amended in the direction of limiting the jurisdiction of the High Court, with a

view to saving expense. I supported the reduction of the number of Justices from five to three, and now join with the honorable member for Parramatta in deploring the fact that the establishment of the Federation, and the consequent transference of the control of various public Departments to the Commonwealth authority, has not resulted in a proportionate diminution of expense to the States. We are not altogether to blame for this, because we have not gone beyond the powers conferred upon us by the Constitution, and have had some regard to economy. The greater portion of the blame undoubtedly rests with the States authorities. Many of us who urged the acceptance of the Constitution anticipated, not only greater efficiency, but also a substantial reduction in cost, through the transference of public services from the control of the six States authorities to that of one Commonwealth authority, and it is very much to be regretted that the saving effected has been so small. It is, however, evident to all who have taken the trouble to consider the question that there is urgent need for granting assistance to the Justices of the High Court. Parliament is largely responsible for the present state of affairs, because, in addition to the work for which the Court was appointed, it has, as has been pointed out by the Chief Justice, considerably increased the work of its members by passing the Arbitration Act. I am very loth to believe that the increase in the number of Justices provided for in the Bill is absolutely necessary at the present juncture, and I feel that it will be less necessary, as time goes on, because I presume that Parliament does not intend to materially increase the jurisdiction of the Court. We are, however, at present faced with the fact that the Court has rather favoured litigants, who have been disappointed by the decisions of the Supreme Courts, and has acted, not only as a Court of Appeal, but, to a large extent, as a Court of Reversal. This has made appeals extremely popular, and, therefore, in my opinion, the work of the Court has been heavier than it will be in future, when it gets into thorough working order, and when—I say this with all deference—the States Courts exercise more care in dealing with the questions submitted to them. I do not wish to reflect on the States Courts. They have in the past done admirable work.

Mr. McWILLIAMS.—May it not be that the High Court should give more care to the questions submitted to it?

Mr. SALMON.—Perhaps so; but I am disposed to say that the case is the other way about. I have every confidence in the High Court, and, while not possessing the professional knowledge necessary to enable me to offer an authoritative opinion upon its decisions, yet, speaking as a layman, I may say that, in my judgment, they have in most cases been just. The saving grace of common sense appears to have been shown more frequently in the High Court than in the States Courts, so far as the cases which have come under my notice are concerned. The passing of the Arbitration Act will place an enormous amount of work on the Justices of the High Court, but that work has not yet been undertaken. The rules of the Arbitration Court, which were urgently desired by those interested in the Arbitration Act, were a remarkably long time—several months—in the framing, and I believe that it will not be until towards the end of the year that cases arising under the Act can be dealt with.

Mr. ISAACS.—If there had been another Justice, one very important case could have been heard some time ago.

Mr. SALMON.—I understand that the time of the three Justices is fully occupied with the ordinary work of the Court, and that, therefore, the special work falling to them under the Arbitration Act has not yet been undertaken.

Mr. JOHNSON.—Does the honorable member argue that there is an accumulation of arrears owing to the slowness of the Justices in framing regulations?

Mr. SALMON.—No. What I have said is that up till now the work of the Court has been exceptionally heavy, because it has been thought that litigants who have been unsuccessful in the Supreme Courts are likely to obtain reversals of verdicts from it.

Mr. JOHNSON.—I was referring to the rules of Court.

Mr. SALMON.—Even if the rules of Court had been available, I very much doubt whether any cases would have been dealt with, even by this time.

Mr. ISAACS.—There has been no delay in issuing the rules of Court.

Mr. SALMON.—There has been considerable delay in issuing the rules of Court for the Arbitration Court. I have reason to know that, because I have been in communication with a very important trade union, which has been endeavouring to have a case brought before the Arbitration Court.

Parliament is bound to make such provision that in the highest Court of the Commonwealth undue strain shall not be imposed on the Justices who have placed upon them the very grave responsibility attaching to a final Court of Appeal. I know that the Justices have been compelled from time to time to delay proceeding with cases already opened in order to enable them to deliver reserved judgments. Thus, much valuable time has been lost, and litigants have been put to much greater expense. Therefore, I think that we should do something in the direction of strengthening the Bench. If, however, we appointed two new Justices, it would not be possible for us to reduce the strength of the Bench in the event of the volume of work decreasing to such an extent as to justify that course. It would be an unheard-of thing to throw back into the ranks of the legal profession a gentleman who had occupied a position on the Judicial Bench.

Mr. ISAACS.—The Constitution would preclude that from being done.

Mr. SALMON.—Exactly. Therefore, I urge that we should proceed slowly. The States have not done all they should have done, to cut down expenses, and I have always urged that we should set them a good example by practising the greatest economy consistent with efficiency. If we increase the number of Justices to five we may be regarded as committing an act of extravagance. If, on the other hand, we subsequently find that we have erred in providing for too small a number of Judges, the mistake can easily be corrected before any great hardship has been inflicted upon the public. I realize that the High Court has to perform more important duties than fall to the lot of any other Court in the Commonwealth. I also appreciate the fact that the Justices should not be driven at a high rate of speed. We cannot expect efficiency in any piece of machinery, however constituted, if it is driven at an excessive rate of speed. Therefore, we should provide a sufficient number of Justices to carry on the work of the Court with the highest degree of efficiency. I think we have improperly imposed on the High Court the duty of travelling about from State to State in order that causes may be heard with the least possible expense to litigants. The necessity which their Honours are under to move about from Court to Court subjects them to a very heavy strain, and must interfere very much with their

work. When they have frequently to travel considerable distances by train and steamer, their intellectual powers must become impaired. This is an additional reason why we should afford some relief for the Court, which undoubtedly has a tremendous accumulation of business on its hands. I intend to vote for the second reading of the Bill, but when we reach the Committee stage I shall be prepared to consider an amendment in the direction of reducing the number of additional Justices provided for. If we appoint two extra Justices, we may find that we have added a fifth wheel to the Court coach, and I think that before we take any such extreme step some arrangement should be entered into with the States Governments with a view to their exercising greater economy.

Mr. McWILLIAMS (Franklin) [12.53].—I shall oppose the Bill, because I submit that sufficient reasons have not been advanced for the appointment of two additional Justices. If, in the first instance, we had appointed five Justices, at least two of them would have had little or nothing to do for the greater part of their time. According to the statement of the Chief Justice, only one case, apart from the business of the Arbitration Court, is really awaiting decision. His Honour states that, under ordinary circumstances, the Court will be able to finish up its work by the end of the year. If it can, by working nine months in the year, transact the whole of the business that is brought before it, there should be no necessity to strengthen the Bench. It would not be fair, under such circumstances, to increase the burdens of the taxpayers. It is almost ludicrous for honorable members to talk about the health of the Justices being impaired by the excessive strain to which they are subjected. It is desirable that we should always speak with the highest respect of the Justices of the High Court, because we should do nothing to in any way weaken the dignity of the tribunal or the esteem in which it is held by the general public. When, however, we know that their Honours sit only a few hours a day, and that their work does not occupy them for more than nine months in the year, it is ridiculous to speak of their being overworked.

Mr. FOWLER.—It must be remembered that the Justices do a great deal of work outside the Court.

Mr. McWILLIAMS.—I am well aware of that. They might reasonably be ex-

pected to do so, when we consider that they sit in Court for only four or five hours a day upon four or five days per week, and that their judicial duties do not occupy them for more than nine months in the year. The taxpayers are certainly not prepared to pay £3,000 per annum and upwards to any men for work which extends over only four or five hours per day. I quite believe that one member of the Bench has been working at high pressure.

Mr. ISAACS.—The whole of the Justices have been doing so. I hope that the honorable member will not draw any distinction between them.

Mr. McWILLIAMS. — The Attorney-General forces me to say that the general impression throughout Australia is that there is a great deal of "I concur" about the Court.

Mr. ISAACS.—I do not think that is fair.

Mr. McWILLIAMS.—There is a very general impression that the greater portion of the work of the Court has been done by one Justice. When the Arbitration Act was passed, it was generally considered that during the first year or two there would probably be a considerable pressure of work upon the Arbitration Court, but that afterwards, when employers and employes were induced to take a more common-sense view of the matters affecting them, the business would slacken off very materially. However that may be, it is plainly apparent that there was very serious objection on the part of the Justices of the High Court to undertake the work of the Arbitration Court. If, as the Chief Justice says, the present Justices are able to cope with the ordinary work—

Mr. ISAACS.—He says the very reverse.

Mr. McWILLIAMS.—According to my reading of the statement, he expected that the whole of the work of the Court would be cleared up before the end of the year.

Mr. ISAACS.—No; the honorable member should read paragraphs 6 and 7 of his letter.

Mr. McWILLIAMS. — The Attorney-General is doing what members of his profession are apt to do, namely, selecting those portions of the letter that square with his contentions. The Chief Justice states that the ordinary work of the Court will probably be cleared up by the end of the year, but that he expects there will be a congestion of work in the Arbitration Court. The difficulty anticipated might be met by appointing an acting Judge to

preside over the Arbitration Court. There are in Australia a number of men who could perform that work as efficiently as could a Justice of the High Court. The matters which will come before the Arbitration Court will call for the exercise of common-sense and honesty, rather than for a knowledge of abstract law, on the part of the President.

Mr. ISAACS.—Would the honorable member propose to make the decisions of the acting Judge subject to appeal to the High Court, or make them final?

Mr. McWILLIAMS.—I would allow the Act to stand as at present, without any provision for an appeal. The decisions of a Justice of the High Court, as President of the Arbitration Court, would not be one whit more fair or logical than those of an acting Judge.

Mr. ISAACS.—It is the permanence of the position of the Justice of the High Court which gives the people confidence.

Mr. McWILLIAMS.—I differ entirely from the Attorney-General on that point.

Sitting suspended from 1 to 2 p.m.

Mr. McWILLIAMS.—I find that for the half-year ended 30th June last the full Bench of the High Court sat for ninety days, and that the Justices in their individual capacity sat for thirty-three days, or eleven days each, making a total of 101 sitting days. I do not think it can be urged for a moment that to require a Justice to sit for 101 days in a half-year is likely to produce the terrible results pictured by the Attorney-General. I regret that there seems to be a disposition on the part of the Government to continue to make all sorts of fresh appointments, which involve increased expenditure, in the belief that the States will make corresponding reductions in their expenditure. So far, however, practically nothing has been done by the High Court which would have the effect of reducing the work which the States Supreme Court Judges are called upon to perform. Very few appeals have been made direct from the decision of a single Judge of any of our States Supreme Courts to the High Court.

Mr. ISAACS.—It is within the power of the States to economize very much.

Mr. McWILLIAMS.—I would remind the Attorney-General that it ought to be within the power of the Commonwealth to economize. Throughout the whole of Australia there is a growing feeling against the appointment of these highly-paid offi-

cials, who are required to do only a very limited amount of work. When we contrast the labours of the taxpayers with those of the tax-eaters—as I might term them—the balance is all in favour of the former. Believing that no case has been made out for the appointment of two additional Justices to the High Court Bench, I shall vote against the second reading of the Bill, and if it reaches Committee I shall endeavour to limit its application to the appointment of one extra Justice. There is nothing to show—even in the light of the statement of the Attorney-General—that an additional Justice would not be sufficient to enable the Court to cope with the business coming before it. There is, I repeat, a growing feeling in the States that this Parliament is enacting unnecessary laws, which can only have the effect of creating work, and that it is then appointing highly-paid officials to perform that work. I do hope that in making any additional appointments to the High Court Bench, serious consideration will be given to the claims of those who have had practical experience as Supreme Court Judges. The mere fact of translating a man to the Judicial Bench does not add to his abilities one iota. Indeed, there have been cases in which persons appointed to the Bench have proved absolute failures. I hold that in making any additional appointments to the High Court Bench, the Commonwealth would do well to confine its selection to the State Supreme Court Judges who have proved their capacity. From one end of Australia to the other there is a unanimous opinion that the choice of the present Chief Justice of the High Court was an exceedingly wise and fortunate one. He has brought to the discharge of his duties an exceedingly well-trained and balanced mind, and the Commonwealth is undoubtedly reaping a great advantage from his presence upon the Bench. It is sometimes exceedingly unwise to take a man from the hurly-burly of party politics, and place him upon the Bench. As far as possible, he should be absolutely removed from party politics. Seeing that there are men upon the Supreme Court Benches of the various States who possess a long judicial training, I hold that, instead of looking round the political arena with a view to placating a friend, or of getting rid of an enemy, the Government would be well advised if they limited their selection of any additional High Court Justices to the

Supreme Court Benches of the different States. I shall vote against the second reading of the Bill.

Mr. GLYNN (Angas) [2.5].—I regret that I missed the opportunity of hearing the Attorney-General move the second reading of this Bill, and that up to the present time I have not had an opportunity of reading his speech in *Hansard*, because, if a case can be made out for the appointment of two additional Justices to the High Court, I am anxious to vote for the measure, though I must confess that upon the figures presented such a case does not seem to have been established. Apparently a case has been made out for the appointment of an additional Justice. At the same time, I think we should hesitate before we add to the number of the High Court Bench so soon after the passing of our Judiciary Act, unless there is a clear necessity for doing so—a necessity which is likely to be continued. Looking hurriedly through the figures, I cannot regard them as altogether conclusive, so far as the appointment of two additional Justices is concerned. To some extent, the alleged pressure upon the time of their Honours is directly due to our legislation. For example, the Australian Industries Preservation Bill may require the services of their Honours in a sphere in which judicial services have been seldom used, either here or elsewhere. Of course, that may entail a diminution of the available leisure of their Honours for other purposes. Then the Conciliation and Arbitration Act is one of the Statutes which might necessitate additional appointments to the High Court Bench. In the papers which have been circulated, however, I find only one case mentioned which will clearly come within the cognisance of the Arbitration Court.

Mr. ISAACS.—There is another very large case which is just being formulated.

Mr. GLYNN.—Does the Attorney-General refer to the possibility of a dispute arising upon the shearing question?

Mr. ISAACS.—Yes.

Mr. GLYNN.—I do not think that there is likely to be a dispute, and I may mention that I have been consulted professionally in the matter. Up till a month ago the position was that the shearers were anxious to have a dispute within the meaning of the Act.

Mr. ISAACS.—No.

Mr. GLYNN.—I think that the Attorney-General is mistaken. The men were apparently imbued with a perfectly proper de-

sire to have a dispute submitted to the Arbitration Court. At the same time a dispute within the cognisance of the Court had not arisen. It is not at all clear that it can arise, except with the consent of both parties. If they do not agree to have a dispute the Arbitration Act is actually a bar to any amicable arrangement being arrived at.

Mr. ISAACS.—In the letter of the Registrar, dated 2nd May, 1906, the honorable and learned member will find a great deal of information upon this point.

Mr. GLYNN.—I do not refer to registrations. Of course all the unions will endeavour to get registered. Before a man engages in a fight he naturally endeavours to develop his muscles, and similarly every union wishes to obtain registration, so that when a dispute arises it shall be the first in the field. I do not heed the fact that the Registrar has had his time fairly occupied.

Mr. ISAACS.—Will the honorable and learned member look at the fifth paragraph of his letter? That is not confined to the question of registration—it includes disputes.

Mr. GLYNN.—The Registrar mentions only two cases that are pending in the Arbitration Court. He refers first to the case in which the Merchant Service Guild, an organization of ships' officers, and the Commonwealth Steam-ship Owners' Association are concerned. Then according to paragraph 3 he seems to think that the Shearers' Union and the Pastoralists are also likely to be engaged in a dispute. But in making that statement he is merely referring to newspaper rumours.

Mr. ISAACS.—To a great deal more than that.

Mr. GLYNN.—Up till now his work has chiefly been confined to receiving applications for registration and to deciding between the different organizations. I say that a case of the magnitude that is now awaiting the leisure of the President of the Arbitration Court is not likely to occur again for several years. That case may possibly extend over a month, but when judgment is given it will probably be conclusive for at least five years. Again, we are not likely to have another dispute in connexion with shipping matters—which clearly come within the scope of the Conciliation and Arbitration Act—nor in other matters which do not clearly come within its purview. The fact has also been men-

tioned that a good deal of work for the Court had been listed up to a certain date during the present year. But I would point out that in Queensland and Tasmania the Court apparently had very little to do, and there were two cases set down for hearing in Adelaide, neither of which came before it.

Mr. ISAACS.—There is business in Brisbane now. As the time for the sitting of the Court approaches the business is definitely set down.

Mr. GLYNN.—I think that we should have much more data to go upon.

Mr. ISAACS.—There is business for the Court to deal with in Adelaide now. The large case of *Weingarten v. Wills* has yet to be decided.

Mr. GLYNN.—We ought not to determine upon the expediency or otherwise of appointing additional Justices to the High Court Bench merely because one large case is likely to arise. We should have regard to what is likely to be the average. I hope that we shall not have a repetition of the *Weingarten* case, which occupied something like fifty-five days in Adelaide. Perhaps I ought not to say "I hope"; but I am speaking as a member of Parliament, in which capacity one is expected, not being at a public meeting, to tell the truth. I do not think that a case like that of *Weingarten's* is likely to fatten the lawyers for a year or two to come. I should like to have seen a comparison between the business done and disposed of by the Supreme Courts of the States in their appellate or banco jurisdiction, with that done by the High Court, in order that we might estimate the extent to which the latter tribunal is being exceptionally pressed. I should like, also, to see an analysis of the cases from the point of view of the magnitude of the issues raised. Some cases that have gone before the High Court might well not have been heard by it. In the case of *Smith v. Norton*, heard in Western Australia, the amount involved was £75, and I do not know that any great question of importance was at issue. Western Australia seems to be particularly fertile in petty issues.

Mr. ISAACS.—The case must have been of sufficient importance to go before the High Court, or leave to appeal would not have been granted.

Mr. GLYNN.—That reply was, of course, patent; but appeals are allowed in cases that do not appear to be of great

importance. I know that the High Court has adopted the ruling of the Privy Council in the case of *Prince v. Gagnon*, in which it was held that, to warrant the granting of leave to appeal, the question at issue must be of considerable magnitude or involve matters of importance to the public.

Mr. ISAACS.—And in the Western Australian case to which the honorable and learned member has referred, the High Court must have come to the conclusion that the question at issue was of sufficient importance to warrant the granting of leave to appeal.

Mr. GLYNN.—On the assumption that Courts, 75 per cent. of whose decisions are wrong, according to the High Court, always act rightly. According to the latest statistics I have seen, the Divisional Courts of England give erroneous decisions in about half the cases decided by them, and the Court of Appeal is also often wrong. I believe that if we could bring down from heaven some of the jury who sit upon our folly, and appoint them to preside over the House of Lords, it would be declared that that tribunal was wrong in a still greater number of cases. Every Act of Parliament speaks with the wisdom of our united endeavours to get at cross purposes, but it is supposed to be all right as long as it is on the statute-book. If I attempted to impugn one of our Statutes, Mr. Speaker would call me to account for daring to challenge the omniscience of a Parliament which common sense teaches us is often in the wrong. I am simply complaining, however, of the defective information before us. This may be partly due to my incapacity to grasp the significance of the figures put before us; but what I do assert with some degree of confidence is that, if the regular increase of business is such as to demand the appointment of two additional Justices, this necessity has arisen from our own legislation, and from some of the bungles made by the Federal Convention. Dealing first of all with the effect of our own legislation upon the volume of litigation, I would remind the House that I have already referred to two cases. Apart from the original jurisdiction prescribed by the Constitution as being in the High Court, we have vested some additional original jurisdiction in that tribunal. When the Judiciary Bill was introduced by the Government, of which the present

Prime Minister was a member, that honorable and learned gentleman, who was then Attorney-General, attempted practically to give all the jurisdiction possible to the High Court. Had that attempt been successful five Justices would have been clearly necessary from the beginning. But we limited the number of Justices to three, because we cut down the proposed original jurisdiction to a considerable extent. The House will recollect that by taking away the power of removal of causes from the States Courts, for which provision was made in the original Bill, and by narrowing down the jurisdiction of the Court to that vested in it by the Constitution, we did this—

Mr. ISAACS.—And we did something more—we gave the High Court power to decide questions affecting the interpretation of the Constitution.

Mr. GLYNN.—That provision was inserted in the Bill after we had narrowed down the jurisdiction of the Court. With a certain degree of reluctance the House consented to embody in the Bill the then Attorney-General's pet clause as to the power of the Court to decide cases arising under the Constitution.

Mr. ISAACS.—The Court would still have had the appeals even if we had not taken that step.

Mr. GLYNN.—I am dealing with not the appellate but the original jurisdiction of the Court. I started with the proposition that our own legislation was responsible for the pressure of work in the High Court. Had greater attention been paid to the Opposition when it urged that the power of the High Court should be limited to its true functions as a Court of Appeal, we probably should not have had this demand for the appointment of two additional Justices. That contention is sustained to some extent by the figures put before us. We have, in the official papers, the statement that thirty-five cases in the original jurisdiction of the Court have arisen. That, I presume, is up to a certain period in the current year. But, apart from our action in extending the original jurisdiction of the Court, a mistake was made by the Federal Convention which led to the decision of the Privy Council in the case of *Parkin v. James*. Honorable members may remember that the Convention in Melbourne decided by a majority of one to retain in the Constitution the right of appeal to the Privy Council, although at the Adelaide Convention it was

decided, I think, by a majority of seventeen, that it should be abolished. When that was done, it seemed to me, at all events, that the appeal clauses of the Constitution were somewhat confused, and that if we were to retain the right of appeal to the Privy Council, it should be on the basis that all appeals from the States Courts to the Privy Council should be abolished. It appeared to me that, to justify the appointment of five Justices for the future, all appeals from the Supreme Courts of the States should be only to the High Court, and that if the right of appeal to the Privy Council were subject to special leave being granted in each case by the Privy Council itself, appeals would occur infrequently. The rule in Canada is not to allow an appeal from the Supreme Court of the Dominion, whose decisions, according to the Canadian Act, are to be final and conclusive, except in so far as leave is granted. As a matter of fact, leave to appeal is very seldom granted by the Privy Council unless the case in which that leave is sought, comes within the ruling laid down in *Prince v. Gagnon*. Had we followed those lines, the High Court of Appeal would have been a genuine Court of Appeal, and we should not have had the possibility pointed out in the case of *Outtrim v. The Commissioner of Taxes*—the possibility of a conflict between two Courts of Appeal with respect to the same matter. We should have preserved the dignity of Australia, because we should have had one Court of Appeal, subject to the power to go, in exceptional cases, to the Privy Council. We should have thus recognised the prerogative of the Crown, and the interests of Empire, because there may be cases in which our interests are not absolutely identical with those of the United Kingdom. In such a case, an appeal would have lain to the Privy Council, by permission, and we should thus have had a symmetrical system, and the democratic feeling of Australia would have been recognised. My amendment was that, by one act of the Federal Parliament, we should cut off all appeals to the Privy Council, but the legal leaders of the Convention opposed me. By a narrow majority of three that solution of the difficulty was rejected on the 16th of March, the day before we adjourned. The result is that there is now an appeal to the Privy Council from all decisions of the States Courts, and there is also an appeal from all decisions of Federal Courts, according to

the decision of the Privy Council in *Outtrim v. The Commissioner of Taxes*, which decided that, notwithstanding the Judiciary Act, an appeal did lie. The honorable and learned member for Northern Melbourne, as well as the honorable and learned member for Werriwa, and others, joined with me in pointing out time after time that the Judiciary Bill was wrong in this respect. Before we entered upon the consideration of that measure, I heard the opinion expressed by lawyers, one of whom is now a Justice, that in investing States Courts with Federal jurisdiction we could have the condition that there should be an appeal under that jurisdiction to the High Court only. The Privy Council has said that we were wrong.

Mr. ISAACS.—It has not decided that.

Mr. GLYNN.—It gave leave to appeal.

Mr. ISAACS.—Only tentatively.

Mr. GLYNN.—That leave exists. I think that in the case of the Colonial Sugar Refining Company, which went to the Privy Council, from Queensland, the same decision was also given.

Mr. ISAACS.—That was before the Judiciary Bill was passed.

Mr. GLYNN.—The point was raised both before and after the passing of that measure. Another blunder was made by the drafting committee of the Convention. When we had decided by a majority of one to retain the appeal to the Privy Council, the Constitution still provided that the High Court should have jurisdiction with such exceptions and reservations as the Federal Parliament might prescribe. The use of the words "with such exceptions and reservations" in the Constitution of the United States enabled Congress to cut down the whole of the Federal jurisdiction of Courts created by it, but not the jurisdiction of the Supreme Court of America, which is provided for in the Constitution itself. In some cases, for political purposes, they actually abolished the whole of the Federal jurisdiction of the Circuit Courts, because the Executive knew that a decision which would not suit their political leanings was likely to be given by those tribunals. I pointed out at the time that this was a very wide power, and that when, eventually, as will be the case, the appeal to the Privy Council is abolished, and there is no appeal from the States Courts to that tribunal, it would include the power to deny the right of appeal from the States Courts to the High Court. I pointed out that fact at the beginning of the Convention, but without avail. Even-

tually the position was recognised, and Sir Edmund—then Mr.—Barton, took the drafting of the amendment in his own hands. He did it in a way which, I think, was wrong, and it led to the decision in the case of *Parkin v. James*. I do not wish to be too personal, but the effect was that the principle of my objection was raised in saying that the method of dealing with it should be this: It should have been provided that wherever an appeal lay to the Privy Council before the coming into force of the Constitution, there should be an appeal to the High Court, so as to preserve the right to appeal in the event of the appeal to the Privy Council being ultimately abolished; but power should have been given to the Legislatures of the States to cut down the right of appeal in State matters, and to the Commonwealth Parliament to cut down the right of appeal in Commonwealth matters. As the Constitution is drafted, however, the right of appeal to the High Court was stereotyped, and is now beyond the interference of either the Commonwealth or the States Parliaments, in all cases in which an appeal lay to the Privy Council prior to the establishment of Federation. Therefore, according to the decision in the case of *Parkin v. James*, an appeal now lies, as of right, from the decision of the Supreme Court of a State in all cases in which there was the right of appeal to the Privy Council prior to the 1st day of January, 1901. Under that decision there may be appeals to the High Court from the decisions of a single Judge.

Mr. WATSON.—Is not that a good thing?

Mr. GLYNN.—Not altogether, though it may be in some cases.

Mr. WATSON.—Litigants prefer to be able to take the short cut.

Mr. GLYNN.—In a great many cases, in which the issue is small and petty, there should be no right of appeal to the High Court; but that Court has to allow appeals because of the unalterable provision of the Constitution. Under these circumstances, the Court may have far more business than it was originally contemplated that it should have.

Mr. CONROY.—The cost of litigation is being enormously increased.

Mr. WATSON.—It is being reduced.

Mr. GLYNN.—I am not dealing with that aspect of the case. I am pointing out the effect of the decision in the case which

I have mentioned. Nine of the twelve appeals made to the High Court when sitting in Melbourne recently were from the decisions of a single Judge. In many cases there should be no appeal from the decision of a single Judge, and, in some cases, not even the right to appeal from the judgment of the Supreme Court of a State. The Constitution, however, allows an appeal in every case, apart from the magnitude of the question involved, in which, prior to Federation, there would have been the right to appeal to the Privy Council. It is because of this state of affairs that we are being asked to increase the High Court Bench, and I recognise that a case has been made out for the appointment of at least one additional Judge. Before voting for the appointment of two additional Judges I shall read with great care the speech of the Attorney-General, to see if he has made out a really good case in favour of the proposal. Business like the *Wcingarten* case and the Seamen's case is not likely to be continuous, and, that being so, it seems to me that only one additional Justice is needed. The present position has been created by the Constitution and by the legislation of the States. It is also partly due to original jurisdiction vested in the High Court, which is not altogether necessary, and partly to the fact that the Court is an ambulatory one, and time is lost in proceeding from State to State. I do not object to the Court sitting in the centres of the various States, because I think that that popularizes the institution, and brings justice to the doors of the people. Senator Sir Josiah Symon, however, who is a man of ability and experience, has expressed the opinion that it is a mistake not to confine the sittings of the Court to one centre.

Mr. ISAACS.—It would be a serious thing to drag litigants from Perth to Melbourne.

Mr. GLYNN.—I agree with the Attorney-General; and the Bar generally has expressed itself as favorable to the peregrinations of the Court. I shall vote for the second reading of the Bill, but at present feel that only one Justice is needed.

Mr. KING O'MALLEY (Darwin) [2.25].—It seems to me that this is a field day for the legal members of the House. I have no desire to increase the expenses necessary to carry on the band waggon portion of the Judiciary Department of this

country. But the more one looks into the matter, the more anomalous does the whole judicial circus appear.

Mr. LONSDALE.—Who is the clown?

Mr. KING O'MALLEY.—The honorable member. This is what may happen. A litigant may have a case in one of the lower courts and win. His opponent may thereupon appeal to the County Court, and the respondent may be again successful there; and there may be a second appeal to the Supreme Court of a State, before a Bench of five Judges, with the same result. By that time seven Judges will have pronounced for a particular view. Finally there may be an appeal to the High Court, where two Justices may take a view differing from that of the seven Judges who have already dealt with the case, while the remaining Justice may side with them. In that event, the hitherto successful suitor would lose his case, although eight Judges in all had decided in his favour, while only two were opposed to him. The question arises, would the two know more than the eight, or the eight know more than the two? Some of the most important decisions in the history of the United States were given by a bare majority, with a Bench of nine Judges. The United States authorities had no constitutional power to issue paper money and make it legal tender, but after they had issued millions of greenbacks, at the time of the war, they were able, by increasing the Supreme Court, to get a decision of five to four making greenbacks legal tender, a previous attempt to obtain such a judgment having failed.

Mr. CONROY. -- The great masses of the people paid very dearly for that decision.

Mr. KING O'MALLEY.—I will not deny it. Similarly a majority decision the other day upset all former notions as to the powers of the States Courts in regard to the granting of divorces. Now, before divorce can take place in many of the States, both husband and wife must have lived in that State for six months. But formerly a marriage could have been upset when the husband was living in Dakota and the wife in Texas. If the puisne Judges are to be mere echoes of the Chief Justice, it will be better to have only one Justice on the High Court Bench. We do not wish to appoint to that Bench men who will be subservient to a strong Chief Justice. We require men who will stand up for the rights of the people.

Judges taken from the Benches of the Supreme Courts of the States may be more or less influenced by their past environment, and probably will not be ready to oppose the Chief Justice. The best training place for future Justices of the High Court is this Chamber. I am not looking for a job myself, but, in my opinion, a legal member of this House has a greater knowledge of the Commonwealth legislation than would be possessed by a Judge of the Supreme Court of a State, who would have to read up the subject after his appointment. Furthermore, the legal members of this House would have practical knowledge of our legislation, while that of a Judge of a Supreme Court would be only theoretical, and we know that the man possessing hundreds of methods of making money often finds himself up a tree when he enters upon a financial undertaking. The honorable member for Wilmot attacked the Chief Justice for having appointed his own son as associate, but I think that it is stated somewhere in Holy Writ that the man who does not provide for his own family is worse than an infidel. If I were Chief Justice, and had a son of the intellectual ability and training necessary for the position of my associate, no one else would get that position. One must think of his friends first and his enemies afterwards. All one's kindness should be for one's friends, and one should reserve for his enemies justice without any admixture of revenge. I am in a quandary as to what to do in connexion with this proposal. In my opinion, only one additional Justice is required; but should I set my views as a layman against those of the Attorney-General, who is one of the ablest lawyers in the Commonwealth? At any rate, I shall vote for the appointment of an additional Justice, and leave myself open to conviction as to the propriety of appointing two additional Justices. In any case, great care should be taken in order that the most capable men may be selected. We ought not to appoint men of no strength of character.

Mr. McLEAN (Gippsland) [2.43]. — I should have been better pleased if the Attorney-General, instead of proposing the appointment of two additional Justices, had introduced a Bill to further limit the jurisdiction of the High Court.

Mr. ISAACS. — That would not have helped. The only portion of its original jurisdiction which we could take away is

that relating to the interpretation of the Constitution. Its other original jurisdiction is vested in it by the Constitution.

Mr. McLEAN. — I know that we cannot take from the Court jurisdiction vested in it by the Constitution. But it will be a great mistake to go on increasing the work of the Court, knowing, as we do, that the expense of its maintenance is additional to the expense of maintaining the other judicial tribunals of the Commonwealth. I believe that the High Court will become an extremely costly institution. I agree with the Attorney-General that it is at present constituted of men of conspicuous ability, who have discharged their duties to the entire satisfaction of the community, and are likely to continue to do so. I would remind honorable members that when the Judiciary Bill was first introduced we were strongly pressed to appoint five Justices. We were told that no smaller number would meet the requirements of the case. We now know full well that if we had yielded to the solicitations of the Government at that time, two-fifths of the actual money voted for defraying the cost of the Court would have been wasted, because three Justices have succeeded in practically keeping the work up-to-date. The only necessity for the appointment of additional Justices has manifested itself in connexion with the Arbitration Court.

Mr. WATSON. — Other matters quite apart from that are now hung up.

Mr. McLEAN. — I do not see how that can be the case, because the Justices can afford to devote three months out of the twelve to holidays.

Mr. KING O'MALLEY. — They become very tired.

Mr. McLEAN. — I know that the work is trying, and I admit that reasonable holidays should be provided for; but it seems absurd to speak of pressure of work, and the withholding of justice from the public, when one-fourth of the year is devoted to holidays. The vacation now enjoyed by the Justices might be shortened by at least one-third.

Mr. ISAACS. — It must be remembered that during a portion of the vacation their Honours are considering reserved judgments.

Mr. McLEAN. — Of course, the actual sittings of the Court occupy only a limited time upon a limited number of days in the year.

Mr. ISAACS.—The work done in the Court does not represent all that is done by the Justices during the days of sitting.

Mr. McLEAN.—I understand that; but if their Honours sat upon the Bench for five hours daily, they would still have three hours upon sitting days to devote to their work outside the Court. However, it is not worth while to labour that point. I am prepared to support the second reading of the Bill, and I shall go as far as to approve of the appointment of one additional Justice. I think, however, that we should make a fatal mistake if we provided for anything more than the actual requirements of the case. I listened very carefully to the Attorney-General, and to my mind he failed to make out a case for the appointment of more than one Justice. We must remember that the work of the Arbitration Court is likely to be extremely limited, because that tribunal can deal only with cases extending beyond the limits of any one State. When two or three cases are settled, the President of the Arbitration Court will have nothing to do. If we appointed one additional Justice he would be able to attend to the work of the Arbitration Court, and would very soon be released from his duties in that tribunal, and be able to go back to the ordinary work of the High Court Bench. Therefore, I hope that the Attorney-General will see his way to limit his request to one additional Justice.

Mr. JOHNSON (Lang) [2.52].—I do not wish to give a vote upon this Bill without stating my reasons. In the first place, I do not altogether agree with the views put forward by the honorable member for Franklin with regard to the uneven distribution of the work of the High Court. The honorable member apparently lost sight of the fact that the other two Justices could hardly be expected to concur in a judgment delivered by the Chief Justice, without seriously investigating all the circumstances of the case. I take it that they merely say "I concur," because they consider that the Chief Justice has set forth the case in such a way as to render it unnecessary for them to amplify his remarks.

Mr. ISAACS.—Those who practise before their Honours, know that the two Justices other than the Chief Justice work very hard, and frequently deliver long and carefully-reasoned judgments.

Mr. JOHNSON.—I believe that to be the case. Any one who has watched the

proceedings of the High Court must know that the Justices have their hands fairly well filled, and their minds fully occupied. Granting all that, however, it seems to me that the Attorney-General has failed to make out a sufficiently strong case to justify additional appointments at the present time. I do not say that as time progresses—perhaps in the course of another twelve months—a further appointment, perhaps, may not be necessary. The principal difficulty seems to arise, not from the appellate work—because their Honours seem to be able to cope with that fairly well—but from the probable accumulation of other work, principally in connexion with the Arbitration Act. It is feared that it may become necessary to reduce the strength of the High Court Bench for the time being, in order that one of the Justices may preside over the Arbitration Court. When the High Court was appointed, it was thought that it would be engaged principally upon work falling within its appellate jurisdiction. The work of the Arbitration Court was not then taken into account, because no Federal Arbitration Act was at the time in existence or projected. I think that the suggestion of the honorable member for Franklin, that a Justice should be appointed temporarily to preside over the Arbitration Court is a very reasonable one.

Mr. BAMFORD.—Members of the Opposition are always complaining that our legislation will tend to increase litigation.

Mr. JOHNSON.—It will do so later on, but it has not had that result up to the present time. I contend that nothing has been presented to us to justify us in making two further permanent appointments at the present time. If, after the appointment of a temporary Justice to preside over the Arbitration Court, and to transact other business outside of the appellate jurisdiction of the High Court, experience shows that the work is still accumulating, we can again consider the necessity for making further permanent appointments. The remarks of the honorable member for Laanecoorie are worthy of some consideration in this connexion. If it be true, as he pointed out, that considerable delay occurred before the Rules of Court necessary for the guidance of litigants were framed and issued, the accumulation of work which has been pressing upon the Justices may have been partly due to that fact. If the Rules of Court had been issued at an earlier stage, there might have been no serious

congestion of business in the Court at any time. This is what I understood from the honorable member's remarks. It appears from the report of the Chief Justice that, so far as the appellate work is concerned, the Court has been fairly able to cope with it. He says—

Since the end of the summer vacation, the Full Court has been continuously sitting in Hobart, Melbourne, Sydney, and Brisbane, and again in Sydney. The Melbourne sittings were extended for a week longer than the period first allotted, with the result that all the business, which included some arrears from 1905, was disposed of, with the exception of one case.

Mr. ISAACS.—The Chief Justice is there speaking of the Melbourne business. There were cases pending at that time in other places.

Mr. JOHNSON.—The honorable and learned member for Angas has shown that two cases, which were likely to be very important, were subsequently settled.

Mr. ISAACS.—My remarks are made irrespective of those cases.

Mr. JOHNSON.—In the next paragraph His Honour the Chief Justice says—

A sitting of the Full Court is appointed to be held at Adelaide on 21st instant, at which some appeal business was set down to be heard, but we are informed that it has now been withdrawn. But for this accident, the Court would certainly not have been able to dispose of the business still remaining to be heard in Sydney before leaving for Melbourne for the sittings of the Full Court, appointed for the 28th instant. In the actual state of affairs, it is possible that we may do so.

Mr. ISAACS.—As it turned out, they did not do so.

Mr. WATSON.—There are also a number of cases which have not yet been set down for hearing.

Mr. JOHNSON.—The honorable member refers to business outside of the appellate jurisdiction?

Mr. WATSON.—Yes; I refer to business within the original jurisdiction of the Court.

Mr. JOHNSON.—My impression is that there is no reason to fear that the work of the Court will accumulate to such an extent in the immediate future that the Justices cannot cope with it.

Mr. ISAACS.—There is enough work in hand now to fully occupy the time of the Court for the rest of the year, irrespective of a number of other cases that will probably come forward.

Mr. JOHNSON.—As far as I can gather from the reports which have been submitted, the work in question is work

which the Arbitration Court principally will have to perform.

Mr. ISAACS.—I am speaking of the ordinary judicial work of the Court. There will be two suits set down for hearing in Perth in October next, and, at the rate at which cases are usually heard, they will extend over six or eight weeks.

Mr. JOHNSON.—The Attorney-General is perhaps, speaking from some later information than is in our possession.

Mr. ISAACS.—I have already mentioned the case of *Weingarten v. Wills*, which will take several weeks to determine.

Mr. JOHNSON.—But the honorable and learned member for Angas pointed out that that was an exceptional case.

Mr. ISAACS.—It all goes to show that business for the Court is pouring in from all directions. Since these reports were made, there have been two cases in which I am personally concerned which will come before the Court.

Mr. JOHNSON.—But the Court will not divide itself into two sections for the purpose of hearing those cases.

Mr. ISAACS.—It is impossible for the Court, as at present constituted, to do the work that is required of it. Surely the honorable member does not wish the Justices to go on until they break down?

Mr. JOHNSON.—Certainly not. I approach this matter with a perfectly open mind. If it can be satisfactorily demonstrated that another Justice is necessary, I shall certainly not oppose the Bill, but so far the evidence supplied to honorable members has not established the necessity for the appointment of an additional permanent Justice.

Mr. ISAACS.—We cannot appoint a Justice to the High Court Bench temporarily. Under the Constitution, the appointment must be permanent.

Mr. JOHNSON.—In that case, I feel inclined to support the appointment of one additional Justice. Had it been possible for us to secure the services of a temporary Justice to deal with work of an extraneous nature—that is, work which is separated from the appellate jurisdiction of the Court—I should have favoured the adoption of that course.

Mr. ISAACS.—Unfortunately, those who framed the Constitution provided that the appointments must be for life.

Mr. JOHNSON.—In that case I am disposed to support the second reading of the Bill; but in Committee I shall advocate the

appointment of only one additional Justice for the present. If at a later period it is found that the services of still another Justice are necessary, no doubt Parliament will do what is right. I thoroughly agree with those who hold that appointments to high judicial positions should not be the reward of political services. I do not say that members of the legal profession who move in the political arena should be ineligible for such appointments, but I do say that the qualifications of others who are outside of Parliament should be taken into consideration, and that the only test applied should be that of personal fitness.

Mr. WATSON.—So many smart lawyers get into Parliament that we can hardly escape picking them sometimes.

Mr. JOHNSON.—I have no objection to their being selected for the post if others are placed upon the same plane. Hitherto a very unfortunate practice has been encouraged in all our Australian Legislatures—I refer to the appointment to the judicial Bench of legal gentlemen who have been prominently associated with one or other of the political parties, as a reward for services rendered.

Mr. WATSON.—The same complaint is made in England.

Mr. JOHNSON.—I am aware of that. We should avoid the practice as much as possible. I make this statement without any desire to reflect upon any of the legal gentlemen who are connected with politics. As I am assured by the Attorney-General that it is not possible to appoint a temporary Justice to the High Court Bench, I shall support the second reading of the Bill, reserving to myself the right to vote for its amendment in the direction of sanctioning the appointment for the present of only one extra Justice.

Mr. WATSON (Bland) [3.8].—When the Judiciary Bill was under consideration, I was one of those who voted for the appointment of three Justices to the High Court Bench in opposition to the original proposal for five. I did so with a view to seeing how far the work of the Court—in the light of experience—might be found to justify its greater numerical strength. I do not admit that any error was made by myself or by others who voted similarly under the circumstances which then existed, but I must say, after the lapse of nearly a couple of years, that the work of the High Court has increased far beyond my own expectations. Consequently, I see no objection to strengthening the number of

its Justices. A great deal has been said in reference to the wisdom of confining the work of the Court to its appellate jurisdiction. I do not at all sympathize with that suggestion. Certain original jurisdiction has been conferred upon that tribunal by the Constitution, and it seems to me that to prevent suitors from going direct to the High Court with their original complaint would increase the expense to litigants unnecessarily. The more direct the path to a final decision in respect to these causes of action the better for the community as a whole. The same argument applies to the right of appeal—referred to by the honorable and learned member for Angas—from the decision of a single Judge of a State Supreme Court to the High Court. I do not pretend to criticise for a moment the legal aspect put forward by the honorable and learned member, but, in my opinion, the interests of suitors will be better served if they are able to obtain a final determination from the High Court without appeal to the Full Court of a State. Therefore, it seems to me that we can look forward with some degree of equanimity to a material increase in the business of the High Court, because it should mean a corresponding decline in the business brought before the States Supreme Courts. In the long run, I believe that the strengthening of the High Court to such a degree as will inspire universal confidence, will lead not only to an increased volume of business, but to some economy being effected in connexion with further appointments to the Supreme Court Benches of the various States. If the practice which the decision in the case of *Parkin v. James* permits should become general, there will be a disposition on the part of the various States to so alter their Judiciary Acts as to allow the High Court to be approached more directly than it can be in cases which are not covered by that decision, and thus the cost of litigation will be materially cheapened. For these reasons, I think that we are justified in adding to the strength of the High Court. When I am asked how many new Justices we should appoint, I confess that I am not in a position to offer any advice of value. I do know that I have received complaints from solicitors and other members of the legal profession in Sydney regarding the delay which has taken place in the hearing of cases—more particularly of cases in original jurisdiction. In two

or three instances this delay has practically amounted to a denial of justice. I have in my mind's eye one case which could only be determined by the High Court. It involved a matter affecting the action of the Commonwealth Government in its own sphere, and practically the High Court was the only tribunal to which the aggrieved person could have resort. Yet some three or four months ago he was informed—although he is a poor man—that there was no possibility of his case being set down for decision earlier than October. That meant a delay of nine months at least, and possibly a year. That is a condition of things which, it seems to me, we have no right to permit to continue. When I am asked whether it is proper to appoint one or two additional Justices to the High Court Bench, my reply is that I am prepared to rely upon the advice tendered by the Chief Justice, who, after a very careful consideration of the position, has recommended the strengthening of the Bench by the appointment of two extra Justices. I think it is well that we should err on the side of strength rather than that of weakness, so far as the High Court is concerned. The principal expenses of such an institution do not, as a rule, consist of the salaries of the Justices. The mere bringing of the machinery into operation involves considerable expenditure, and the question of whether or not we ought to incur an expense of £3,000 or £6,000 in respect of the salaries of one or two Justices, is comparatively trifling compared with the magnitude of the issues involved. We have every right, I think, to rely upon the sound judgment and good faith of the Chief Justice. His career on the Bench has been such as to commend him to all sections of the community, and we ought to be prepared as a Parliament to place the most complete reliance on his advice, as to the number of Justices necessary to enable the Court to deal adequately with the demands made upon it. In view of these facts, I am prepared to vote for the Bill as it stands, believing that it will be found in the long run that the stronger the Court the greater the economy, and, from the point of view of the taxpayers, the greater the satisfaction to those whose misfortune it is to be compelled to go to law.

Question—That the Bill be now read a second time—put. The House divided.

[58]

Aves	...	...	...	31
Noes	...	...	...	4
Majority				27

AVES.

Bamford, F. W.	Lec, H. W.
Bonython, Sir J. L.	Lonsdale, E.
Cook, J.	Lync, Sir W. J.
Culpin, M.	Mauger, S.
Deakin, A.	McDonald, C.
Ewing, T. T.	McLean, A.
Fisher, A.	O'Malley, K.
Forrest, Sir J.	Salmon, C. C.
Fowler, J. M.	Thomas, J.
Frazer, C. E.	Thomson, D. A.
Fysh, Sir P. O.	Tudor, F. G.
Glynn, P. McM.	Watson, J. C.
Hughes, W. M.	Wilkinson, J.
Isaacs, I. A.	<i>Tellers:</i>
Johnson, W. E.	Cook, Hume.
Kelly, W. H.	Crouch, R. A.

NOES.

Brown, T.	<i>Tellers:</i>
Cameron, D. N.	Conroy, A. H. B.
	Wilson, J. G.

PAIR.

Watkins, D.	Fuller, G. W.
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Question so resolved in the affirmative.
Bill read a second time.

Mr. FULLER.—By way of personal explanation, Mr. Speaker, I should like to point out that the division bells did not ring upstairs, so that a number of honorable members who were there were unable to take part in the division.

Mr. SPEAKER.—The bells are tested at least once a day, and I regret very much to hear of what has happened. I shall have the matter attended to at once.

Mr. WATKINS.—I can assure you, Mr. Speaker, that the statement made by the honorable and learned member for Illawarra is correct.

Mr. DEAKIN.—Might not the position be remedied by honorable members who were not warned by the ringing of the bells announcing how they would have voted, had they been present. That announcement would appear in the official records immediately below the division-list?

Mr. SPEAKER.—If any honorable members have been misled by the failure of the bells to ring, it is open to them to make a personal explanation, so that the records of the House will indicate how they would have voted.

Mr. FRAZER (Kalgoorlie) [3.21].—I move—

That the Committee be instructed that they have power to take into consideration an amendment to allow the Judges of the High Court to prescribe conditions for the admission by examination of barristers and solicitors.

I have been induced to take this action because of my desire that the Federal Court shall occupy a position similar to that now held by the Supreme Courts of the States in relation to the admission of legal practitioners. Under section 49 of the Judiciary Act, all persons qualified to practice in the States Courts are entitled to appear before the High Court. That provision has given a certain measure of satisfaction. No difficulty has arisen so far as I am aware, but there is no reason why the High Court should not have the power to admit persons to practice before it.

Mr. ISAACS (Indi—Attorney-General) [3.23].—I think the motion ought to be agreed to. The proposal is to put the High Court in the same position as any of the Supreme Courts in relation to the admission of persons to practice. It would not do away with the present right of certain persons under the Judiciary Act. It would take away no right, but give the Court an additional power, if it chooses to exercise it, as to affording further facilities for persons to appear before it.

Mr. GLYNN (Angas) [3.24].—I am rather surprised that the Attorney-General is ready without discussion to consent to such an innovation.

Mr. ISAACS.—Every Court has this power.

Mr. GLYNN.—It is easy to make such an assertion, but I am startled by the discovery that this proposal is to be accepted without debate.

Mr. ISAACS.—I would remind the honorable and learned member that the motion now under consideration is only that the Committee shall have power to take into consideration an amendment in the direction indicated.

Mr. GLYNN.—If that is why the Attorney-General said so little, I shall make no further comment at this stage.

Mr. ISAACS.—That was the reason why I did not go into the question fully.

Mr. CROUCH (Corio) [3.26].—I fail to see why the Committee should be given power to deal with this subject. If it is within the powers of the Court—

Mr. ISAACS.—Owing to an oversight this power was not given in the original Bill.

Mr. CROUCH.—If we agree to this motion we shall practically give a direction to the Committee that it is desirable that the power indicated shall be given to the Court. I do not think it is. It would be absurd to admit barristers and solicitors to practice only before the High Court.

If the Attorney-General will say that we have jurisdiction to federalize the whole of the legal profession—

Mr. ISAACS.—No.

Mr. CROUCH.—Then it is proposed to vest in the High Court the very limited power to admit barristers and solicitors to practice before it. In the Judiciary Act we give power to every barrister and solicitor of the States Courts to practice before the High Court.

Mr. SPEAKER.—I might assist the honorable and learned member, as well as others, by pointing out that the only result of the passing of this motion would be to permit the Committee to discuss the question, and to come to such decision as it deemed fit. The House would by no means commit itself to the amendment by giving permission to the Committee to consider it. It would simply empower the Committee to do that which it could not otherwise do.

Mr. CROUCH.—It would be a strong indication of the desire of the House—

Mr. ISAACS.—Not necessarily.

Mr. CROUCH.—It would be a useless power to give; but as on Friday afternoons the catching of Inter-State trains rises superior to all other considerations, I shall say no more at this stage.

Question resolved in the affirmative.

In Committee:

Clause 1 agreed to.

Clause 2—

Section four of the Judiciary Act 1903 is amended by omitting the word "two" and inserting in lieu thereof the word "four."

Amendment (by Mr. JOSEPH COOK) proposed—

That the word "four" be left out, with a view to insert in lieu thereof the word "three."

Question—That the word proposed to be left out stand part of the clause—put. The Committee divided.

Ayes	...	...	...	22
Noes	...	...	...	13
Majority				9
Ayes.				

Bamford, F. W.	Lyne, Sir W. J.
Bonython, Sir J. L.	Mauger, S.
Crouch, R. A.	Thomas, J.
Culpin, M.	Tudor, F. G.
Deakin, A.	Watkins, D.
Ewing, T. T.	Watson, J. C.
Fisher, A.	Webster, W.
Forrest, Sir J.	Wilkinson, J.
Fowler, J. M.	
Fraser, C. E.	<i>Tellers:</i>
Hughes, W. M.	Cook, Hume
Isaacs, I. A.	Thomson, D. A.

NOES.

Brown, T.
Carpenter, W. H.
Conroy, A. H. B.
Cook, J.
Fysh, Sir P. O.
Glynn, P. M.
Johnson, W. E.

Lonsdale, E.
Mahon, H.
McLean, A.
O'Malley, K.
Tellers:
Fuller, G. W.
Liddell, F.

PAIRS.

Storrer, D.
Phillips, F.
Maloney, W. R. N.
Quick, Sir J.
Kennedy, T.
McColl, J. H.
Ronald, J. B.
Groom, L. E.
Chapman, A.
Higgins, H. B.
Chanter, J. M.
Page, J.
Skene, T.
Harper, R.
Kingston, C. C.
Kelly, W. H.
Spence, W. G.

McWilliams, W. J.
Batchelor, E. L.
Smith, B.
Hutchison, J.
Robinson, A.
Thomson, D.
Turner, Sir G.
Edwards, R.
McCay, J. W.
Knox, W.
Lee, H. W.
Smith, S.
Wilson, J. G.
Cameron, D. N.
Edwards, G. B.
Wilks, W. H.
Salmon, C. C.

Question so resolved in the affirmative.
Amendment negatived.
Clause agreed to.

Mr. FRAZER (Kalgoorlie) [3.36].—I move—

That the following new clause be inserted:—

"3. Section eighty-six of the Judiciary Act 1903 is amended by inserting after paragraph (f) the following paragraph:—

(ga) Providing for the admission of persons to practice as barristers or solicitors in any Federal Court, and prescribing the conditions of and qualifications for admission, and continuance of the right to practice as aforesaid."

The section of the principal Act which I wish to amend provides that the Justices of the High Court, or a majority of them, may make rules not inconsistent with it for carrying it into effect, and proceeds to particularize several matters, to which I wish to add that embodied in the amendment which I have just moved. At the present time, only practitioners who have been admitted by the Supreme Court of a State, may appear before the High Court.

Mr. JOSEPH COOK.—Can the honorable member point to a precedent in the United States or in Canada for what he proposes?

Mr. FRAZER.—I do not think it is necessary to do so. The Supreme Court of each State admits practitioners under certain conditions.

Mr. GLYNN.—The conditions are laid down by Acts of Parliament.

Mr. FRAZER.—In many cases the regulations governing admission are framed

by barristers' boards, whose members virtually exercise sole control of the matter. It seems to me that the High Court should be placed in the same position as the Supreme Courts of the States, and be allowed to say under what conditions persons shall be allowed to plead before it. I am surprised that some provision of this kind was not put into the principal Act, when it was being framed, and regard it as unnecessary to say anything more to commend the acceptance of my amendment to the Committee.

Mr. GLYNN (Angas) [3.40].—The difficulty I see about the adoption of the amendment is that in most of the States the admission of barristers and solicitors is regulated by Act of Parliament, whereas the amendment leaves the matter wholly in the hands of the High Court. It is true that there are boards of examiners, but they merely determine whether the qualifications required by Parliament are possessed by candidates for admission. In South Australia, the Act governing this matter was passed as far back as 1855. Persons admitted to practice before the High Court under this provision would have only a very limited sphere of action, and, unless of great capacity, so as to be able to command a very large share of the work of the Court, would not have much to do.

Mr. FRAZER.—There appears to be enough work to justify the appointment of two additional Justices.

Mr. WATSON.—I understand that in Sydney there are one or two practitioners who specialize for the work of the High Court.

Mr. GLYNN.—I have no objection to the principle of the amendment, but I think that it would be better to pass an Act regulating this matter.

Mr. FRAZER.—I am inclined to agree with the honorable and learned member.

Mr. GLYNN.—The High Court should have the power given to the Supreme Courts of the States to say who, subject to compliance with the provisions of an Act of Parliament, shall be admitted to practise.

Mr. WATSON.—The present position is very anomalous.

Mr. GLYNN.—Personally, I see nothing to object to in the anomaly. I am opposed to leaving this matter wholly to the High Court, though I have no objection to the principle of the amendment. In my opinion, whatever conditions of admission are laid down, they should not be such as

will be likely to preclude those admitted from taking advantage of reciprocal treatment.

Mr. JOSEPH COOK (Parramatta) [3.45].—The more I examine this proposal, the more fair it seems to be. We have a Court superior from every point of view to the States Courts, and yet without power to determine who shall appear before it. The only difficulty that I see in the way of making the proposal effective is that we shall probably create a set of practitioners in the Federal Courts who will be denied access to the States Courts. That strikes me as a somewhat anomalous position to bring about, and, perhaps, it would be better to allow the actual enactment of this provision to stand over until we ascertain whether some arrangement cannot be made for reciprocity between the Commonwealth and States Courts.

Mr. FRAZER.—It is said at present that there is no necessity for an agreement, because there are no Federal practitioners.

Mr. JOSEPH COOK.—I take it that if the amendment is agreed to steps will be taken to secure reciprocity, that is to say, to insure that Federal practitioners shall be eligible to plead in the States Courts. I am not so sure but that we should exhaust all our possibilities in the direction of completing our judicial equipment. It might be desirable for us to set up our own honorary magistracy, and provide ourselves with all the machinery necessary for discharging the functions of the Commonwealth. For instance, I understand that at present our naturalization papers have to be taken to States justices of the peace to be attested. I do not see why we should not fully equip ourselves in every respect so far as the administration of our laws is concerned.

Mr. ISAACS (Indi—Attorney-General) [3.50].—I should like to point out two matters that are deserving of attention. In the first place, in section 86 of the Rules of Court, there is a sub-clause which gives power to the Judges to pass Rules of Court generally regulating all matters of practice and procedure in the High Court, and other Federal Courts, and, as far as may be necessary, in Courts of Federal jurisdiction. It was intended that the High Court should have the power indicated by the amendment, and the provision now proposed to be inserted will make the position quite clear. We are not taking away any one's right. We are not interfering

with any State Court, nor are we requiring that any State tribunal shall be compelled to listen to practitioners who are not entitled, under ordinary circumstances, to appear before them. We desire, however, to give to the High Court powers which will remove it from its present position of absolute dependence upon the States Courts with regard to practitioners. If the Justices make a rule which is considered objectionable, it is within our power to deal with it. Section 87 of the Act requires that the Rules of Court shall be laid before Parliament, and provides that they may be annulled within forty days. Therefore, Parliament has the whole matter within its control. Under these circumstances, I do not see how we can do any wrong by adopting the amendment.

Mr. CROUCH (Corio) [3.52].—I am very glad that the honorable member for Parramatta has shown the necessity for bringing about uniformity of practice in regard to the appearance of practitioners before the Federal and States Courts. I think we should go one step further than is proposed by the honorable member for Kalgoorlie, and permit the High Court to make rules with regard to practitioners who appear in Courts exercising Federal jurisdiction.

Mr. ISAACS.—That would interfere with the States Courts—we have no power to do that.

Mr. CROUCH.—If the Attorney-General will look at section 50 of the Act he will find that that power is already exercised with regard to the Crown Solicitor, who is entitled to practice in any Federal Court or Court exercising Federal jurisdiction.

Mr. ISAACS.—I still hold to my opinion.

Mr. CROUCH.—Does the Attorney-General mean that the Crown Solicitor has no right to appear in a Court exercising Federal jurisdiction?

Mr. ISAACS.—I shall not say one word about the right of the Crown Solicitor. The Commonwealth has the right to be represented in Courts exercising Federal jurisdiction, and the Crown Solicitor, who represents the Commonwealth, stands in a position entirely different from that occupied by counsel representing private persons.

Mr. CROUCH.—If we can empower the Crown Solicitor to appear in Courts

exercising Federal jurisdiction, we must surely be in a position to confer similar authority on others.

Mr. ISAACS.—The Crown Solicitor represents the Commonwealth, and appears as our agent in the Courts exercising Federal jurisdiction.

Mr. CROUCH. — A State Court is a Federal Court to the extent to which it exercises Federal jurisdiction, and there can be no question about our power to determine what practitioners should appear before such Court. The honorable member for Parramatta pointed out the desirability of bringing about reciprocity in regard to the appearance of solicitors and barristers before the States and Commonwealth Courts. It is a crying shame that, owing to local jealousies, we have not yet been able to establish reciprocal relations in this matter. I think that we might take a step in this direction by extending the scope of the amendment, and I therefore move—

That the amendment be amended by inserting after the word "Court," line 7, the words "or Court exercising Federal jurisdiction."

Unless we go this length, I am afraid that great confusion will arise. Suppose, for instance, that the honorable member for Parramatta became a Federal solicitor. He would put up a brass plate bearing the name and description, "Joseph Cook, solicitor." Persons acquainted with his rhetorical ability, and with a full appreciation of his fighting powers, would probably consult him in their troubles. He would then have to tell them, "I cannot advise you as a State solicitor, because if I did so, I should incur the penalty imposed by the States Courts upon those who practice without authority. If, however, you first pay me my fee of 6s. 8d., and then tell me your story, I shall be able to judge whether I can take your case into a Federal Court, and therein act as your solicitor." If the matter were one of conveyancing, the honorable member would have to tell his would-be client that he could not undertake the case, because he was not a State solicitor. I venture to say that the adoption of the amendment, without the addition I suggest, would lead to endless confusion, because it would be necessary to draw a distinction between Federal solicitors and barristers and States solicitors and barristers.

Mr. JOSEPH COOK (Parramatta) [3.55].—There is only one objection to be urged in regard to the remarks of the honorable and learned member for Corio, and

that is that he mentioned altogether too small a fee. I wish it to be clearly understood that my minimum fee will be £5 5s. Much as I sympathize with his objective, I do not think that the honorable and learned member is adopting the right course. I think it will be sufficient if, after the amendment has been passed, the Attorney-General will communicate with the Chief Justice, and suggest that some arrangement should be entered into with the Judges of the States with a view to arriving at a common basis of action. I agree that it would be anomalous to create Federal practitioners who could not practice in any of the States Courts, but I think that the matter could be arranged amicably.

Mr. CROUCH.—The States Legislatures would have to deal with the matter.

Mr. JOSEPH COOK.—That is not the case in New South Wales, because the practice there is governed by the Rules of Court.

Mr. ISAACS (Indi—Attorney-General) [3.56].—I think that there is a great deal in the suggestion of the honorable member for Parramatta. It is highly desirable that we should arrive at uniformity in the matter referred to. At present a practitioner admitted in Western Australia may practise in the High Court, wherever it may be sitting, even in Victoria, although he would have no *locus standi* in the Victorian State Courts. If the Bill becomes law, I shall undertake to ask the Chief Justice if he can see his way to communicate with the Chief Justices of the States, with a view to securing uniformity.

Mr. WEBSTER (Gwvdir) [3.57].—Measures such as that now before us are sometimes very puzzling to laymen. I cannot see any reason why some general rule should not be adopted that would apply to practitioners in Federal and States Courts alike. I am very pleased that the honorable and learned member for Corio mentioned the matter. He indicated that the initial charge made by a Federal solicitor, such as the honorable member for Parramatta might become, would be 6s. 8d. The sudden jump made by the honorable member for Parramatta from 6s. 8d. to £5 5s. may afford some indication of the readiness with which that honorable gentleman sometimes changes his opinions. I do not think we should interfere in this matter until we can make a thorough change, and bring about uniform rules.

Amendment of the amendment declared to have passed in the affirmative.

The CHAIRMAN.—As there was only one voice raised against the amendment, I take it that there has been a misunderstanding on the part of honorable members.

Mr. CROUCH.—There has been no misunderstanding whatever. As you, sir, have declared that the "Ayes" have it, I object to the question being again put.

The CHAIRMAN.—I would point out to the honorable and learned member that it is the common practice in this and in all legislative bodies, in cases where misunderstanding has arisen, to put the question again. No further debate, however, can be allowed.

Amendment of the amendment negatived.

Proposed new clause agreed to.

Bill reported.

Motion (by Mr. ISAACS) agreed to—

That the Standing Orders be suspended so as to allow the Bill to pass through its remaining stages this day.

Report adopted.

Bill read a third time.

ADJOURNMENT.

ORDER OF BUSINESS: TARIFF REVISION: NORTHERN TERRITORY.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [4.5].—In moving—

That the House do now adjourn,

I desire to say that the debate upon the contract for the mail service to Europe will be proceeded with on Tuesday afternoon. If my honorable colleague, the Minister of Trade and Customs, is able to be present, it will be preceded by his explanation of the provisions of the Bounties Bill. He wishes me to call public attention to a statement made by the Chairman of the Tariff Commission, and which was published in last Tuesday's *Argus*, in the course of which, speaking of the Tariff Commission's report, he said—

Unexpected debate may be raised over details, I have already received a letter from one of the leading distillers in Australia, in which he says:—"The report is, on the whole, highly satisfactory to us, and we think also that it will give great satisfaction to Australian distillers generally." Then he goes on to refer to certain conditions and methods of distillation, discussed in the report, which he regards as flaws, and says that, although they are quite subsidiary, they will not go unchallenged, and that the points raised will surely be debated in Parliament. This looks like an appeal from the Commission to Parliament. It was the possibility of the discussion of details, rather than

of fundamental principles, that I had in my mind when I urged immediate consideration and no further delay.

May I say that the proper course for the distillers in question to adopt—or for any persons who have any practical suggestions to make, either in reference to reports of the Tariff Commission which have already been presented, or which have yet to be presented—is to communicate immediately, and as fully and clearly as possible with the Minister of Trade and Customs. Then, instead of their complaints being launched in the House, without having first received that expert consideration which will require to be given them, and which I presume the members of the Tariff Commission will not now undertake, the Minister will be informed of them, and his officers will be able to criticise them before their submission to Parliament.

Mr. FISHER.—That is always the case.

Mr. DEAKIN.—So I hope. But we hear of a communication forwarded to the Chairman of the Tariff Commission after it has presented its report upon a particular subject—a communication of which my colleague and his officers have no knowledge. Time will be lost, unless the course which I have suggested, is followed. Persons having any complaints to make, should at once write fully to the Minister of Trade and Customs in order that he may have the matters to which they take exception inquired into before the debate takes place in this House. We all desire to save time. We already feel the pressure of the session's work. More reports are promised by the Tariff Commission, and in order to obviate any adjournment of the discussions upon them, we wish those affected by the reports of the Commission to communicate at once with the Minister. His officers will give the representations their best consideration.

Mr. JOSEPH COOK (Parramatta) [4.9].—I think that the Prime Minister has unquestionably indicated the proper course for these individuals outside to pursue, though I do not think there is any need for them to confine their representations to the Minister of Trade and Customs. I presume that any Member of Parliament will be open to receive such representations. I also think that the Chairman of the Tariff Commission adopted the proper course in making public the communication to which the Prime Minister

has referred, seeing that the Commission's inquiry into the particular matters mentioned had closed.

Sir LANGDON BONYTHON (Barker) [4.11].—According to a telegram which appears in the morning newspapers, Mr. V. L. Solomon, in the South Australian Parliament yesterday, advised the State Government to withdraw from the negotiations with the Commonwealth Government for the transfer of the Northern Territory, upon the ground that the Prime Minister had flouted the proposal to construct a railway from Oodnadatta to Pine Creek. I wish to ask the Prime Minister whether there is any justification whatever for that suggestion, whether any communications have recently passed between himself and the South Australian Government in reference to the Northern Territory, and, if so, will he lay the correspondence upon the table of the House?

Mr. FOWLER (Perth) [4.12].—In connexion with the matter which has been raised by the Prime Minister, I merely wish to say that the Tariff Commission has always made it perfectly clear to those who have forwarded letters to it, that their communications could not carry any weight unless the writers appeared before the Commission and gave sworn testimony. Since we have ceased taking evidence, every person who has written to the Commission has been notified that his letter can have no effect, so far as that body is concerned. Consequently it is for them to take whatever course of action they may deem necessary. I take it that, as far as the Commission is concerned, its members will heartily indorse the suggestion that such communications should be forwarded to the Minister of Trade and Customs, since he is the Minister who is primarily interested in the consideration of the Commission's reports.

Mr. KELLY (Wentworth) [4.13].—Following upon the remarks of the honorable member for Barker, I should like to ask the Prime Minister whether any hostile step has been taken in this House to the proposed Oodnadatta to Pine Creek railway, with the exception of the motion submitted by the honorable member for Coolgardie, the adoption of which would have precluded the Government from taking into consideration the construction of that line?

Mr. DEAKIN (Ballarat—Minister of External Affairs) [4.14].—In reply to the honorable member for Barker, I desire to say that I have no more been guilty of

flouting the proposal to construct a line from Oodnadatta to Pine Creek than I have of speaking disrespectfully of the equator. I should be equally sorry to take either course. Neither have I been guided in any remarks that I have made—as Mr. Solomon indicates—by any influence brought to bear from Western Australia or any other State. The proposal which the honorable member for Coolgardie submitted, and to which the honorable member for Wentworth has referred, is in the nature of a counter proposal preliminary to the consideration of the terms upon which the transfer of the Territory should be effected.

Mr. FOWLER.—The two railway proposals are not necessarily hostile.

Sir LANGDON BONYTHON.—Certainly not.

Mr. DEAKIN.—Not in the least. One railway would go north, and the other west, so that it cannot reasonably be urged that they are in antagonism. The honorable member for Barker also inquired if any further negotiations were proceeding. Within the last day or two I have received an answer from the South Australian Government to my previous communication. My reply to that is now on its way to Adelaide. Upon Tuesday next I shall be able to lay the correspondence on the table of the House.

Question resolved in the affirmative.

House adjourned at 4.15 p.m.

House of Representatives.

Tuesday, 24 July, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

PRINTING COMMITTEE.

Report (No. 2) presented by Mr. WATKINS, read by the Clerk, and agreed to.

MAIL SERVICE TO EUROPE.

Mr. JOHNSON.—I wish to ask the Minister representing the Postmaster General, whether the Postmaster-General, before agreeing to the terms of the mail contract, took steps to obtain from Sir James Laing and Sons, Limited, an authoritative extract minute from their official minute book, giving the precise wording of the authority

delegated to Mr. Croker to sign the contract on behalf of the firm?

Mr. DEAKIN.—That course was unnecessary. A contract was signed by Mr. Croker, whom we hold liable. He has given us an undertaking that it will be confirmed by his principals, and the principals have deposited a bark guarantee in London.

Mr. DUGALD THOMSON.—Have we the assurance of the Prime Minister that the tonnage of the steamers set down in the contract is net registered tonnage, and not gross tonnage, or tonnage under deck?

Mr. DEAKIN.—It is registered tonnage. Those are the words used in the contract.

Mr. DUGALD THOMSON.—Is the Prime Minister satisfied that those words mean net registered tonnage, that is, the tonnage inscribed on the hatchway of a vessel? There is a gross registered tonnage as well as a net registered tonnage.

Mr. DEAKIN.—The term used in the contract was used intentionally, and covers all intended. It has not been used by misadventure or by mistake.

MILITARY CLOTHING.

Mr. CROUCH asked the Minister representing the Minister of Defence, *upon notice*—

Whether he will postpone the contemplated alteration in the use of khaki for military clothing until Parliament has an opportunity of considering the question on the Estimates?

Mr. EWING.—The answer to the honorable and learned member's question is as follows:—

The decision of the Military Board relative to uniform promulgated for the information and guidance of Commandants as far back as November, 1905, was that Commanding Officers who so desired could retain the full dress in use prior to Federation, but must adopt the khaki uniform for service, ordinary parades, camps, &c. The Board does not know what action has been taken by Commanding Officers of regiments and corps, who desire to revert to the old full dress uniform, but inquiries are being made with a view to obtaining full particulars. When these particulars have been received, the whole matter will receive the Minister's consideration, and a definite reply to the honorable member's question will be given.

RETURN OF CAPTAIN CRESWELL.

Mr. EWING.—On Friday last, the honorable member for Wentworth asked the following questions:—

1. Is it not a fact that Captain Creswell went to England to gain for the Government "the latest information regarding naval development"?

2. Is it not a fact that Captain Creswell was invited while in England to attend the Naval Manœuvres, held last month?

3. Is it not a fact that he accepted this invitation?

4. Is it not a fact that he afterwards returned to Australia without availing himself of this unique opportunity of gaining actual sea experience, valuable alike to himself and to the Commonwealth?

5. Is it a fact, as stated in the House yesterday, that he so returned without Ministerial sanction?

6. If so, what explanation is offered for this unexpected return?

I am now in a position to supply the information asked for, the answers being as follow:—

1. Yes; but to leave England on his return so as to be back in Melbourne early in June. Subsequently, the Minister granted an extension of time to enable him to attend the manœuvres, but to return to Australia immediately after.

2 and 3. No. Of his own volition, Captain Creswell, on the 29th of May, applied through the Colonial Office for permission to attend the manœuvres. Permission was not granted by the Admiralty until the 8th June (the eve of the manœuvres), when he was informed that he could join the cruiser *Sulley*. This vessel was compelled to return to port two days after starting to undergo extensive repairs.

4. Captain Creswell did not avail himself of the permission granted, but returned to Australia.

5. Ministerial sanction to return to Australia in accordance with his original instructions was not necessary.

6. Captain Creswell explains that he decided to return in accordance with his original instructions in consequence of the nature of certain confidential information which he received from the Colonial Office on the 8th June, and also the fact that the cabled permission to remain for the manœuvres indicated that his early return was desirable.

ROYAL COMMISSIONS.

Motion by Mr. KELLY (for Mr. LONSDALE) proposed—

That there be laid upon the Table of the House a return showing—

1. The number of Royal Commissions appointed during this and the preceding Parliament?
2. What are the names and subjects of such Commissions?
3. What are the names of movers and seconders?
4. What are the names of members composing them?
5. What is the total cost of each Commission, giving details as to fees, personal expenses, printing, and other matters?
6. What is the total amount paid to each member?
7. What is the aggregate cost of the whole?

Mr. CROUCH.—I oppose the motion.

Mr. TUDOR.—I desire to move two amendments.

Mr. SPEAKER.—As the honorable and learned member for Corio has intimated that he opposes the motion, it must be set down for another day. Notice of the amendments which the honorable member proposes to move will, if handed in, appear on the business-paper.

Mr. TUDOR. — Must I give notice of them now, or will it be enough to hand them to the Clerk?

Mr. SPEAKER.—The time for giving notices of motion in the ordinary way expired when I called on the business of the day.

PAPER.

Mr. DEAKIN laid upon the table the following paper:—

Correspondence between the Prime Minister and the Premier of South Australia relative to the transfer of the Northern Territory to the Commonwealth.

MAIL SERVICE TO EUROPE.

Debate resumed from 18th July (*vide* page 1457), on motion by Mr. AUSTIN CHAPMAN—

That this House approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons, Limited, for the carriage of mails between Adelaide and Brindisi.

Upon which Mr. THOMAS had moved, by way of amendment—

That all the words after the word "House" be left out, with a view to insert in lieu thereof the words, "is of opinion that, in the best interests of the Commonwealth, the Government should purchase and control a fleet of mail steamers capable of maintaining a fortnightly mail service between Australia and Great Britain."

Mr. JOSEPH COOK (Parramatta) [2.39].—I regret that, owing to the manipulation of the business-paper, I must address myself to this motion after scarcely any preparation beyond a cursory glance through the conditions of the contract. I had expected to obtain a little time this afternoon for the putting of my thoughts into something like proper order while the motion for the partial suspension of standing order 241 was being discussed, and the second reading of the Bounties Bill was being moved by the Minister of Trade and Customs. With regard to the proposed mail contract, I have arrived at the conclusion that there is nothing for us to

do but to criticise its terms, and point out its shortcomings, and leave the Government to bear the ultimate responsibility. In the absence of full information, we do not know whether or not to approve of the contract. In the light of what has been disclosed, however, I say at once that if the Government can establish the new service under the conditions set out in the contract, they will make an excellent bargain for the Commonwealth. Anything that shortens the distance between London and Adelaide is of the very essence of reform, and if the Government can, for the sum mentioned in the contract, bring us forty-eight hours nearer to London they will accomplish a very good stroke of business. I do not anticipate that the service will be shortened by the further twenty-four hours provided for in the contract, because the agreement is so loosely drafted that apparently it will be entirely optional with the contractor to effect that improvement. The first thing that strikes me is the agency through which this business has been conducted in Australia. I find that the contract is signed by "W. H. Croker." I have not the pleasure of that gentleman's acquaintance, and I do not know whether he is identical with the barrister who represented the Victorian Government at the inquiry conducted by the Butter Commission, and received fees of so respectable a character. If he be the same Mr. Croker, I presume that he is a very able man of business. At any rate, I take it that the Government have satisfied themselves upon that point. I notice that he has signed the contract as the agent of Sir James Laing and Sons, and that he has also attached his name as the representative of the contractors. At page 11 he has signed "W. H. Croker, for the contractors," whereas on page 4 he has signed "by their agent, W. H. Croker." Although the contract requires that certain things shall be done by the contractors or their attorney, nothing is said as to the possession by Mr. Croker of any power of attorney. In clause 41, for instance, it is provided that certain things shall be done "by the contractor or his attorney." In that particular case reference is made to arbitration, but apart from that matter altogether, the contract clearly sets forth that the contractor "or his attorney" shall be one of the parties to the agreement; whereas there is no mention of the attorney when the contract comes to be finally

settled and signed. I do not know whether the Minister has satisfied himself as to the propriety of Mr. Croker signing in two different capacities, and in neither instance in the terms set out in the conditions of contract.

Mr. MAHON.—Has not the contract been approved of by the Crown Solicitor?

Mr. JOSEPH COOK.—I should think so; because he has signed as one of the witnesses. I hope, however, that my honorable friend does not think that I am doing anything out of the way in asking for a little information.

Mr. MAHON.—I think that the honorable member is debating a purely legal question.

Mr. JOSEPH COOK.—I think so too, but I do not think that there is anything to prevent me from adopting that course.

Mr. MAHON.—Nothing at all, except the uselessness of it.

Mr. JOSEPH COOK.—I have merely asked for information in a respectful way, and I hope that the honorable member will cease his impertinent interjections.

Mr. MAHON.—If the honorable member thinks they are impertinent, I shall cease them.

Mr. JOSEPH COOK.—Notwithstanding the fact that the contract has been approved of by the Crown Solicitor, we may well ask why, in executing the contract, a departure has been made from the conditions set forth. The matter is not of such small concern as the remarks of the honorable member for Coolgardie would seem to indicate, because we know absolutely nothing about the people who are behind, or with, Sir James Laing and Sons in the carrying out of the contract.

Mr. EWING.—Sir James Laing and Sons are strong enough to stand by themselves.

Mr. JOSEPH COOK.—So far as I can ascertain, they have never yet built any mail steamers—it is not their line of business. They have confined their operations to the building of sailing ships and tramp steamers.

Mr. EWING.—They have built some vessels for the Royal Navy.

Mr. JOSEPH COOK.—They have not built a single mail-boat of the description indicated in the contract, and, therefore, I think that the Government should have completely satisfied themselves as to their ability to fulfil the agreement. I dare say they have done so, and if so, what harm could have been done by their telling us all

about the arrangements entered into by the company for building the steamers.

Mr. WATSON.—Did we ever know who was behind the Orient Steam Navigation Company, excepting Messrs. Anderson, Anderson and Company?

Mr. JOSEPH COOK.—The affairs of the Orient Steam Navigation Company as a public company have always been open to the fullest investigation, so far as we know.

Mr. WATSON.—Yes, but in the first instance we knew of them only as a proprietary concern.

Mr. JOSEPH COOK.—I would point out that there is a great distinction between Sir James Laing and Sons and the Orient and Peninsular and Oriental Steam Navigation companies, which are very old concerns.

Mr. WATSON.—There was a wide difference between the Peninsular and Oriental Steam Navigation Company and the Orient Company.

Mr. JOSEPH COOK.—When we made contracts with those companies, we knew that they had fleets of steamers running.

Mr. WATSON.—When we made the first contract with the Orient Steam Navigation Company they had no fleet of steamers in operation—they had to hire vessels.

Mr. JOSEPH COOK.—Is the honorable member quite clear about that?

Mr. WATSON.—I am so informed.

Mr. JOSEPH COOK.—This firm has not constructed a single vessel which is suitable for a mail steamer. Therefore, we are entitled to ask the Government whether they have satisfied themselves of the capacity of Sir James Laing and Sons to build boats of this description, and, if so, what guarantee they have of their *bona fides*? I am informed that they have never constructed a vessel of this character—they have not gone into that kind of business at all. Of course this contract may furnish them with the necessary opening. Probably it will. They may have secured this contract at the value of the option mentioned with a view to taking it upon the market and thus obtaining the requisite capital with which to launch out into this new ship-building enterprise. If so, I would not doubt their capacity to carry out the undertaking, but I do think that the Government should have satisfied themselves as to whether the contractors intend to proceed upon those lines. I fail to see why they should not tell the

House all that they know of the *bona fides* of this firm, and of their ability to carry out the contract.

Mr. BAMFORD.—Assuming that the Government investigation were not satisfactory, what would the honorable member suggest?

Mr. JOSEPH COOK.—I would suggest that we should adhere to the present contract until we can get a better one. I should think that that would be obvious to the honorable member. If Sir James Laing and Sons can carry out this undertaking and provide us with a forty-eight hours quicker service to London, the Government will have made a very excellent bargain for the Commonwealth. I do not desire to place any obstacle in the way of achieving that result, but I do say that in return we are entitled to know whether this contract is in the nature of a pure speculation or not, and what proof can be supplied of the *bona fides* of Sir James Laing and Sons as mail contractors. I find, from the papers which have been placed in the hands of honorable members, that at least eight boats of 11,000 tons register will require to be constructed to give effect to the undertaking. The Prime Minister has declared that this registered tonnage means exactly what it says. But I wish to again ask whether it means net tonnage or gross tonnage, because there is all the difference in the world between the two things.

Mr. WATSON.—Registered tonnage is nearly always interpreted to mean gross tonnage.

Mr. JOSEPH COOK.—I am informed by the honorable member for North Sydney that both net and gross tonnage are registered tonnage.

Mr. WATSON.—Whenever we hear a vessel of 11,000 or 12,000 tons spoken of, it nearly always means gross tonnage.

Mr. DEAKIN.—I can now answer the first question put by the honorable member for Parramatta. Sir James Laing and Sons Limited have constructed vessels for such well-known companies as the Peninsular and Oriental, Royal Mail, West India and Pacific, Union Castle, British India, British and Colonial, Levlands, Natal Direct Line, Compagnie Havraise Peninsulaire, Toyen, Kishen Kaisha, &c.

Mr. JOSEPH COOK.—From what is the Prime Minister quoting?

Mr. DEAKIN.—From the *West Australian* newspaper of Tuesday, 10th July, which contains a long article giving dates and details of the manufactures of the firm.

Mr. JOSEPH COOK.—My information is from a very reliable authority, and I prefer to accept it to a newspaper report of that kind.

Mr. DEAKIN.—The newspaper report gives details.

Mr. JOSEPH COOK.—I am assured by gentlemen in Australia who are thoroughly familiar with shipping matters that the firm of Sir James Laing and Sons has never constructed a mail steamer of any kind—that it has not engaged in that kind of business. Hitherto, it has confined its attention to sailing vessels and tramp steamers. Up to date, it has not undertaken the building of swift passenger and mail boats.

Mr. WILKS.—The quotation by the Prime Minister may apply to the cargo steamers belonging to mail companies.

Mr. JOSEPH COOK.—Possibly. The interjection of the honorable member for Dalley is one which the Prime Minister might perhaps take into consideration at once. Sir James Laing and Sons may have constructed cargo boats for these mail companies.

Mr. DEAKIN.—They have built ships more than 700 feet long.

Mr. JOSEPH COOK.—That may be true, and yet those vessels may be cargo boats.

Mr. EWING.—Sir James Laing and Sons stand high amongst the ship-builders of Great Britain.

Mr. JOSEPH COOK.—I am aware of that. I am merely pointing out that up to date they have only specialized in a particular class of steam-ships, and that, consequently, we have no guarantee that they themselves will build the vessels with which to carry out this contract. Of course, there is the alternative that, upon the strength of having obtained this contract, they may be able to secure sufficient capital to enable them to embark upon this new ship-building enterprise. If so, the Government should have satisfied themselves as to the facts of the case in this particular regard.

Mr. EWING.—If they neglect to go on with the contract they will lose £27,500.

Mr. JOSEPH COOK.—That would be a mere fleabite to them. By-the-bye, I should like to make some reference to that matter at once. We have been told that the

amount which will be forfeited by the contractors in case of non-fulfilment of the contract is £25,000. But I would point out that the contract itself is so drawn that under no circumstances whatever can we recover more than that sum. No matter what may be the damages in which the firm may land the Commonwealth by any failure on their part, the full extent of their liability is £25,000. That sum is to be regarded as a liquidation of damages, and not as a penalty.

Mr. DEAKIN.—It is not a limitation. On the contrary, it strengthens our position very much.

Mr. JOSEPH COOK.—I do not think so.

Mr. DEAKIN. — It does. Every legal member will recognise the force of that contention.

Mr. McCAY.—It does not enable the Government to recover more from the contractors.

Mr. DEAKIN.—But it enables us to get the whole of the amount with very much less difficulty.

Mr. JOSEPH COOK.—That is so, but I am pointing out how unfair the contract is as between one side and the other. Let us suppose that the contract is not proceeded with. Let us assume that twelve months hence Sir James Laing and Sons say, "We have not the requisite capital, and cannot fulfil the contract. We will forfeit the £25,000 which we have deposited." What will be the result to the Commonwealth? If we decided to accept the next lowest tender it would involve us in the payment of an additional £300,000 during the currency of the contract. That tender, I understand, is £30,000 a year more than the amount demanded by Sir James Laing and Sons, so that in the event of the successful contractors being guilty of a breach of the contract we should incur a penalty of £300,000 during the currency of the contract. Seeing that Sir James Laing and Sons would forfeit only £25,000 should they fail to complete the undertaking, and that the Commonwealth would lose at least £300,000, the position to me seems a very one-sided and unequal one. I admit that such a risk might safely be incurred in the case of companies which are established, and which we know would carry out the contract—companies which have carried out such contracts in times past, and upon whose experience therefore we might

confidently rely. But here is a firm which, so far as we know, has not yet entered upon the business of mail contractors at all. It has not yet constructed a vessel of the calibre of those required to carry out the contract. If twelve months hence it was unable to complete the contract—seeing that the existing contract would then have only six months to run—the probabilities are that the price for the conveyance of our mails would be increased very considerably. Consequently I say that the minimum possible penalty which the Commonwealth would incur in case of a forfeiture on the part of Sir Thomas Laing and Sons is £300,000, and that it might—and probably would—amount to £500,000. But the contractors would escape by forfeiting £25,000, and in the contract itself we expressly bar ourselves from suing for any further penalty, no matter what the damages may actually be to us. I believe that in connexion with an undertaking of this kind, where, so far as we know, the contractors are treading upon virgin ground, and where all the risks incidental to the undertaking are to be met, there ought to be some approximation as to the liability on both sides. If we are to stand to lose to the extent I have indicated the contractors should also be liable to lose similarly in the case of failure or forfeiture. If the contracting firm is a big one, that ought to increase, rather than lessen, the liability to penalty. I, therefore, think that this part of the contract ought to be rectified in the direction I have suggested. It is said that no deposit is required in connexion with our present contract, but the difference is that the Orient Company is a going concern, having interests in Australia. It has been contracting with Australian Governments for the last twenty, thirty, or forty years, and, therefore, the same penalties are not requirable as are necessary in connexion with a totally new company in a totally unexplored field. I hope that the Minister will tell us as much as he can—I think he ought to tell us all he knows—about the operations of the contracting company, and what guarantee the Government have that the contract will be carried out in the way provided.

Mr. FISHER.—Does the honorable member desire a larger deposit?

Mr. JOSEPH COOK.—I am speaking not of the deposit, but of the penalty for forfeiture. Clause 10 provides that the

whole amount which is enforceable as liquidated damages is £25,000. The Commonwealth will be unable to recover a half-penny by way of penalty; the amount of the deposit represents the whole penalty to which they can be held, no matter what the consequences may be to us.

Mr. FISHER.—If the company do not proceed at once with the construction of the steamers we can enforce the penalty.

Mr. JOSEPH COOK.—No; we can enforce no penalty; all that we can do is to liquidate the damages to the extent of the deposit of £25,000.

Mr. FISHER.—I think that is very fair.

Mr. JOSEPH COOK.—It is so far as it goes, and I am not complaining of it. My only complaint is that by this contract we shall specifically exempt them from any other penalty.

Mr. EWING.—Will the honorable member read clause 10, and then turn to clause 38 of the General Conditions. I think that if he does so the position will be explained to him. The condition in clause 38 relates to clause 10.

Mr. MAHON.—And so with clause 39.

Mr. JOSEPH COOK.—Yes, but we still have the same limit.

Mr. EWING.—Under clause 38 the contractors are required to enter into a bond in a sum equal to one-fifth of the annual subsidy, and to find sureties for the due performance of the contract.

Mr. JOSEPH COOK.—But the limit to which I have referred applies even to that condition. All that clause 38 provides is that we may obtain the total amount of £25,000 as we proceed.

Mr. EWING.—The General Conditions come in.

Mr. JOSEPH COOK.—No; the conditions and the contract itself are both limited by the provision as to the £25,000. In connexion with an undertaking like this, which appears, on the face of it, to be of a largely speculative character, the question of penalties ought to be an open one. In other words, we should be able to recover whatever penalty the Court may decide that the contractors are liable to pay, just as we should have to foot the bill if any clause of a penal character applied to us in case of the forfeiture of the contract. The contractors might land us in a further expenditure of £500,000, and all we could do in the way of recovering penalties would be to secure the £25,000 already deposited. It occurs to me that

this is a very unequal arrangement in connexion with a new mail contract of this kind. There seems to be an implication in clause 5 that the period of transit between Brindisi and Adelaide may be cut down from 636 hours to 612 hours; but, strange to say, the drafting is such that, whilst it is implied that such an acceleration of speed may be required, there does not appear to be any compulsion on the part of the contractors to comply with that requirement.

Mr. FISHER.—The honorable member is quite right; the provision is very ambiguous.

Mr. JOSEPH COOK.—In clause 5 we have the words—

In the event of the Postmaster-General requiring the said "period of transit" on the voyage from Brindisi to Adelaide to be reduced to 612 hours—

and so forth. But there is nothing requiring that the period of transit shall be so reduced.

Mr. EWING.—If the demand be made it must be complied with.

Mr. JOSEPH COOK.—There is nothing in the clause which provides that the contractors shall be bound to comply with the requirement of the Postmaster-General.

Mr. DEAKIN.—If it is not clear, it will be made quite clear.

Mr. JOSEPH COOK.—If the honorable and learned gentleman turns to clause 5 of the contract—

Mr. DEAKIN.—It would not appear in clause 5; that clause is all right.

Mr. JOSEPH COOK.—I do not find in any other part of the contract a provision setting forth that the contractors shall be bound to comply with the requirement of the Postmaster-General in this regard. All that I find is the provision that the Postmaster-General may require this reduction in the period of transit, and that if the requirement be complied with a further sum, not exceeding £25,000, shall be claimable by the contractors. But the contractors may say, "We cannot do it—we will not do it," and, so far as I can see, there is nothing in the contract or the general conditions that would enable us to compel them to comply with the requirements.

Mr. EWING.—Clause 5 must mean something. If it does not mean that we have this power, what does it mean?

Mr. JOSEPH COOK.—That is what I desire to know.

Mr. FISHER.—There is no penalty enforceable if the contractor does not comply with this requirement.

Mr. DEAKIN.—There will be.

Mr. JOSEPH COOK.—In clause 6 we have again a piece of drafting that I do not feel able to appreciate. I desire to know what it means. It sets forth that if, during the sixth year of the service, any competing line of mail-ships provides an accelerated service, we may require the contracting company to do the same. That is to say, if, in the meantime, the Peninsular and Oriental Steam Navigation Company, as the result of arrangements with the Imperial Government, has accelerated its service, we may require our contractors to give a speedier service in the sixth year of the contract. But why the sixth year? Why not the fourth or the seventh year? Under the clause, as it stands, if such a demand were made in the fourth or the seventh year, the contracting company might very well plead that it was not bound to comply with it, since only the sixth year was specifically named in the agreement. It seems to me that other years are specifically excluded. I admit that this is a matter for the lawyers to determine, but it occurs to me that the drafting in the first line of the sixth clause should be widened.

Mr. EWING.—The honorable member understands that it is a long contract, and—

Mr. JOSEPH COOK.—I think I understand the purpose in view.

Mr. EWING.—The intention of the clause is that the service shall be kept up-to-date.

Mr. JOSEPH COOK.—I take it that if, during the fourth or the seventh year of the contract, a quicker service were provided by another company, there would be no power to require the contractors to give us an accelerated service. I know, of course, that that is not intended, but it occurs to me that that is what the clause as drafted would mean. Then again, I direct attention to paragraph *c* of clause 6, in which the words—

The extended period for which such improved and accelerated service shall continue, appear. Is that extended period to be a period within the ten years or beyond it? If it is to be a further period beyond the ten years, it means a general power to extend this contract. I take it that the Government could not do that without coming

to Parliament and practically making a fresh contract. So that if the period referred to is a period within the ten years, it occurs to me that the clause might have been made very much clearer than it is. But—

The extended period for which such improved and accelerated service shall continue, might very well, if taken by itself, without reference to the whole contract, be taken as conferring upon the Minister a general power to extend this contract beyond the ten years. That would seem to be the more reasonable supposition, because, to increase the speed of these boats might mean a revolution in the position of the company; might mean a necessary increase in its capital; might mean the substitution of larger boats; might mean a complete change so far as the contractor was concerned. I do not know whether that is what the clause means, but I take it that as drawn, it is as much in the interests of the contractor as of the Commonwealth Government. That is to say, if the contractor finds during the sixth year referred to in the clause that he cannot carry out his contract, the clause will give him the right to say to the Postmaster-General, "I cannot comply with your speed requirements; I cannot run my boats as quickly as the Peninsular and Oriental Steam Navigation Company, with its new boats, can run theirs. I shall have to get out of the business. But I can charter some boats for a couple of years, so that you can make fresh arrangements for a new contract with this higher speed." That seems to me to be the underlying motive for the clause. I can see no other adequate reason for its insertion. If that be the reason, I think that it should have been cast in a plainer mould, so that we could read it without very much difficulty. There are two points that arise in connexion with paragraph *c* of clause 6. Does it mean that the extended period is to be governed by the ten years' period of the contract as a whole, or does it mean to confer power upon the Government to make a contract extending beyond the ten years' period without reference to Parliament?

Mr. EWING.—Paragraph *b* makes that perfectly clear. The Government could not alter this contract without the permission of Parliament.

Mr. DEAKIN.—Parliament would not find the money if it did.

Mr. JOSEPH COOK.—What does it mean, then?

Mr. DEAKIN.—It means that, with the consent of Parliament, the contract may be extended for a further period.

Mr. JOSEPH COOK.—Of course, the Government would have to come to Parliament; and, therefore, when you come to Parliament, this contract is at an end. To pass an Act of Parliament embodying a further proposal means setting up a new contract in place of this. The clause strikes me as being strangely worded. Does the fresh period contemplated commence in the sixth or tenth year?

Mr. DEAKIN.—Suppose they said to us, "The difference, between six years and ten years is only four; if you will make this a six years' contract from now we will undertake it for so much less." Parliament would have to consider it, however, if it went beyond the ten years.

Mr. JOSEPH COOK.—I think that the provision might be put in a clearer form. We should be able to determine the contract, and make a fresh one, not providing for all these emergent circumstances. However, these are matters of drafting. Clause 15 of the contract is another one to which I wish to call attention. It requires that if by any legislation we diminish the earnings of the company, or increase its expenses up to a margin of £5,000, at any time during the currency of the agreement, there shall be power either to determine the contract, or to make provision for further payment. Those words, again, cover a very wide field.

Mr. McCAY.—That provision is all right; it was in the last contract.

Mr. DEAKIN.—Yes, it was in the last one.

Mr. JOSEPH COOK.—I do not know that that makes it all right. It seems to me to be very loose indeed. For instance, it speaks of "legislation relating to shipping." "Relating to shipping" is legislation that may in any way interfere with the company's earnings, or with the conditions under which it runs its boats.

Mr. WATSON.—I take it that it would have to be legislation specifically relating to shipping.

Mr. JOSEPH COOK.—It does not say so. That is what I complain of. The clause is not sufficiently definite in its wording. It would, for instance, I suppose, cover such legislation as the Navigation Bill, or any proposal of that character. It might apply to such a measure

as the Anti-Trust Bill or the Commerce Act passed last session.

Mr. WATSON.—They do not "relate to shipping."

Mr. JOSEPH COOK.—They may affect shipping.

Mr. WATSON.—The words are "relating to," not "which affect."

Mr. JOSEPH COOK.—Relation must be taken in connexion with the general purport of the clause, which has to do with the diminution of the earnings of the company, or the increase of its expenses. I take it that any of the legislation which I have mentioned may possibly—nay more, probably will—diminish the earnings of these boats. Take the report of the Tariff Commission.

Mr. McCAY.—Both conditions have to be satisfied—the diminution of the earnings of the company and the legislation "relating to shipping."

Mr. JOSEPH COOK.—I know. Take, for instance, the reports of the Tariff Commission which have already been laid on the table of the House. It strikes me that if Messrs. Joshua's recommendations were carried out, there would be a great diminution of the earnings of ships with regard to the carriage of liquor to Australia.

Mr. WATSON.—Liquor does not come by mail steamer usually.

Mr. JOSEPH COOK.—Take the Anti-Trust Bill. Supposing that by our legislation we kept out the 1,300 harvesters, such as came in last year. The freight on those goods might tot up to a good round sum. It is also easy to conceive that the Tariff proposals might diminish the earnings of the boats by more than £5,000.

Mr. McCAY.—That would not be legislation "relating to shipping." It is legislation "relating to shipping" that is referred to, not the effect of legislation.

Mr. JOSEPH COOK.—I take it that the question of relation is bound up in the further question whether legislation diminishes the earnings or increases the expenses of the company.

Mr. THOMAS.—That is the important point.

Mr. JOSEPH COOK.—That is the only point provided for in the clause.

Mr. THOMAS.—So long as there is no interference with the earnings, the contracting company will not care what sort of legislation there is.

Mr. JOSEPH COOK.—Any legislation which does interfere—

Mr. McCAY.—Must still be shipping legislation.

Mr. JOSEPH COOK.—I do not know that; but the honorable and learned member reads these clauses with a great deal more experience than I can hope to bring to bear. At any rate, the point could be made much clearer. The term "relating to shipping" might be confined, for instance, to such measures as have been suggested, namely, the Navigation Bill, and legislation of that kind. Would the effect of the Arbitration Act, for example, be taken as "relating to shipping"? The Arbitration Act might increase the expenses of these mail ships if, as suggested in the report of the Navigation Commission, we insisted on bringing them within the operation of that Act. In such a case, the strong probabilities are that there would be an increase in the expenses of the vessels by a great deal more than £5,000 a year. I should think that legislation of the kind, which bears directly on the conditions under which ships are run, would be construed as legislation "relating to shipping." However, I hope the Minister will take care that the wording is made clear and definite; though there is no doubt, I think, as to the general meaning and intention.

Mr. McCAY.—The Arbitration Act came into operation prior to the agreement, and, therefore, that question could not arise.

Mr. JOSEPH COOK.—But the effects of the Arbitration Act might not begin to operate until afterwards.

Mr. McCAY.—This agreement is subsequent to the enactment of the Arbitration Act.

Mr. JOSEPH COOK.—That, I suppose, would cover the position. I should like to call attention to a departure in some of the conditions of this agreement from those of previous or existing contracts. For the first time, we have a purely mail contract, whereas, hitherto, we have required that the mail ships should go to Sydney, and, on their way, of course, call at Melbourne. That condition does not appear in the present agreement. We are told that the contractor shall be at liberty, at his own option, to continue the inward voyage of any mail ship beyond Adelaide, after calling at that port, and to commence the outward voyage from any port, provided there be a call at Adelaide. There is no requirement beyond Adelaide on the one end and Brindisi at the other;

and I should like to know from the Minister why that departure has been made. I have always sympathized with the claims of Queensland to have a port of that State made a port of call. I know, of course, that this would be a departure from the strict principle of a mail contract; but such departures are made in very many other directions, and are regarded as incidental to mail contracts, and, perhaps, as a collateral part of such contracts. However we may be disposed to regard this matter from a purely academic or purely legal point of view, I have always sympathized with the desire to encircle the whole continent as far as possible with these mail services. I remember that some years ago, I incurred a great deal of odium, temporarily, for consenting that the mail boats should call at Fremantle. I was subjected to much criticism for my action; but it seemed to me only proper consideration for Western Australia that the mail boats should call at Fremantle, where a harbour has been constructed at so huge an expense. And so with Queensland. As I say, I have every sympathy with the desire of the people of that State that the mail boats shall call regularly at Brisbane; and if the matter could be managed at a small increased cost, I am not quite sure that it should not be made a condition of the agreement for the vessels to call at all the ports of all the States of Australia. I do not believe that such a condition would make much difference to the speed of the mails, or very much affect the business of the contracting company; and the whole could be provided for in the one condition.

Mr. EWING.—The Government got very little assistance from the various States in the endeavour to meet them.

Mr. JOSEPH COOK.—I am afraid that only shows how unpopular this Government is with the States. I know of no reason why the States should fight so shy of us in this respect. I find the same complaint is made in the report of the Royal Commission; and, strangest of all ironies, the complaint is as to the action of the Labour Government in Queensland.

Mr. BAMFORD.—Do not speak of the Queensland Government as a "Labour Government," please.

Mr. JOSEPH COOK.—Is Mr. Kidston not a labour man?

Mr. BAMFORD.—No, he is not.

Mr. DAVID THOMSON.—Mr. Kidston is like the honorable member for Parramatta—he has left the Labour Party.

Mr. BAMFORD.—Mr. Kidston is an opportunist.

Mr. JOSEPH COOK.—Mr. Kidston is not like me, because, I believe, he signed the labour pledge.

Mr. WATSON.—The honorable member for Parramatta signed the labour pledge once.

Mr. JOSEPH COOK.—No, I did not.

Mr. WATSON.—Yes, the honorable member did—in the Temperance Hall, Sydney.

Mr. JOSEPH COOK.—No.

Mr. WATSON.—Yes, the honorable member did so—a pledge to abide by the caucus decision.

Mr. SPEAKER.—That has nothing to do with the question before the House.

Mr. JOSEPH COOK.—Did I sign the pledge about which the honorable member for Bland came to me?

Mr. WATSON.—No; that was another time. But the honorable member should not deny the pledge he did sign.

Mr. JOSEPH COOK.—This is only an aside. Mr. Speaker. If the Minister could by any possibility carry out the suggestion, I should like to see Queensland grouped in this agreement with the rest of the States, provided that could be done at a slight increase on the present cost. I see that there is involved in the building of the new mail ships the necessity for the supervision of their construction by the Commonwealth Government. So far as I know, that is a new requirement, and not an unimportant one.

Mr. EWING.—Hear, hear.

Mr. JOSEPH COOK.—There are to be eight new mail steamers, and it occurs to me that the supervision will represent no small item, if that supervision is to be at all effective.

Mr. EWING.—To refresh my memory, will the honorable member tell me in what paragraph that is provided?

Mr. JOSEPH COOK.—I cannot find the paragraph just at the moment, but I know that there is a condition that the Government shall supervise the construction of the vessels from time to time, making suggestions, and insisting on such requirements as seem to be necessary.

Mr. EWING.—That is only with regard to the type of the ships and the class of accommodation—it is not the supervision of the building of the ships.

Mr. JOSEPH COOK.—There are one or two references to this matter in the agreement.

Mr. EWING.—It was never intended to supervise the building of the ships.

Mr. JOSEPH COOK.—I take it that that is exactly what the supervision is intended to cover, and nothing else—to see that the type of the ships—

Mr. EWING.—Yes; but there is to be no supervision in the ordinary sense of supervision of men at work—it is not that class of supervision.

Mr. BATCHELOR.—The supervision is to see that sufficient progress is made.

Mr. EWING.—Yes; and in regard to the class of boats—what they will carry, and so on.

Mr. JOSEPH COOK.—This condition is set forth in paragraph 39, and is as follows:—

If any tender provides for mail ships to be built to carry out the contract, the Postmaster-General shall have the right from time to time, after the tender has been accepted by him, to cause inspections to be made in order to satisfy himself that sufficient progress is being made with the construction of the vessels to enable the contractor to commence and continue the contract in accordance with his tender and the conditions, and may demand from the contractor such information as he may require from him thereon.

There is further reference to this point in another part of the agreement; and it struck me that there was to be very close supervision exercised in regard to the construction of the vessels. If the provision is to be effective, it would be a very costly matter to supervise the building of eight large vessels such as these will be. We are told that the cost of construction will be at least £3,000,000, and the supervision of the expenditure of such an amount would no doubt be worth a considerable sum to a professional man. I take it that the Government will need to employ a professional man, if they propose to take any part, however slight, in the supervision of the construction of these vessels. I have pretty well exhausted what I had to say in criticism of the terms of this contract, but after all I have said by way of criticism, I say that the Government must still be left to take the full responsibility of their action. I repeat that if they can bring into effective operation a fleet of huge steamers such as these are to be, of 11,000 tons net register, with a

minimum speed of 15 knots, and can insure their constant and regular running in the interests of the mails, and of the producers of Australia, they will have achieved a very good stroke of business indeed, and a much better stroke of business, in my opinion, than we could possibly hope to make by adopting the course recommended in the report which is before us over the signature of the honorable member for Barrier. I am bound to say that I cannot subscribe to the amendment which he has moved, not because of any prepossession against it, and not merely for any theoretical reason, but for hard business reasons which appear on the surface of the report which the honorable member has seen fit to present to the House. The amendment was moved by the honorable member in an excellent speech which traversed the report of the Shipping Service Commission in a very material degree. The honorable member's speech was taken largely from that report. I had not the advantage of reading it, because *Hansard* did not reach me before I left Sydney. I did not see the report of the honorable member's speech, or that of the Postmaster-General, but I heard some of both, and sufficient of that by the honorable member for Barrier to induce me to make one or two interjections in opposition to the honorable member's proposals. On taking up the report of the Commission, which forms the basis of the honorable member's amendment, I find that the very first paragraph covers a great deal of ground, and shows, I think, the amateurish way in which the report has been formulated and written. For instance, those responsible for the report begin by saying that if we carried our mails on the poundage system, that is, by paying according to weight, we should save a matter of £80,000 per annum as compared with the cost of a subsidized service under the contract system. I do not know that that brings us very much nearer to a solution of this matter. There are many other such anomalies in the postal service. There are anomalies of the kind in every department of business life. Indeed, such anomalies might be mentioned in connexion with the proceedings of the whole of the commercial community. The honorable member for Barrier, therefore, in this instance puts his finger upon a matter which is not at all peculiar to a mail contract, but is to be found in every department of

Mr. Joseph Cook.

our commercial life. If we take the work of the Post Office, for instance, honorable members will see at once that the revenue might be enormously increased if we charged the same rate for newspapers as for letters. We do not, although I know of no good reason why we should not. I could never get an intelligent reason from the heads of the Postal Department of New South Wales when I was Postmaster-General of that State as to why the rates were differentiated as between ordinary letters and newspapers. We carry ten times the weight of newspaper matter that we carry of letters for the same money.

Mr. THOMAS.—We used to carry newspapers for nothing in New South Wales at one time.

Mr. JOSEPH COOK.—Yes; but in every country in which they are not carried for nothing, this marked difference between the rates for newspapers and letters is still to be found.

Mr. THOMAS.—It is due to the power of the press.

Mr. JOSEPH COOK.—I believe that we carry newspapers now at the rate determined by the International Postal Congress, but I dare say that if we were to interrogate every member of the Congress, not one would be able to tell us just why there should be this huge difference between the rates charged for the carriage of newspapers and those charged for the carriage of letters.

Mr. MALONEY.—Are not newspapers sent round by the ship, whilst letters are sent overland?

Mr. JOSEPH COOK.—That is not so; but I am speaking of inland as well as of oversea carriage. I admit, for instance, that it is the rule of the Department to leave newspapers behind if they find they are overloaded. In that respect, letters are always given the preference. That is about the only reason I know for the huge difference which is set up between the rates for the carriage of these different classes of postal matter. It is a differential rate. In the same way, we have differential rates on our railways. I doubt whether we could get any intelligent reason why one class of goods is carried at a low rate over our railways, whilst another is charged an inordinately high rate; why, for instance, two or three tons weight of stone is carried over the railways at a very

low rate, and at about half the rate which is charged for the carriage of half the weight of stone, if it be cut and carved. I could multiply instances of this kind which raise the whole question of differential rates in every relation of our business life. So that really what appears in this connexion in the report of the Commission contains no very material lesson of which we can take advantage. Coal, for instance, is carried over our railways to-day at perhaps one-fourth of the rate charged for the carriage of other classes of goods. A truck of coal carries about 6 tons, and it is taken over the railways for a certain distance at £1 or 30s., whilst a truck of the same capacity, and carrying the same weight, of other goods, may bear a rate of £4 or £5 for the same distance. I am aware of no reason which will adequately fit the facts, but the one reason that these differential railway rates are observed all over the world, and have grown up from time immemorial, until they have become crystallized into rules and laws of railway management. In this respect we realize the truth of Disraeli's statement that custom is stronger than law. So many of those customs which dominate our commercial existence are stronger than any law founded upon however legitimate a reason. Again the honorable member goes on to say—

The present subsidized mail service is chiefly maintained in the interests of the commercial class and of the producers and exporters of perishable commodities.

These honorable members might as well say that a reduction in the freight of coal would only benefit the Korrumburra Coal Company, and would not benefit the population whose means of livelihood is dependent upon the mines there. Every resident in that coal township is interested, it may be more vitally interested in some circumstances than even the proprietors of the coal mines. Yet in this report the honorable member makes a distinction between those who actually use these boats and the great bulk of the people who are dependent upon the boats being so used by these individuals.

Mr. THOMAS.—Why does the honorable gentleman say "the honorable member," when the report is signed by six of us?

Mr. JOSEPH COOK.—I speak of the honorable member for Barrier, as representing the others, because he was Chairman of the Commission; that is the only sense in which I use the phrase. I repeat

that the commercial class have to do with every class. How many persons, for instance, are dependent upon the importer for their means of livelihood? The whole ramifications of business are inter-related in a very close way, and the interest of one cannot be separated from that of another.

Mr. FISHER.—Is not the importer also dependent upon the people whom he serves?

Mr. JOSEPH COOK.—Exactly. In the report these classes are separated as though the one had nothing to do with the other, as though the commercial class and the producers and exporters of perishable commodities could be separated from the rest of the community. Every one knows that a large proportion of the people of Australia depend upon the export of perishable goods for their means of livelihood. It is upon the export of grain and wool that Australia has to depend to-day.

Mr. FISHER.—Do not forget the gold.

Mr. JOSEPH COOK.—It is upon these exports that Australia will have to depend for some generations to come.

Mr. THOMAS.—Do not forget the Broken Hill lead.

Mr. JOSEPH COOK.—No, I shall forget nothing. Therefore, every person in the community is directly and materially interested in all that has to do with the export of perishable commodities. Another strong statement is contained in the same paragraph. The Commissioners go on to say—

It does not appear that, outside the classes mentioned, the general community would to any material extent be inconvenienced by the adoption of the poundage system.

That is equal to saying that if a railway were constructed, it would not advantage the community very much by knocking off the coach. The same argument might be used against the construction of a railway. It might be said, "It does not appear that the people would be very much benefited by the construction of the railway, and it would not be very much to their detriment if it were not built." The outstanding fact is that science and skill is being bent and concentrated in the direction of making the world smaller and quickening its processes, perhaps in the means of transportation more than in any other direction. But we are told for the first time that if we do not get quicker boats to Australia, it will not make very much difference. That, I venture to say, is an antediluvian idea; though it is a very proper observation for

Socialists to make. I believe that if the Socialist ideal in regard to other things as well as shipping were realized, this world would be a very much slower place indeed than it is. I have often described the Socialists of to-day as wanting to take a "header" back into a condition of things from which we have slowly and steadily emerged, and which emergence is represented in what we call progress and civilization. Now we have the Socialist saying, "It does not appear that we should be very much inconvenienced if we had a slower service to Australia than we have." I submit that of all countries in the world, Australia has most to gain from quick and speedy transit, whether by mail-boat or by any other means.

Mr. WATSON.—In their report, the Commissioners are speaking of only the mail service, and not of the transport of perishable articles.

Mr. JOSEPH COOK.—The honorable member knows that the two questions cannot be separated. In my judgment, the mail services in Australia set the tune to a very great extent for the rest of the companies trading here. But for the requirement of speed on the part of our mail-boats, I doubt whether the other transport services to Australia would be anything like what they are.

Mr. FISHER.—That is an argument in favour of this proposal.

Mr. JOSEPH COOK.—This requirement as to speed on the part of the mail-boats, and the space which they have to furnish for the carriage of our produce to London, sets the tune, to a very large extent, for the "tramps," and for transport steamers generally, and hence for the rest of the world. I doubt whether we should have the quick services from Australia to the markets of the world that we have to-day, but for that requirement as to speed.

Mr. THOMAS.—That is what we say in our report, that under the Government we should have a line of steam-ships which would set the pace.

Mr. JOSEPH COOK.—That is one of the contradictory parts of the report. In one part the Commissioners say that it does not matter whether we have a quick service or not; that nobody would be hurt much if we had not.

Mr. THOMAS.—Will the honorable member read what is in the report?

Mr. JOSEPH COOK.—That is what is in the report?

Mr. THOMAS.—Not word for word as it was put by the honorable member?

Mr. JOSEPH COOK.—The report says—

It does not appear that outside the classes mentioned the general community would to any material extent be inconvenienced by the adoption of the poundage system.

Mr. BATCHELOR.—Hear hear, that is a different thing.

Mr. JOSEPH COOK.—Looking at it from the point of view of my honorable friends when they separate these people from the rest of the community, I hold that it indicates an antediluvian condition of mind.

Mr. THOMAS.—The report states a very different thing from what the honorable member said it stated.

Mr. JOSEPH COOK.—Here is another choice statement. The Commissioners point out that the Postal Department follows the principle—

That each service shall pay its way.

The Department does nothing of the kind. In the determination of the status of a post-office its total income is taken into consideration. More and more is that consideration entering into the administration of the Postal Departments. I know that the officials would like to do this if they were permitted. It would check and stop so much new business being transacted, but the tendency of the administration of the post-office is to take into consideration the whole of the service, and unquestionably the Public Service Commissioner bases the status of a post-office upon its total revenue and the general improvement of the service as a whole. Therefore, that is another statement which does not square with the facts of the situation, and ought not to find a place in a report of this kind. Then my honorable friends go on to quote as their sole argument in favour of a Commonwealth line of steamers, a statement by a Committee of the House of Commons of 1902, and of all the strong conclusive arguments for Socialism commend me to this one—

While as between the two systems referred to we think that in the circumstances the subsidy system is to be preferred, the larger question remains of establishing a line of mail steamers under the direct control of the Commonwealth Government, which would provide a fortnightly mail service between Australia and London equal to that of any of the private companies engaged in such work, and would, at the same time, benefit the Australian States both directly and

indirectly. On the general question of the advisability of establishing such a service we may quote the following paragraph from the report of the Steamship Subsidies Committee as laid before the House of Commons in 1902.

Here is the paragraph upon which they base the advisability of establishing such a service—

The weak point of the post-office position is that the estimate of full value (for services rendered) is arrived at by the test of public tender, and that the competition for sending in tenders for large postal contracts is very restricted, and restricted, as a rule, to powerful steam-ship companies.

They are hard up for a socialistic argument when they make use of that. There is not a word of advice given there to the Imperial Government, or to the House of Commons, that they should jump into Socialism as a way out of this restricted competition.

Mr. THOMAS.—It says that they do not get full value from private enterprise.

Mr. JOSEPH COOK.—It says that they get full value from all the private enterprise available, but points out that the area of competition is a narrow one, owing to the hugeness of the service to be rendered.

Mr. WATSON.—And that is narrowed by a ring.

Mr. JOSEPH COOK.—That is an annotation by the honorable member; but his statement is probably borne out by the facts. I do not consider, however, that because the tendering is not as much as one would desire, that should decide the point whether this service should be nationalized. The Commission went into the engineering aspect of the case. Although among the names of the signatories to the report I do not see that of any honorable member who is conspicuous for engineering knowledge, they have not hesitated to make an estimate as to the probable cost of the vessels necessary for the service; but there is great difference of opinion as to the correctness of that estimate, and I believe that all the experts consider it too low.

Mr. THOMAS.—Do the Commissioners say that it is their estimate or that it is Mr. Coghlan's estimate?

Mr. JOSEPH COOK.—The Commissioners say that it is Mr. Coghlan's estimate, but accept it as a full one, although the experts point out that Mr. Coghlan omitted to take into account many things which should have been included. The Commissioners took responsibility for the estimate when they made it their own.

Mr. THOMAS.—We take the whole responsibility.

Mr. JOSEPH COOK.—I venture to say that if Mr. Coghlan had been reporting on the whole matter, he would have looked further into the question of cost of construction than he appears to have done. He furnished an estimate which, so far as it goes, we have no reason to suppose to be incorrect; but experts point out that many things have been left out of consideration which would greatly increase the actual cost.

Mr. THOMAS.—One estimate put down the cost at £500,000 per vessel.

Mr. WATSON.—According to the chairman of the Peninsular and Oriental Company, the vessels would cost much less.

Mr. JOSEPH COOK.—I do not know how the matter is to be settled; but it must be settled before we determine to run a mail service of our own. Persons do not generally enter upon a business transaction by taking at haphazard one of a number of conflicting estimates. A business man would obtain the best opinions available. But the opinion of those possessing experience and skill in connexion with the management of steam-ship companies is in opposition to the estimate of the Commission as to the cost of constructing the necessary ships.

Mr. CARPENTER.—Mr. Paxton's opinion is not worth much. He is one of the commercial experts.

Mr. JOSEPH COOK.—I am speaking of men like Mr. Kenneth Anderson and others who have to do with the management of mail services.

Mr. WATSON.—They are a little interested.

Mr. JOSEPH COOK.—Yes; but there are no men possessing the necessary knowledge who are not interested.

Mr. WATSON.—The ship-builders are not interested.

Mr. JOSEPH COOK.—Men possessing the skill and knowledge necessary for the management of so huge a commercial concern as a shipping company do not stand idle; their abilities are worth thousands a year on the market, and, consequently, find ready employment.

Mr. WATSON.—The company which Mr. Kenneth Anderson is managing has been, on its own showing, unsuccessful.

Mr. FOWLER.—There is another story about that.

Mr. JOSEPH COOK.—Honorable members will admit that Mr. Kenneth Anderson is an able man.

Mr. THOMAS.—He has stated that eight boats could be built for £2,800,000.

Mr. JOSEPH COOK.—Although Mr. Kenneth Anderson, with the experience of a life-time, cannot make a mail service profitable, the members of the Commission affirm that it can be made to pay. I do not wish to criticise them unfairly. Their report is an able one, and, no doubt, they have taken a great deal of time in dealing with the subjects referred to them; but, unfortunately, the necessary facts were not available. Consequently, in their report, they say, "We cannot get the facts necessary for a proper estimate," and then airily proceed to give an estimate. That is one of the strongest objections to their recommendations. They complain that they have not been able to obtain the data for a proper estimate, and then proceed to give an estimate. Their estimate must be the result of mere guesswork, and, therefore, absolutely unreliable.

Mr. THOMAS.—It is not necessarily unreliable, even if a guess, because some guesses go very near the truth.

Mr. JOSEPH COOK.—Exactitude is most desirable in matters of this kind. It would be most dangerous to commence an enterprise of this magnitude without the fullest and most reliable data. If one did so, the business would, in ninety-nine cases out of a hundred, tumble about his ears. The Commissioners have recommended the use of turbine engines, as being of the latest type, and most efficient for the propulsion of steam-ships. They say that eight steamers would cost £3,000,000, and, in support of that statement, quote the evidence of Mr. Kenneth Anderson, who, I believe, has since qualified his evidence, and now says that eight steamers of the efficiency and capacity spoken of in the report could not be constructed for £3,000,000. Then the Commissioners say that, although they have no definite and reliable figures upon which to base their estimate, it may be taken for granted that private companies do not undertake the trade unless with the idea of making a profit. I do not know why that statement was made. Public companies frequently undertake enterprises which fail. There is a very large proportion of failures to successes. Therefore, a statement such as that referred to

does not carry much weight. Then the Commission go on to argue by analogy. They quote the case of our railways, and say that it must be admitted that some of the privately-owned railways in Australia are not so well managed as are the Government railways. Surely, that is not all that is to be said on the subject. Some of our State railways are run at a loss. In New South Wales, for instance, we lose £300,000 per annum on some of our cockspur lines.

Mr. WATSON.—But those lines are not credited with the traffic which they bring to the main lines.

Mr. JOSEPH COOK.—Nor is any private company running at a loss similarly credited when it has to pinch the convenience of passengers.

Mr. WATSON.—There is only one such case that I know of.

Mr. JOSEPH COOK.—The fact that certain private railway lines do not pay constitutes no argument in favour of the nationalization of our shipping services, nor is it an argument from which we can deduce that even railways are more successfully managed by the State. They are better managed, because the State can afford to make a loss on some lines by treating the railway service as a whole, and not making each section stand by itself. However, I do not wish to pursue the subject any further. It seems to me that in all their estimates, the members of the Commission have assumed that the present rates of freight and passenger fares would be maintained. In clause 5 they say, "Reckoning our returns according to the schedule of fares fixed by the Orient line." Do the members of the Commission suppose that if the State undertook to run a line of steamers in the manner proposed, the shipping companies would tamely submit?

Mr. McDONALD.—Mr. Kenneth Anderson said that the Shipping Conference would not interfere.

Mr. THOMAS.—I do not think he said that. He stated that, personally, he would not raise any objection to the Commonwealth line joining the Shipping Conference—that is a different matter altogether.

Mr. JOSEPH COOK.—Exactly. If we did that, we should not be nationalizing the shipping service. We should be entering into a private venture in order to uphold what the Socialists regard as an enormity from which escape is sought by the process of nationalization.

The Commission say that things are not as they should be in the shipping line, and that the nationalization of the mail service would go a long way to set things right. The desired end would not be accomplished if the Commonwealth were to bolt into the combine, and become a member of it. If the Commonwealth mail service did not join the combine—and I take it that there is a combine—the shipping companies would not quietly stand by and see their trade taken away from them by a Government line of steamers. Precisely what has happened in connexion with the cable enterprise would occur in this instance. The moment a new competitor entered into the field, the freights and passenger rates would be reduced by the companies. That is what happened in connexion with the cable service. The moment that the Pacific Cable was constructed, the Eastern Extension Company cut down their rates. We could not induce them to abate it before that.

Mr. CARPENTER.—In that instance Government action was beneficial.

Mr. JOSEPH COOK.—Yes, it was beneficial to a certain extent, and no doubt a reduction of shipping rates would be beneficial in that it would help the commercial classes, and our producers, and exporters of perishable products. But honorable members are very fond of pointing out that any betterment of that kind is only a short-lived one—that the private companies only cut rates in order to shut out competition, and afterwards recompense themselves for all their trouble and sacrifice by once more increasing their charges. Therefore the Commission have adopted an obviously fallacious method of estimating the returns that would be yielded by the proposed new line of steamers. They assume that they would be able to obtain the same rates that are now charged by the Orient and Peninsular and Oriental Steam Navigation Companies; but obviously, if another competitor came into the field, the freights would be reduced. Either the Peninsular and Oriental Steam Navigation Company or the Orient Steam Navigation Company would withdraw entirely from the trade, or would endeavour to retain a fair share of public patronage by reducing fares and freights.

Mr. THOMAS.—The Orient Steam Navigation Company could not exist in the trade.

Mr. JOSEPH COOK.—I find a further reference to the same matter. For instance, it is pointed out in clause 8 that the British Shipping Conference considers the Australian trade only as an auxiliary, and as subsidiary to their Eastern interests. I understand that the Australian part of the Peninsular and Oriental Steam Navigation Company's business does not pay them. This has been pointed out time and again, and collateral evidence in support of that statement is afforded by the fact mentioned by the honorable member for Bland, that the Orient Steam Navigation Company was not paying its way in connexion with its Australian business.

Mr. WATSON.—It has no other business.

Mr. JOSEPH COOK.—Exactly, and therefore is not paying. The Peninsular and Oriental Steam Navigation Company say that their Australian business does not pay them.

Mr. THOMAS.—And still they are building more ships.

Mr. JOSEPH COOK.—Therefore, according to the Commission, we are to relieve ourselves of the Eastern embarrassment spoken of by concentrating our efforts upon a losing business. The more closely we adhere to such a policy the more likely we are to go to the wall. It is stated that the Commonwealth should concentrate its efforts upon the Australian business, and take no account of the Eastern business. That is to say, by concentrating its attention upon the business that does not pay, and ignoring and excluding the business that does pay, the Commonwealth would be able in some mysterious way to make a success of a State-owned line of steamers.

Mr. THOMAS.—I should be glad if the honorable member would quote what the Commission said. We did not say what he indicates.

Mr. JOSEPH COOK.—I have already quoted from the report. The Commission say—

At present the British Shipping Conference, in which foreign shipping is represented, regulates the Australian passenger traffic, not specially for the convenience of Australians, but rather to meet the necessities of its many and varied interests in the East and elsewhere. But a Commonwealth line, not being embarrassed by these conflicting interests, could concentrate its efforts on giving to passengers to and from England the best and most convenient services.

I may point out, in reply to that, that the Australian business does not pay the companies now engaged in the trade.

Mr. THOMAS.—Then it is very good of Messrs. James Laing and Company to come along with their new steamers.

Mr. JOSEPH COOK.—I suppose that the honorable member has known of many gold mines that have been abandoned as non-paying, and afterwards taken up by other simpletons, who have also lost their money.

Mr. McDONALD.—In many cases other simpletons have taken up abandoned gold mines, and have made them pay.

Mr. JOSEPH COOK.—I was just about to mention the alternative. Messrs. James Laing and Sons may make the new mail service pay; but all the evidence we have been able to obtain so far is that the trade does not pay the companies now engaged in it. If the Peninsular and Oriental Steam Navigation Company had not their Eastern business to work in with the Australian trade they would not be able to carry on.

Mr. EWING.—Why do the German and French steamers come here?

Mr. JOSEPH COOK.—Because of the subsidies which they receive.

Mr. THOMAS.—Some people say that the French and German steam-ship lines are losing money also.

Mr. JOSEPH COOK.—I am told that the German steamers would not come here but for the huge subsidies which the companies receive.

Mr. THOMAS.—Nor would the Peninsular and Oriental Steam Navigation Company, the Orient Steam Navigation Company, and Sir James Laing and Sons come here but for the subsidies which are paid.

Mr. JOSEPH COOK.—That is what I say.

Mr. THOMAS.—This Australian company would receive a subsidy.

Mr. JOSEPH COOK.—But the Peninsular and Oriental and the Orient Steam Navigation Companies declare that with the subsidies the Australian portion of their business does not pay. The balance-sheets of the Orient Company do not show any dividends so far as that part of its business is concerned. The Peninsular and Oriental Steam Navigation Company declare that they do not make money out of the Australian portion of their business, and that it is only because they are able to work it in with their Eastern business that their vessels come here at all.

Mr. THOMAS.—Is that statement contained in their annual reports? If so, I cannot see it.

Mr. JOSEPH COOK.—It has appeared often enough in their annual reports.

Mr. THOMAS.—Has the honorable member read it there?

Mr. JOSEPH COOK.—Yes. I admit that it is some years since I read it—

Mr. THOMAS.—Has the honorable member read the annual reports issued by the Peninsular and Oriental Steam Navigation Company for 1904 and 1905?

Mr. JOSEPH COOK.—No, but I doubt whether they contain the specific statement that the Australian portion of their business is paying. Now that the honorable member has spoken of it, I do recollect that in one report they point out that there has been an increase in the freights to and from Australia, and that the Australian portion of their business is improving. From that statement, surely the honorable member for Barrier will not argue anything, except that there has been a revival of trade, and that the company has been taking advantage of it. But in the report of the Shipping Commission, it is pointed out that the very thing which is an advantage to this company must be excluded from a scheme for the establishment of a national fleet of steamers, and that by concentrating effort upon the losing part of the business, a magnificent success might be made of it. Any sound, commercial man would say that that would not be the case. He would argue that the less he concentrated upon the losing part of the business, and the more upon its paying part, the better would be his returns.

Mr. THOMAS.—Would not the Peninsular and Oriental Steam Navigation Company prefer to derive larger profits upon a smaller tonnage than smaller dividends upon a larger tonnage? If the Australian business were not paying, they would make larger profits upon their Eastern business—at least, that is the view which any commercial man would take.

Mr. JOSEPH COOK.—The honorable member again misses the point, namely, that a service as an independent service may not pay, although when worked in conjunction with the Eastern and India service it may pay. Those who have to depend entirely upon the Australian portion of their business—as have the Orient Steam Navigation Company—maintain that it does not pay.

Mr. MALONEY.—But the Orient Steam Navigation Company fight like men—the Peninsular and Oriental Steam Navigation Company never did.

Mr. JOSEPH COOK.—That is another matter. I am dealing with one point which is specially emphasized in the report of the Commission. The Commissioners declare that in excluding the good paying portion of the business, and in concentrating upon that part of it which does not pay, a magnificent success might be made of a national line of mail steamers. Then they point out that there are the usual collateral advantages to be derived from a Commonwealth line of steamers. Amongst other things they say that it would have the effect of keeping money and work in the country.

Mr. SKENE.—Does the honorable member for Barrier say that?

Mr. JOSEPH COOK.—Yes, and also the honorable member for Coolgardie, the honorable member for Kennedy, and several others.

Mr. THOMAS.—Does the honorable member object to that?

Mr. JOSEPH COOK.—I am not concerned with objecting to it. I am merely pointing out one of the collateral advantages claimed in connexion with the proposed establishment of a national line of steamers, namely, that we should keep the work required to be done, as well as the money and the ships, in the country.

Mr. THOMAS.—That is not a bad advantage, I should say.

Mr. JOSEPH COOK.—I notice, also, that the success of the proposed new line of steamers is said to be dependent upon a great many contingent circumstances. In short, the report of the Commission is full of "ifs," and "buts." For instance, in speaking of the necessity for running full ships during five months of the year, for carrying cargo between Australian ports, it says—

If this is merely a matter of arrangement with the coastal companies, there can be no reason why a State-owned line should not undertake coastal freights. If, however, the reason for declining the carriage of cargo is the limited time allotted to each port in the schedule of arrival and departure, it might be found impracticable for mail steamers to enter on such a trade.

Anybody knows that. It is tantamount to saying, "If this thing should prove to be impracticable, why then, it will be impracticable." Who desires reports of that kind

as the result of a costly and prolonged investigation? No doubt it is a little bit of innocent and quite harmless padding, but it does not bring us any nearer a solution of this matter. Incidentally, this national line of steamers is to accomplish a number of things. It is to advertise Australia all over the world. I fancy that it would advertise Australia—and if I am not very much mistaken—it would advertise our folly all over the world as it has never been advertised before. In this connexion, I would remind honorable members that there are some kinds of advertisement that we would be very much better without. The advertisement of our failures and follies has already been made too much of by the rest of the world, and by others who have been described by certain honorable members of this House as the "stinking fish" party.

Mr. WATSON.—Where have the failures and follies been proved to exist, save in the imagination of the honorable member and that of his friends?

Mr. JOSEPH COOK.—I am pointing out that, in my opinion, the establishment of a national line of steamers would be a failure, and that, therefore, the less we advertised it to the rest of the world, the better it would be.

Mr. THOMAS.—But suppose that the scheme were a success?

Mr. JOSEPH COOK.—If it were a success, it would be a success, and that statement is just about on a par with the statements contained in the Commission's report. The Commissioners say that if this could be done, and that could be done, the undertaking would succeed, but if this and that could not be done, it would not succeed. Who desires reports of that character? We want definite reports which are based upon exact data. Nothing else is of the slightest importance in connexion with an undertaking which would involve us in an expenditure of £3,000,000 or £4,000,000, and which would affect the exporters of our produce and all those who are engaged in our industrial enterprises. It is too large and serious a matter to be undertaken upon mere guesswork, such as the report of the Shipping Commission has been based upon. May I point out in this respect that there never was a "cronk" undertaking entered into in any part of the world which did not show a balance-sheet which was "passing fair"? Take all the great outstanding

"cronk" affairs of the world. They have all shown excellent balance-sheets, and I fear that balance-sheets in themselves are of very little value. Experience is the great test, and in this particular matter we have experience to guide us. Consequently, we should not commit ourselves to the mere guesswork and tabulations of the honorable member for Barrier and his fellow Commissioners. If the figures contained in the balance-sheet of the Commission are all right, then the scheme for the establishment of a national line of mail-steamers is all right.

Mr. THOMAS.—Some people would say not. The honorable member would say that it was not all right, because it is one proposing Government control.

Mr. JOSEPH COOK.—I tell the honorable member candidly that I have no faith in figures which are preluded by the statement that there are no definite and reliable data on which to base an estimate.

Mr. THOMAS.—The honorable member said that if the figures were right, the scheme would be all right; but even if they thought they were, neither the honorable member nor his leader would agree to it.

Mr. JOSEPH COOK.—The Commissioners who reported in favour of the scheme tell us that they are unable to make a definite and reliable estimate. They then proceed to make one.

Mr. THOMAS.—But the honorable member said that if these figures were correct the scheme would be all right.

Mr. JOSEPH COOK.—I say that if they are correct, they are correct, and if they are incorrect, they are incorrect. When I say this, I am simply parodying the report, for that is the nature of it from beginning to end.

Mr. THOMAS.—We shall see what *Hansard* says. I repeat that the honorable member said that if these figures were all right the scheme would be all right.

Mr. JOSEPH COOK.—If I did, it was a mistake. Has the honorable member never made a slip of the tongue?

Mr. THOMAS.—Then the statement in question was a slip of the tongue?

Mr. JOSEPH COOK.—Yes. I have yet to know that I did make the statement. The honorable member wishes to bind me down by a slip of the tongue as an advocate of the nationalization of steam-ships, although all my arguments are against such a proposal.

Mr. WATSON.—The honorable member said something earlier which suggested that he was in favour of such a scheme.

Mr. JOSEPH COOK.—I can find nothing in the report of the Shipping Service Commission which would furnish us with the slightest justification for so grave and important a national departure. At any rate, I prefer keeping by the old paths of private enterprise until the experience of the world furnishes me with something better than this inquiry does—in the shape of skill in the recommendations, and in the shape of experience and skill behind those making the recommendations. We have, in the report of the Commission, a statement to the effect that "If Queensland had helped, what a difference there would have been." "If this or that had occurred, what a difference there would be," is a statement that we find in almost every clause of the report. If we could obtain for the national service all the freights to London; if we could get the lands of Australia developed, and have them producing fruit and butter and other products of that kind in abundance; if we could induce the States Governments to help to make the line pay; if competition were abolished, and a fair and free run for our enterprise obtained; if we could secure these and a multitude of other favouring circumstances—if, in short, all the gales of prosperity would blow their happiest upon us—then, according to the report of the Commission, it would be a good thing to nationalize our shipping. But, strange to say, in the actual experience of an individual or a nation, one hardly ever finds all these favouring circumstances converging upon any one enterprise at the one time. I, therefore, hold that, judged, upon any sound, practical basis, this report must be ruled out. In presenting it, the Commissioners begin by expressing their inability to furnish a practical basis, and that statement in the very forefront of the report is amply demonstrated throughout its pages. The report is ingenious—it is clever—but I do not think that any one who looks at the matter from a broad business stand-point will say that it is convincing. There is still another thing necessary for the success of the scheme, and that is the possession of the requisite brains and skill to conduct such an enterprise. The report states that the Government can purchase brains and skill as well as any private company can do. Maybe they can; there is no guarantee, however, that the skill and

brains which are so purchased would have the same free play as brains and skill have when their possessors devote them to concerns which they are running for private profit. The statement in the report to which I refer is equal to an assertion that the Government could make a man do that which a private individual now does for himself. That is the whole argument. It is begging the whole question, as between Socialism and anti-Socialism. Every one will admit that if we could secure people to do for the Government that which they now do for themselves—if the Government enterprise were as good in every particular as private enterprise—and apply the principle to every ramification of business and every detail and outlook of human life, then the case for Socialism would be complete. But this is begging the question; it is simply entering the whole field of controversy and argument. Instead of arguing out the matter upon plain business considerations, the Commissioners throughout the report have to make a skip now and again to reach the rosy considerations which they have placed before us. I infinitely prefer the arrangements which the Government have made for the future carriage of our mails to the project sketched for us by the Royal Commission. I hope that the Minister will be able to make it clear that everything in the contract is straightforward.

Mr. EWING.—Hear, hear.

Mr. JOSEPH COOK.—That everything is straightforward and impossible of being wrongly construed. In other words, I hope he will make it clear that the contract has been well drafted, and that its meaning is beyond the possibility of doubt. I trust also that he will give us some evidence of the *bona fides* of the contracting company—that he will give us something in addition to the name which has been placed before us. Sir James Laing may be all that is claimed for him; I have nothing to say against him. He has a great record as a ship-builder, but I am told that he has never entered upon the building of vessels of the class required for this service.

Mr. EWING.—I think that is inaccurate, but still—

Mr. JOSEPH COOK.—If the company contemplates making use of the contract for the purpose of acquiring the requisite capital the Government ought to be aware of the fact.

Mr. EWING.—Hear, hear.

Mr. JOSEPH COOK.—Speaking generally, with no mail steamers in existence, with a contract still to be faced from its foundation to its completion, the company is one about which we should know something more before we give our consent to an agreement which is of supreme importance to exporters of perishable products, and of much importance to Australia generally. We cannot separate this mail service from its commercial side. I believe that our mail service does more to keep the commercial transactions of Australia with the older countries of the world at the point of expedition and despatch than perhaps anything else of which I know. In these circumstances, the question before us is a matter of supreme importance to all who have produce to ship, and for which they must find a market in other parts of the world. I shall leave the Government to take the full responsibility of their action in this matter. If they conclude an agreement which proves satisfactory, which will command a service of the speed laid down for the price given, and will be subject to the other conditions mentioned, they will have completed a contract which will be in the interests of Australia as a whole, and will have made an excellent bargain indeed.

Mr. MAHON (Coolgardie) [4.29].—It is to be regretted that the honorable member who has just resumed his seat did not receive the last copy of *Hansard* and the other Parliamentary documents necessary to enable him to prepare his case. Had he done so, he would not have inflicted upon the House a series of very attenuated arguments, and what I may describe, I hope without offence, as some absurd conclusions. The honorable member, in the concluding portion of his speech, said that the Royal Commission had not attempted to deal with the salient points in the proposal to establish a Commonwealth fleet on a socialistic basis. He left it to be inferred that, although a Government could purchase brains and energy, it could not guarantee that those brains and that energy would work for the State as vigorously as they would do in their own interests. But he concealed the fact that the brains and the energy employed in directing great private enterprises are very often purchased just in the same way as they would be if employed by a Government Department. I venture to say that the men who direct the great

enterprises of the world are not always—are very seldom, indeed—actually shareholders in them. So that the real position is not as stated by the honorable member. I am rather sorry that he should have constituted himself the latest champion of the party which he joins in denominating “the stinking fish party,” the party which is always prepared to repudiate the possibility of anything good coming out of Australia—the party which has attempted to blacken the good name of this community, and to hold us up before the world as a people who would shut out British subjects from our shores, and as having actually refused to allow drowning men to land.

Mr. JOSEPH COOK.—Any one who does not believe in Socialism is a member of “the stinking fish party”!

Mr. MAHON.—I say that when the honorable member, admittedly on insufficient evidence, proclaimed these Commonwealth steamers must be a failure from their inception, he undoubtedly linked himself with those who are continually decrying Australia.

Mr. JOSEPH COOK.—Yet the honorable member supports the Government which is going to do the same thing!

Mr. MAHON.—I do not know any member of this House who is more intolerant of interruptions than the honorable member is; and when, early in his speech, I made what I considered to be a relevant remark, he actually lost his temper, and told me that I was making an impertinent interjection. There was nothing impertinent in what I said. He was talking at that time about a purely legal question, and, as he was not a lawyer, I conceived that if there was anything in his point it should be argued out between legal authorities, rather than in a House mainly composed of laymen. Therefore, I think that my interjection was not impertinent, but was, on the contrary, extremely relevant to the point at issue.

Mr. JOSEPH COOK.—If it was not impertinent, it was absurd.

Mr. MAHON.—We will leave it at that. I am quite prepared to accept the honorable member's opinion of any interjection which I make provided that he will accept my judgment as to his observations.

Mr. JOSEPH COOK.—Do not be so nasty!

Mr. MAHON.—If I have had the misfortune to be “nasty,” it is difficult to avoid the

example which the honorable member sets in his own speeches. I do not wish to revive old sores, but, really, the honorable member is the last one who should mention that word. He commented very severely upon the first paragraph of the report of the Royal Commission, dealing with the question of poundage as opposed to the payment of a subsidy for the carriage of our mails. He said that it was impossible to dissociate the commercial classes, the producers, and the exporters from the rest of the community. The first paragraph in the report emphasizes the fact that this subsidized mail service is instituted chiefly for the benefit of a very small class of the community—that is to say, for those who are actually interested in commerce, whether as importers or exporters, and those who are engaged indirectly in such occupations. The honorable member overlooks the fact that 80 per cent. of the people of Australia were born in this country, and have very little interest in old-world affairs. The great bulk of the native-born people of Australia, and also a large number who have come to this country, and who have made their homes here, no longer have any necessity for communicating with the old world. They do not often write letters to send abroad. Therefore, it was pointed out in the report that it was immaterial to these people whether the mail-boats occupied three or four days more in the delivery of letters. It further went on to say—and I think justly—that the burden of payment for these subsidized mail services should be transferred, so that they might fall upon those who directly benefit. Although the honorable member may choose to say that it is impossible to dissociate the commercial classes from the rest of the community, there is, I think, good ground for saying that these charges should be borne by the people who reap the bulk of the benefit. The mail subsidies are paid out of Customs revenue, to which, as a matter of fact, as every one knows from experience, the working man, who rarely uses the over-sea mail services, contributes almost equally with the wealthier classes.

Mr. JOSEPH COOK.—The cost is only borne out of Customs revenue when there is a deficiency in the Postal revenue.

Mr. MAHON.—Exactly; but the honorable member knows that there is a deficiency in the working of the Postal and Telegraph Department every year.

Mr. JOSEPH COOK.—That has not always been the case. Before Federation the Western Australian Post Office showed a surplus, and bore the cost of the mail subsidy.

Mr. MAHON. — At the present time there is, I think, only one State in the Commonwealth, namely, South Australia, in which the Post and Telegraph Department is paying its way. Taking the service over the whole of the six States, the honorable member for Farramatta cannot deny that the work is carried on at considerable loss. That being so, the deficit is undoubtedly made good out of the Customs revenue, of which, as the honorable member is perfectly aware, the working classes of Australia pay an undue share. These are the classes who, I say, do not use the oversea service to any great extent. On the general proposition that those who get the benefit of any Government service—of any collective effort of the people—should share in the cost, I should like to quote some extracts from speeches delivered at the recent Conference of Premiers, held in Sydney, in April, of this year. When the question came up of providing funds for old-age pensions, the President of the Conference, Mr. Carruthers, Premier of New South Wales, said—

..... if the Commonwealth authorities will impose duties on tea and kerosene, and hypothecate or earmark the revenue from those duties for the purpose of old-age pensions, we shall have the bulk of the expenditure broken, and we shall get, in a simple way, a contribution from the classes who most largely are the recipients of this pension.

"In a simple way" are the words which Mr. Carruthers used; and here we have a proposal to make the workers of Australia, who share in old-age pensions, direct contributors to the fund. Then, Mr. Bent, Premier of Victoria, on the same occasion, said—

It is the view of the Victorian Government that it would be wise for us at this stage to urge that the people who obtain the pension should contribute a little through the duties on kerosene and tea.

Mr. Davies, another member of the Conference from Victoria, said—

We do not propose either, that it (Federal pension fund) should be raised by some tax from the payment of which those who would get the chief benefit would be exempted.

Here we have ample precedent and justification for the position taken up by the Royal Commission in the first paragraph of their report. Let me summarize the facts. Here is a subsidized mail service, used

almost exclusively by one class of people in the community—that class who have business in oversea commerce; and to make up any deficiency in the payment for the service, the whole people of the community are taxed. Mr. Coghlan recently estimated that about 80 per cent. of the residents in Australia are natives of the continent; and that 80 per cent., I may assume, have very little interest in the social or domestic affairs of people on the other side of the world.

Mr. JOHNSON.—Does the honorable member say that the 80 per cent. of the community have no relatives on the other side of the world?

Mr. MAHON.—Not for one moment; but the honorable member for Lang knows as well as I do that even those from the old country, who have lived, as I have, for nearly a quarter of a century in Australia, have very little correspondence with the old country. It is wonderful how one's correspondence diminishes year by year, until it is represented by one or two letters.

Mr. JOHNSON.—I think the honorable member is mistaken.

Mr. TUDOR.—The honorable member for Coolgardie is absolutely correct.

Mr. MAHON.—I am giving my own experience.

Mr. JOHNSON.—Which is necessarily limited.

Mr. MAHON.—Quite so; but I apprehend that what happens in my case, also happens in the case of other people. Therefore, I agree with the finding of the Royal Commission that the bulk of the public would not be inconvenienced by the adoption of the poundage system—that the mere fact that letters were delayed three or four days extra on the voyage, would not affect the great majority of the people in any way. The honorable member for Parramatta was, I think, quite at sea when he contended that the bulk of the people are interested in the maintenance of the oversea mail contract. It is a serious matter that the people of Australia should be paying £80,000 per annum more than is necessary for the conveyance of the mails to England. When the honorable member asserted that the service of mail steamers is the test of all communication between Great Britain and Australia—that it nerves other shipping companies to make speedier voyages—did he ignore the fact that there are no mail subsidies as between Great Britain and America, and that the duration of voyages across the Atlantic has been

reduced within the last twenty or thirty years by from 25 per cent. to 40 per cent.?

Mr. DEAKIN.—The honorable member knows that there are some subventions in the case of the Atlantic service?

Mr. MAHON.—I know that the time of the voyage between England and America has been very considerably reduced during the last twenty years, not because of any mail subsidy, but simply because the steamship owners have found it pay them to provide a quicker and better service. In my opinion, the same result would follow in the case of the service between England and Australia. In the natural order of things private shipping companies would undoubtedly provide greater facilities in a very short time. The honorable member for Parramatta spoke of the revenue of the line of steamers as remaining at the present dimensions. Nobody who takes a rational view of Australian development could agree with the honorable member in that respect. On all sides we see evidences of greater prosperity—increased exports as well as increased imports. We know that Australia has enjoyed several good seasons, and that a wave of prosperity has reached this country, causing our revenues to expand, and enabling the public to spend more money in every way. Consequently the honorable member is not doing justice to the Royal Commission when he claims that its calculations are based entirely on the present position of affairs. On the contrary, I think the Royal Commission was justified in holding that the export trade of Australia will largely increase, and that a Commonwealth line of steamers would undoubtedly share in the increased passenger and goods business. The honorable member for Parramatta also said that the shipping companies which at present carry on the traffic would not take “lying down” the competition of a Federal line of steamers. That may be so; but I remind the honorable member that dealing with the Government is altogether a different matter from dealing with a private company. The Orient and Pacific Steam Navigation Company and the Peninsular and Oriental Steam Navigation Company, if they attempted to apply unfair tactics to the Commonwealth, would find that we have power within us to resent such tactics in a most decisive and emphatic way, which they would remember. The honorable member tried to justify his condemnation of this paragraph in the report of the Royal

Commission by saying that anomalies are not peculiar to mail contracts, and he mentioned the fact that the Postal and Telegraph Department carries newspapers at a lower rate than that for letters. The honorable member should have remembered that the Department differentiates in regard to the importance in value of mail matter; but he altogether ignored that aspect of the matter. A newspaper is of comparatively little importance compared with a private letter, and therefore the Department charges less for the conveyance of a newspaper than it does for a letter. The honorable member also mentioned an anomaly connected with railway management, and stated that stone in the rough is carried over the railways at a lower rate than that charged for carved stone. These were, of course, merely illustrations, but throughout his speech the honorable member ignored the fact that the value of the article carried is an essential factor in fixing the rate in connexion with all transportation charges. As I have already said, the honorable member was placed at a great disadvantage in not having more material at hand in criticising the proposed contract. At various times he asked for more information, but I did not hear him specify the particular points which he desired should be further elucidated. In some respects, I think the honorable member's speech was rather contradictory. For instance, he said that if the Government had really completed this contract, they had made a good bargain, and in the next breath, he said that the penalty of £25,000 to be enforced against the company under certain conditions was altogether out of proportion to the loss which the Commonwealth would sustain if the company did not carry out the contract. As a matter of fact, the honorable member said that we should sustain a loss of at least £300,000, whilst it might be infinitely more, and for that reason urged that the contractor should be asked to deposit more than £25,000. How the honorable member can regard as a good bargain a contract which involves a possible loss to the Commonwealth of £300,000 without any compensation is more than I can understand. The honorable member further said that, in case of default, the company would incur no greater liability than the loss of the deposit of £25,000. I direct his attention to the fact that in the third paragraph of clause

39 of the Conditions of Contract, it is stated that—

The Postmaster-General may at once call upon the contractor and his sureties to enter into a new bond to increase the amount from £25,000 to £50,000,

and so on. So that the honorable member was not accurate either in his criticism of the contract or of the Commission's report.

Mr. JOHNSON.—The contractors need not pay the extra £25,000; they could simply cancel their contract.

Mr. MAHON.—I am not a lawyer, but I think the honorable member will find that the Commonwealth Government would have the power to enforce the penalty of £50,000.

Mr. EWING.—Hear, hear.

Mr. JOHNSON.—No.

Mr. MAHON.—I see that doctors differ. The Minister says that the Government would have that power. I again repeat my regret that the honorable member for Parramatta had not an opportunity to prepare his speech on this question. I was rather amused in following the honorable member's speech, and comparing it with the report of an interview with a Mr. Paxton, which appeared in the Sydney press a few days ago. I found that the honorable member's speech was largely a reproduction of the arguments used by Mr. Paxton, and almost in the order in which they were used by that gentleman. I might just notice one statement which Mr. Paxton made to the newspaper interviewer. He said—

Although the contract looks genuine enough on the face of it, I must admit that I have a feeling that there is something which has not been disclosed.

This gentleman is evidently possessed of a most lively imagination. When he was in Perth some time ago, attending the conference of Chambers of Commerce, in speaking upon the same matter, Mr. Paxton made another most interesting and important discovery. At that time, he criticised the terms of the service for which tenders were invited by the Government, and, in reply, I pointed out that they were exactly the same as those which had been adopted by previous Governments. He said that no shipping authority would ever approve of such conditions as were sought to be imposed.

Mr. EWING.—He said that no one would tender?

Mr. MAHON.—No. What he said was that the conditions sought to be imposed

by the Government were outrageous, and that no man with any shipping experience would give his approval to them. The clauses to which Mr. Paxton referred on that occasion happened to be clauses which found a place in a previous contract, and I reminded him that when the Watson Government were in office a no less distinguished shipping authority than Sir Malcolm McEacharn had approved of those conditions.

Mr. THOMAS.—But the honorable member would not put Sir Malcolm McEacharn beside Mr. Paxton as a shipping man?

Mr. EWING.—Where does Mr. Paxton come from?

Mr. MAHON.—He is the chairman of the Sydney Chamber of Commerce.

Mr. THOMAS.—The chairman of the shipping section of the Chamber.

Mr. MAHON.—I believe that is so. I reminded him that so eminent a shipping authority as Sir Malcolm McEacharn had fully approved, and had, in fact, revised the conditions of a previous contract before their publication.

Mr. THOMAS.—At the honorable gentleman's request as Postmaster-General?

Mr. MAHON.—At the request of the Watson Government. It will hardly be credited that Mr. Paxton, the gentleman whose arguments have been repeated by the honorable member for Parramatta this afternoon, replied to my statement in this way—

Yes. That has confirmed the strong suspicions we always entertained that Sir Malcolm McEacharn was in league with the Labour Party.

He did not attempt to show that the conditions were wrong in any way, but to my reminder, as an answer which he regarded as triumphant, he said that it was further evidence in support of the suspicion that Sir Malcolm McEacharn was in league with the Labour Party. That extraordinary invention indicates that the gentleman who has furnished the honorable member for Parramatta with the chief arguments which he used to-day possesses a strong imagination. I am not entirely in accord with the contract which has been proposed. I am in favour of the amendment moved by the honorable member for Barrier, who, as chairman of the Oversea Shipping Service Commission, has placed the Commonwealth under a considerable obligation by the industry, ability

and research which he displayed throughout the conduct of the proceedings of that Commission. I think we certainly should pause before tying ourselves up for so many years to the payment of the large subsidy proposed to be paid to this company. Although I admit that the proposed contract is in many respects advantageous to us, there are many points in which I think it could be improved. Take, for instance, clause 10, which deals with the employment of white labour on board the ships. If honorable members will refer to the contract they will see that in every other clause it is provided that the contractor "shall" do this, or "shall not" do that. Clause 8 says—

Every mail ship shall be a good substantial and efficient steam-ship.

Clause 9 says—

Every mail ship shall be always properly and sufficiently equipped in all respects.

But when we come to clause 10 we find these words—

The contractor binds himself to employ only white labour on vessels used or employed under the contract, but this condition shall not apply to the coaling or unloading of the mail ships at places beyond the limits of the Commonwealth.

Unless a penalty for the employment of black labour on a ship is provided in another clause, certainly it is not prescribed in any part of clause 10.

Mr. DEAKIN.—It will be a breach of the contract.

Mr. MAHON.—That may be, but it is not apparent on the surface. It is also undesirable that no provision should be made that only Australian and British seamen shall be employed. If we go on board a German boat we find nobody but Germans employed. Again, if we go on board a French boat, we shall find only Frenchmen employed.

Mr. DEAKIN.—It is a condition of the subsidy in those cases that the company must employ French or Germans on the vessels.

Mr. MAHON.—I think that the Prime Minister might very fairly imitate that example, and say that none but Australian or British seamen shall be employed on these mail boats. No other nation could take offence at such a condition being inserted in the contract, because so far as their Australian trade is concerned—I do not know about their North American

trade—the steamers belonging to the German or French companies adhere strictly to the provision that only the subjects of their nation shall be employed. However, I do not wish to emphasize that point any further. I ask the Prime Minister to see whether it is not possible, even now, to insert a similar provision in this contract. There is another little omission from the contract, and possibly the Postmaster-General is not to blame, because if I remember aright, it was omitted from all previous contracts. So far as I can see, there is no arrangement requiring the contractors to be punctual in the delivery of Inter-State mails. Take, for instance, the mails leaving Sydney and Melbourne for Western Australia. Suppose that the steamer left Adelaide on a Thursday, instead of delivering the mails at Fremantle on the following Monday, as at present, she might not deliver them until the following Tuesday.

Mr. EWING.—There is no time-table for intermediate ports?

Mr. MAHON.—No. I speak now not so much from the postal point of view as in the interests of passengers. The Minister must see that access to Western Australia can be gained at present only by the ocean, and that therefore it is very important to those who travel, and who have business in that State, that an Inter-State time-table should be kept. I believe that the Postmaster-General has done very well in altering the clause, stating that no fine shall be inflicted upon the contractor unless twenty-four hours be lost, so as to provide that the finishing should start when the ship has lost even an hour. By clause 25 a fine of £5 per hour is prescribed. If the Postmaster-General considers it necessary to offer such a large payment for an accelerated service, this is a very small fine indeed to impose for any delay. For instance, a boat could be twenty-four hours late, and pay a fine of only £120 for the delay. Under certain circumstances it might pay a steamer to lose twenty-four hours, and the company would still be in pocket. Seeing that the rapid delivery of mails is essential, that penalty is altogether inadequate. The honorable member for Parramatta laboured considerably over clause 15, which provides briefly that should the legislation of the Commonwealth result in a diminution of the earnings or an increase of the expenses of the ships, the contract shall be terminated.

I object to the clause—which I believe has found a place in previous contracts—on grounds entirely different from those urged by the honorable member. I think that it would give the company power to hold a threat over the Commonwealth. Regarding any proposed legislation, they might say, "You will adopt that legislation at your peril. We shall lose £10,000 or £15,000 or £20,000 a year by the legislation, therefore be careful as to what you do about it." That is not a proper position for the Parliament to be placed in.

Mr. EWING.—Is the honorable member sure that all legislation would affect shipping?

Mr. MAHON.—I am not prepared to argue that point, which formed the subject of a long dialogue between the honorable member for Parramatta and the honorable member for Corinella. I think that the Prime Minister appreciates the position which I am putting—that it is scarcely right that we should have the threat held over us that, if we adopt certain legislation, penal consequences will follow.

Mr. EWING. — They are not heavy—£5,000.

Mr. MAHON.—They are not heavy, but if that condition is accepted I think that we should insist upon a similar condition, giving the Commonwealth a corresponding advantage. There should be in the contract a clause providing that, if the legislation of the Commonwealth cheapens the operations of the company, we shall share in the advantage thus gained. For instance, as the contract stands, if, through the intervention of the Government, the Imperial Government, which holds the bulk of the shares in the Suez Canal, were to reduce the canal rates, the contractors would pocket the difference, and the Commonwealth would get no advantage. That, however, would not be fair, and therefore I suggest that it may be possible even now to insert a clause which will put the Commonwealth in a proper position, and not make the bargain one-sided. The contract is undoubtedly a great improvement upon previous ones, and the Government are to be complimented upon it in many respects. If the House is not prepared to agree to the amendment of the honorable member for Barrier, no doubt the adoption of the contract, subject to the improvements which have been suggested, is the best course that we can follow. The Government should

make an attempt to have the terms of the contract modified, with a view to carrying these suggestions into effect. I do not think that we should for all time pay a subsidy exceeding by £80,000 per annum the cost of the service on a poundage basis; and Parliament will be justified in saying to those who chiefly benefit by the establishment of subsidized mail services, "We propose to readjust the burden, so that you shall bear the greater part of it. The cost of these services promises to be a very heavy burden upon the taxpayers of the Commonwealth, and it is only right that those who chiefly benefit shall bear the greater part of it."

Mr. JOHNSON (Lang) [5.14].—The consensus of opinion amongst honorable members seems to be that, if the terms of the contract are faithfully observed, the Government will have made a very good bargain. It is wrong to assume, as the honorable member for Coolgardie did, that the Opposition holds two diametrically opposed opinions on the subject, namely, that the Government have made a very good bargain, and that they have made a very bad bargain. Our opinion is that the contract will be a good one if its provisions are faithfully observed by the contractors. But some of us believe that some of the clauses of the agreement could be amended with benefit to the Commonwealth. It has been pointed out by a gentleman intimately connected with, and having a large experience of the shipping business, that the construction of the fleet of steamers necessary for the performance of the service will occupy at least three years. Now, the service is to be inaugurated on the 1st February, 1908, or in about eighteen months' time, when the necessary vessels are unlikely to be ready. In view of that fact, the deposit of £2,500 is quite inadequate.

Mr. EWING.—A deposit of £2,500 and another deposit of £25,000 have been made.

Mr. JOHNSON.—Not in cash.

Mr. EWING.—Yes, in cash deposited in London. £27,500 is the amount which the company stands to lose if it does not proceed with the service.

Mr. JOHNSON.—I do not think that cash to that amount is in the hands of the Government, although the equivalent of it may be.

Mr. EWING.—It is the same thing.

Mr. JOHNSON.—I do not think that it is. Interest would not be paid on its equivalent. A bank before paying interest on such a deposit would require actual cash.

Mr. EWING.—The money is available if the company does not do what it has promised to do.

Mr. JOHNSON.—In any case, the amount seems disproportionate, seeing that we are to pay £125,000 per annum for a ten years' service, or, in the aggregate, £1,250,000. If the Commonwealth had to fall back upon the next lowest tender it would be involved in an additional expenditure of £300,000, even assuming that the tender would hold good after the acceptance of another tender. Therefore it seems to me that our interests have not been sufficiently safeguarded. It may be that it is not too late to make an alteration. Mr. John Paxton, whose criticism of the contract was published in the press a few days ago, referred to a matter which formed the subject of a question asked by me this afternoon, namely, the authority of Mr. Croker for signing the contract on behalf of Messrs. James Laing and Sons. Mr. Paxton says—

The agreement was not one which was required to be signed under seal, and assuming that Mr. Croker had the necessary authority the agreement should be perfectly binding. He assumed, however, that in respect of such an important piece of business the Commonwealth would have taken the precaution through their representative in London to obtain from Sir James Laing and Sons Limited, under the hand of their chairman or secretary, an extract minute from their official minute-book giving the precise wording of the authority which had been delegated to Mr. Croker. He did not think it at all likely that Mr. Croker would affix his signature without full authority, still using a phrase that was employed by barristers, "For more abundant security's sake," the Commonwealth should see that this aspect of the matter was made clear.

It would appear from the statement of the Prime Minister that this precaution was not taken. The Government were content to make Mr. Croker responsible for the performance of the contract. I do not pretend to any expert knowledge upon technical points of this character, but, in view of the criticism passed by Mr. Paxton, who is a thoroughly experienced man, I was surprised to learn that the Government did not consider it wise to adopt the course indicated. Of course, this is purely a contract for the carriage of mails between Brindisi and Adelaide, but I think it would have

been wise to provide that the mail steamers should call at Melbourne, Sydney, and Brisbane. In all probability, the steamers will go on to two of those ports, because the trade inducements held out to them will be sufficient to make it worth their while to extend the voyage. We cannot forget, however, that the Queensland Government had to make a special payment to the Orient Company to secure the extension of that company's service to Brisbane, and possibly the new contractors may make similar demands upon Victoria and New South Wales and Queensland. That is the reason why I think it would have been wise to make Melbourne, Sydney, and Brisbane ports of call for the mail steamers. We propose to pay the contractors £125,000, or £5,000 per annum more than is now received by the Orient Company. In return for this, the contractors undertake to shorten the period occupied in the conveyance of mails between Brindisi and Adelaide by sixty hours, and supply a fleet of greatly improved and larger steamers.

Mr. EWING.—At present we pay £120,000 for the carriage of our mails within 696 hours, and, under the new contract, we shall pay £125,000 for the carriage of our mails within 636 hours.

Mr. JOHNSON.—Quite so; but I notice that it is provided in clause 7—

That during the prevalence of the south-west monsoon, the "period of transit" from Adelaide to Brindisi shall be extended by thirty-six hours.

Mr. EWING.—That concession is granted to the present contractors.

Mr. JOHNSON.—Its effect is to materially reduce the advantage conferred upon us by the new contract. Even if that provision is in the present contract, I think that, in view of the additional sum that is to be paid by us, the new contractors should have taken the risk of any delay owing to the prevalence of the south-west monsoons.

Mr. EWING.—The honorable member knows that there are times when ordinary speed cannot be maintained.

Mr. JOHNSON.—I am perfectly well aware that when a vessel is passing through a monsoon she cannot be forced along against a head sea and a head wind at her ordinary speed. But when ship-masters have reason to expect, as in this case, that they will meet with adverse conditions, they can drive their vessels at more than ordinary speed both before entering and after passing through the monsoonal regions, and

thus make up for loss of time. Probably those who are responsible for drawing up the agreement failed, owing to their lack of nautical knowledge, to take this point into consideration. I presume that the steamers will be equipped with sufficient power to drive them at a rate of speed in excess of that required to keep strictly within the contract time. As a matter of fact, I gathered from a conversation I had with the captain of the R.M.S. *China*, that, whilst the Peninsular and Oriental steamers can comply with the requirements of the contract by maintaining a speed of sixteen knots per hour, they are capable, if necessary, of steaming eighteen knots per hour throughout the voyage. That being so, the new steamers should be capable of giving us an accelerated service strictly within the terms of the contract, despite any delay that may be involved when passing through the south-west monsoon. Clause 8 provides—

That the port of registry of the mail ships to be employed in pursuance of this agreement shall be a port within the Commonwealth of Australia.

No provision is made for the crews being signed on and off in Australia, which is a very important matter from a Commonwealth standpoint. In unfolding the terms of the contract the other day the Postmaster-General made much of the fact that Australians will be very much interested in the new venture. If that argument be worth anything it would be worth a good deal more if the contract had provided for the signing on and off of the crews in Australian ports—not necessarily at the port of registry, but at the starting point of these vessels from Australia. As the agreement stands, the crews will probably be signed on in London at the London rate of wages, and consequently Australian seamen will not derive any very great advantage from it. If it had been intended that they should receive any benefit, provision should have been made for the signing on and off of crews for the round voyage in Commonwealth ports. That would have insured the employment of Australian seamen at Australian rates of wages. Clause 9 stipulates—

That the plans of the new mail ships to be built to carry out this agreement shall within a reasonable time be submitted for the approval of the representative of the Commonwealth Government in London.

Now, the phrase "within a reasonable time" seems to me to be a very loose one indeed. Who is to define what will con-

stitute a reasonable period? In a contract of such an important character, a definite period should have been specified, within which plans for the building of the vessels should be submitted to the representative of the Commonwealth Government in London. As matters stand, months may elapse before those plans are submitted, and all kinds of excuses may be urged for not submitting them earlier. Under the agreement, Sir James Laing and Sons can hawk their concession about for the next twelve months, at the end of which period they may be no further forward in the matter of the construction of the ships than they are now. It does not seem to me that, under the agreement, the Government have any means of compelling them to submit plans within what may be termed "a reasonable period"—that is, within three or four months of the ratification of the contract by this Parliament. Clause 11, which is perhaps the most important provision in the agreement, appears to have created some apprehension in the minds of certain honorable members, judged by the questions which were asked this afternoon in reference to the tonnage of the vessels. That clause provides—

That each of the mail ships to be employed in pursuance of this agreement shall be of at least 11,000 tons registered tonnage, and that each of such mail ships shall be capable of steaming at a minimum speed of fifteen knots per hour.

Now, in shipping parlance, the words "eleven thousand tons registered tonnage" have a well-defined meaning. Registered tonnage is a very different thing from gross tonnage. The gross tonnage of the largest vessels of the Peninsular and Oriental Steam Navigation and Orient Steam Navigation Companies visiting Australian ports, is something like 10,000 or 11,000 tons, but their registered tonnage is only between 5,000 and 6,000 tons. I think that Mr. Paxton himself has something to say upon this point.

Mr. EWING.—What does the fact to which the honorable member has referred, convey to his mind?

Mr. JOHNSON.—A ship of 11,000 tons registered tonnage would convey to my mind a ship of about 16,000 to 18,000 tons gross register—in other words, a vessel which would have a gross tonnage of at least 5,000 tons more than any vessel of the Peninsular and Oriental Steam Navigation Company or Orient Steam Navigation Company coming to our ports. When a

ship is said to be of 1,000 tons register, it means that she is a vessel of about 1,500 tons gross carrying capacity. The gross tonnage of any vessel is always a great deal in excess of its registered tonnage. I see now that Mr. Paxton did have something to say upon this point, and to make the position perfectly clear, perhaps it would be as well for me to quote his statement. He says, referring to clause 11—

It provides that each of the mail ships to be employed in pursuance of this agreement shall be of at least 11,000 tons registered tonnage. Now, I do not think that even the Government realizes what this means, and I am very certain that excepting the few closely connected with shipping business not many understand what the words "registered tonnage" mean or appreciate the value of the clause. It really means that the vessels to be employed will require to be more than twice the size of such steamers as the *Mongolia* and the *Marmora*, whose registered tonnage is a little under 5,000.

Mr. EWING.—The *Marmora* is advertised in the newspapers as a vessel of 10,500 tons.

Mr. JOHNSON.—That is her gross tonnage. The steamers provided under this contract will require to be more than twice the size of the *Mongolia* and the *Marmora*, which are the finest ships of the Peninsular and Oriental Steam Navigation Company's fleet visiting Australia at the present time.

Mr. EWING.—It will not do any harm if the vessels are of that size, I suppose?

Mr. JOHNSON.—Not at all. I should be very glad to see them here, and I do not think that anybody would complain of their presence. I am, however, informed, upon the most reliable authority, that it will take at least three years to build these steamers, and, consequently, I fear that the contract cannot be entered into within the specified period, because there are not sufficient ships of the required tonnage afloat available which could be chartered for the purpose of carrying our mails. Mr. Paxton, in dealing with this question, said—

As a matter of fact, the total number of ships afloat at the present moment of the required tonnage would not be much more than sufficient to comply with the conditions of the contract. At the moment, I cannot give you the name of a vessel which would indicate the precise size called for. The nearest I can think of is the White Star liner *Arabic*, of 15,801 tons gross and 10,062 tons registered tonnage. The Kaiser Wilhelm der Grosse, which Sydney people know pretty well, is of 5,521 registered tons, and, therefore, as nearly as possible half the size of the steamers called for by the new contract. The idea that such steamers can be built for any

such sum as £400,000 is simply preposterous. They will cost at the very least half a million apiece, and probably a great deal more, but the precise sum depends to a certain extent on the fittings and machinery.

I was induced to read the latter part of Mr. Paxton's statement, because of the assertion in the report of the Shipping Commission that mail steamers suitable for a Commonwealth service could be constructed at a cost of £400,000 each. I have no wish to unduly occupy the time of the House in dealing with this motion; my sole desire is to emphasize points that appear to me to be deserving of consideration. In clause 15 we have the provision—

Should the earnings of the mail ships be diminished and or the expenses of running the mail ships be increased either or both and whether prospective or actual by an amount of not less than Five thousand pounds (£5,000) per annum at any time during the currency of this Agreement in consequence of Commonwealth legislation relating to shipping enacted subsequent to the date of this Agreement the Contractors shall be at liberty at any time after such enactment to determine this Agreement on giving six months' notice in writing to the Postmaster-General of their intention so to do. Provided always that if so required the Contractors shall furnish the Postmaster-General with a statement of the amount and particulars of such diminution of earnings and or increase of expenses such statement to be certified by a chartered accountant to be mutually agreed upon.

This clause may or may not have been cunningly devised to give the contractors a certain advantage. I refer more particularly to the use of the words "legislation relating to shipping." Those words, in my view, and in that of some eminent lawyers, do not necessarily imply legislation dealing directly with shipping. All commerce relates to shipping, and all interference with, or restrictions upon, commerce, have a direct relation to shipping of the most vital importance, since a shipowner's earnings could be reduced to the vanishing point by such legislation. In the course of conversation with me, the other day, a gentleman eminent in legal circles, expressed the opinion that the words "relating to shipping" had been deliberately inserted in the clause in order that the contractors might take advantage of legislation passed subsequent to the signing of the contract, which might diminish or interfere in any way with the inflow of imports to Australia. He cited the Australian Industries Preservation Bill as a measure which, in effective operation, would have the result of diminish-

ing the earnings of a shipping service, and which, to that extent, would therefore relate to shipping. To obviate such a contingency, he suggested that the clause should be so altered as to make it clear that it related only to legislation applying directly to shipping. The point is an important one, and I trust that the Minister will make a note of it, with a view to seeing whether other words, which more clearly define the intention, could not be substituted.

Mr. EWING.—In any event it would have to be cleared up.

Mr. JOHNSON.—And it is better that the point should be brought under notice at the present time, when it is possible to make the meaning of the clause clearer. If its general provisions be faithfully observed the contract is one to which no exception can be taken, and if it be brought to a successful issue the Commonwealth will be able to congratulate itself upon having its mails delivered by a very fine fleet of steamers, on terms which, so far as the price paid and the services rendered for that price are concerned, are very much in advance of those of the existing agreement.

Mr. MALONEY (Melbourne) [5.48].—I must certainly compliment the honorable member for Barrier, who, with characteristic determination, has given a close study to a question that will before long receive in Australia far more attention than is being given to it at the present time. Some of the arguments raised in opposition to his amendment that a Commonwealth line of mail steamers should be obtained are certainly strange. Scarcely any honorable member would advocate the selling of the railways of the States, or the transfer of our telephone or telegraphic system to private control. Speaking subject to correction, I believe that something like £150,000,000 has been expended on the railways of the States, and, compared with that sum, the £3,500,000 necessary to provide the Commonwealth with a national line of mail steamers is a very small amount. The producers in the centre of Australia may possibly be given differential rates on the railways to assist them in getting their produce to the sea-board, and it is, to say the least, singular that we cannot extend the principle to the carriage of that produce to the motherland—the centre of the English-speaking race. I read a statement a few days ago in the *Age* that the private telegraph company in the United

States of America had robbed the unfortunates who suffered by the earthquake at San Francisco, and also their friends in other parts of the world, of upwards of £200,000. After that I do not think that any one would have the temerity to say that we should hand over our telephone or telegraphic system to a private company. There is one point for which the Government will receive the encomiums of the House, and that is that white labour only is to be used on these ships. I have spoken in this Parliament, and in the State Parliament of Victoria on several occasions, against the great injury that is being done to British naval supremacy by the Peninsular and Oriental Steam Navigation Company. That company has done more to weaken the British mercantile marine than has any other company whose vessels leave British ports. It is stated in Mr. Ernest Williams' book, *Made in Germany*—a work that has become almost a classic—that the Peninsular and Oriental Steam Navigation Company would take German goods, tranship them at the port of London, and bring them out to Australia at 50 per cent. less than it would charge to carry English goods. So much public opprobrium was cast upon the company by reason of that conduct after the publication of Mr. Williams' book, that for its own sake it ceased the practice. But consider the company's treatment of the lascars. On its vessels only 36 cubic feet space are allowed for each man. No one will say that it is possible for a human being to live healthily when the accommodation provided for him measures only 6 feet long, 3 feet wide, and 2 feet high—a space only a little bigger than a decent-sized coffin. The British Board of Trade, I believe, has fined the company repeatedly by not permitting it to utilize as much cargo room as the tonnage of its vessels would allow. This was done in order to insure that more room should be given to the unfortunate lascars who were crowded into practically rabbit hutches in the way I have described. What do we owe to the Peninsular and Oriental Steam Navigation Company? I do not feel under the slightest bond of regard to it, but I do feel a great amount of respect for the Orient Steam Navigation Company, because it has worked its ships with white labour, and by so doing, has tended to promote, instead of lowering the British naval supremacy. The Peninsular and Oriental

Steam Navigation Company receives more money from the British Government by way of subsidy than the *Nordeutscher Lloyd* Company or the Hamburg-American line receives from the German Government. It shows its gratitude by carrying German goods for 50 per cent. less than it charges for the carriage of British goods. Lest honorable members should think I am very severe in dealing with this company, I should like to quote some of the remarks which were made concerning its conduct in the House of Commons, as reported in the *London Times* of 12th May, 1900. Mr. John Dillon, M.P., said that—

A British sailor should not be subjected to the competition of men who would work for half his wages and live on half his food. The Government encouraged the greatest steam-ship company to break the law.

It was the Peninsular and Oriental Company to which he referred, and at that time one of the directors of the company was a member of the Balfour Government. On the same occasion Mr. Havelock Wilson said that he—

did not object to lascars being employed, but they should be so on the same terms with regard to wages, accommodation, and food as British seamen.

That is what the party with which I am associated has always maintained. We do not fear competition with any race in the world, provided the competition is on equal terms, and that coloured men, if employed, receive the same wages as are paid to white men. Sir Howard Vincent, a conservative member of the House of Commons, referred to the same matter in these terms—

Formerly lascars were employed only in the engine-room, but now they were employed on deck, the proportion in one case being sixty-one lascars; only twenty-nine, or less than half, were employed in the engine-room. Australian Governments, notably Queensland—

and this is to the credit of Queensland—had taken a serious view of the matter, and had refused to give contracts to vessels carrying lascars.

Mr. Henry Labouchère, then member for Northampton, said that the Peninsular and Oriental Steam Navigation Company—

had broken the law in a criminal manner, employing the men under conditions that fostered disease and shortened life.

Mr. Lloyd George, who is a member of the present Ministry in England—

noticed that while on the American lines, and the Castle and Union lines, 90 per cent. of the

Mr. Maloney.

seamen were British, on tramps 30 per cent., on the Peninsular and Oriental Steam Navigation Company's vessels only 25 per cent. were British.

Mr. Weir—

asked if there were any labour conditions in the contract. If there were not there ought to be, as when the British flag flew over South Africa he supposed that the Peninsular and Oriental Steam Navigation Company would have at their disposal the labour of Matabeles, Bechuanas, Swazis, and other native tribes, and these men would work for 4d. a day, and with a little training cut out the lascars.

Admiral Field, a conservative, expressed the opinion that the conduct of the Government with regard to the Peninsular and Oriental Steam Navigation Company was deserving of strong condemnation, and though he would not vote against his party, still he would not support the Government on this question. He spoke from the point of view of the naval supremacy of Great Britain. He said that we could not expect lascars to fight England's battles at sea, and that, if the British mercantile marine were not manned by British sailors, Great Britain would be placed in a position of great danger, because landsmen could not serve in time of need, since they would not have the necessary training. Mr. Ritchie, who was then Chancellor of the Exchequer—and I ask those who would defend the Peninsular and Oriental Steam Navigation Company to remember that one of Mr. Ritchie's own colleagues in the Balfour Government was a director of the company—said—

If the law had not been complied with it was not for the want of strong remonstrances. The Government had called attention to the fact that the space supplied to lascar seamen was not the space provided for British seamen, and that the Peninsular and Oriental Steam Navigation Company were not acting in accordance with the Merchant Shipping Act. In this way the Peninsular and Oriental Company had already been heavily fined.

Mr. WILKS.—Does the honorable member say that Mr. Ritchie was a member of the Balfour Government at the time he made that statement? I thought he resigned.

Mr. MALONEY.—He had not resigned at that time. He was Chancellor of the Exchequer. He added that—

He agreed that such a company should be beyond reproach, and had made his opinions known to them more than once in strong terms, that they ought to give their lascar sailors the space required by the Merchant Shipping Act. He had gone further, and informed them, although the Board of Trade had been unwilling

to prosecute in the hope that its remonstrances might induce them to comply with the English law, the time might come when he would consider it his duty to order a prosecution if the law were not complied with. . . . And he hoped that in future they would not have the annual recurrence of these complaints.

That is the kind of shipping company that the honorable member for Parramatta is defending, and that he puts forward as an example against those of us who are in favour of nationalizing the mail service. I remember an occasion when the honorable member took the chair at a meeting of Labour members which was called to try to do something for the unemployed. I wonder that his voice and his ability—because no one would deny his ability—are not used in the interests of the white race. I cannot see how the honorable member can object to a national line of steam-ships. That great good man, the right honorable member for Adelaide, had great difficulty in South Australia in dealing with shipping companies on whose vessels lascars were carried; and he has sent me a return showing that in 1893 no less than 667 Asiatics were dumped down in Australia against our laws. These men were brought in vessels from the northern ports, and the vessels, on commencing their return journey, were short of that number in their Asiatic crews. The State of New South Wales, to its eternal discredit, did not help the right honorable member for Adelaide in his efforts, but, on the other hand, threw every obstacle in his way; and the honorable member also had difficulty in getting some of the other States to assist him in the matter. No one can deny that there is a shipping combine—to prove the fact one has only to refer to the remarks of the late Mr. Seddon, as quoted by the honorable member for Barrier. I have heard, both inside and outside the House, that there is a system whereby the shipping companies at our various ports allow percentages; in other words, they use their power to keep out fair competition. It has been stated to me by a man who ships goods daily that it costs more to send cargo from Melbourne to Brisbane than to bring it from London to Australia. That could never happen if we had a national line. We should not then have the Peninsular and Oriental Company charging the foreigner—though I must say I respect Germany as a great nation—50 per cent. less than is charged to people of the British race, although the latter are responsible for the large subsidies

it receives. One argument quoted by the honorable member for Parramatta was very absurd. He stated that some one, who was opposed to a national line of steamers, gave as one reason that there might be quarrels if two or three clergymen happened to be travelling on the same vessel. It has been stated that the Peninsular and Oriental Steam Navigation Company always have a Church of England clergyman on board their vessels; but I can say that, when travelling on the steamers of that company, I found clergymen of different denominations conducting services at different periods of the day without any friction whatever. It is certainly ridiculous to argue that, because we have no State religion, we ought not to have a national line of steamers. If the other arguments of the gentleman quoted are as convincing as the one I have just indicated, I cannot give him much credit for intelligence. In connexion with private shipping companies, I might quote the great Gladstone, who, on one occasion, was asked whether he thought such companies would carry an enemy to the shores of Great Britain if the latter were involved in a European war, and who replied, "I believe, for the sake of lucre, they would, if possible, carry the enemy into the gates of heaven." That was the great Gladstone's opinion of shipping companies; and that is my opinion of the Peninsular and Oriental Steam Navigation Company. Every continental nation which assists shipping companies insists that only men of its own nationality shall be employed; and we ought to take a similar stand, though I am willing to accept the white man as against the coloured. On the question of railways, I could not pin the honorable member for Parramatta to any definite expression of opinion. I have here a letter which shows the cost of travelling on a private railway in Tasmania, on which I had the privilege of making a journey a few months ago with the honorable member for Darwin. On that line the charges are 4d. per mile first class, and 3d. per mile second class; and, really, the sheep trucks in comparison are fairly decent.

Mr. KING O'MALLEY.—There are no cushions, but simply plank seats, like those provided for convicts.

Mr. MALONEY.—I ought to say, however, that backed up by the Van Diemen's Land Company, this private railway carries certain kinds of ores at a considerably cheaper rate than that at which similar

material is carried in Victoria. I cannot understand how any man, who believes in nationalized railways, can have the slightest hesitation in voting for the amendment. Those who support it may not win this time, but I am certain that we shall win in the future. One argument in favour of a national line of steamers is that we could then convey to this country desirable European settlers.

Mr. HUTCHISON.—We could give cheap passages.

Mr. WILKS.—The honorable member for Melbourne talks about winning next time—does he observe that this contract is for ten years?

Mr. MALONEY.—There may be some means of ending that contract. Will the honorable member for Dalley, bold as he is, venture to say what will be the political events of the next five years? The people ought to have the larger and greater power of the referendum.

Mr. HUTCHISON. — The power to take over the ships is already in the agreement.

Mr. MALONEY.—If we once have the referendum, we shall obtain everything we want. I take second place to no one in the desire to see Australia populated, but I wish to see the country filled with our white brethren. If the various States will not pass just land laws, the Commonwealth ought to have the dominant power to create a fair and equitable land system, whereby our own people may be enabled to settle; and then the country might be opened to our white European brethren from any part of the world. I will go farther, and say that there ought to be a nationalized line of ships running between all the various ports of the States. It is all very well to say that the shipping companies lose year after year; but, in the confusion of combined interests, it is well nigh impossible to ascertain the real profit and loss. If I be present, I shall vote for the amendment, and, if absent, I shall pair in its favour.

Mr. SALMON (Laanecoorie) [6.11].—The Postmaster-General and the honorable member for Richmond are to be congratulated on the excellent terms they have secured for the Commonwealth. I express that opinion the more heartily because I realize that had it not been for the special efforts put forth by those honorable members, and by the Government generally, we should possibly have been placed in a very awkward position as regards our oversea communication with the old country. This is

a contract entered into with full knowledge on the part of those interested on both sides, and as the tender conditions provided for suggestions by any intending contractor, we may be sure that the terms are the very best that could be obtained under the present circumstances. For many reasons the agreement is a marked advance on any gained hitherto; and, it being so favorable, the public support is assured. In this connexion a great deal depends on our own people. If the people of the Commonwealth and the people of the old country are prepared to help in every possible way those who do business with us under such favorable conditions, success is certain. Considering that we are beset on every side by conflicting interests, in the shape of foreign competition, it is time that something was done to render more complete the relationship between us and the old country. I realize that the projected company will displace an old company which has done business with Australia under very adverse circumstances for many years past. We have the word of the managing director of that company in Australia that its connexion with this country has been very unprofitable to the shareholders. That, of course, is to be regretted; and I agree with those who have referred to the debt of gratitude which the Commonwealth owes to the Orient and Pacific Steam Navigation Company for their splendid resistance, as long as possible, to the employment of black labour. I should like to see the whole mercantile marine of the Empire composed entirely of our own people; and, therefore, I feel some regret at parting, under such conditions, with a company which has for so many years provided an object lesson to other companies in this respect. Another condition in the agreement, which ought to satisfy those honorable members who are prepared to support the amendment, is one of a very safe character, providing that the Commonwealth may at any time buy out the contracting company, and take over the line of steamers.

Mr. HUTCHISON.—We ought to have our own line of steamers.

Mr. SALMON.—The condition referred to is, in my opinion, the line of demarcation between those who think with the honorable member for Hindmarsh, and those who think as I do. Socialism must always be judged on its merits; that is to say, any socialistic proposal must stand the test

of whether it will be a paying concern—whether it will pay the State. I know that the honorable member for Hindmarsh is prepared to have Socialism in everything; but I am not. We have not sufficient evidence before us to warrant our adopting the amendment; and, therefore, I am not prepared to support it. As I said before, the condition that we may at any time take over the line ought to satisfy the supporters of the amendment.

Mr. JOSEPH COOK.—Is that why the condition has been put in the agreement?

Mr. SALMON.—I think such a condition is part of every such contract; at any rate, in my opinion, it ought to be part of every contract of the kind entered into between the State and private individuals.

Mr. JOSEPH COOK.—The similar condition in English contracts is inserted in view of war.

Mr. SALMON. — The matter was referred to previously in this House. Of course, we are working under somewhat different conditions to those which prevail in the mother-land, but I, at any rate, welcome the insertion of the stipulation, although I feel that it will be very many years before the Commonwealth will be prepared to give it effect. I intend later to indicate very briefly why I think so. Referring to the contract, the penalties we have provided for are quite sufficient to guarantee not only greater expedition, but also the proper and thorough maintenance of the service. The honorable member for Barrier stated specifically that the suggestion contained in his amendment did not come from the Labour Party, or from any socialistic party, but from a Conservative member of the House of Commons, Mr. Henniker Heaton. We are all familiar with that honorable member's name, and are aware of the splendid efforts he has put forth in a particular direction, which the honorable member for Barrier has followed to a certain extent in Australia. Some of us, however, agree that the interjection made when the honorable member for Barrier uttered that statement was completely justified—that we find the most ultra-Conservative very close indeed to the Socialist.

Mr. THOMAS.—I believe that Socialism is very conservative, since it tends to conserve all that is noblest and best in the community.

Mr. SALMON.—I agree with the honorable member that in a sense it is conservative, but I think that, if Socialism were

adopted in its entirety, it would not tend to conserve all that is highest and noblest in the community, but rather to bring us down to a very much lower level than that which we occupy at the present time. One has only to read some of the publications with which we are now being favoured regarding the possibilities of the next 100 or 200 years of development to find cogent reasons for such a belief as I have indicated. Whatever may be the genesis of the proposals contained in the amendment, no honorable member will deny that it is undoubtedly and essentially socialistic in character. It is purely and essentially a socialistic proposal, and should be discussed as such.

Mr. DAVID THOMSON.—The same as the control of the railways.

Mr. HUTCHISON.—And of the Post Office.

Mr. SALMON.—I will not say that it is the same as the control of the Post Office or the railways. There is a very marked difference to be considered. In the conduct of our railways and Postal Department our work is carried on within our own borders. If we go outside our own borders to conduct business connected with the Postal Department, we find it is only by international arrangement that we are able to do so.

Mr. HUTCHISON.—Our produce departments conduct business outside our borders.

Mr. SALMON.—If the amendment be carried, we shall be entering, not only into the postal business outside our own borders, but into the business of general carriers outside the borders of the Commonwealth.

Mr. HUTCHISON. — Does the honorable member not admit that our produce departments do that now?

Mr. SALMON.—The honorable member must surely see that, if the amendment were carried, the Commonwealth ships would not merely start from Australia and take letters and other postal matter to the old country, but would take in any cargo offering at ports of call on the way.

Mr. HUTCHISON.—The South Australian Government send produce Home now. It is possible for the producer in that State to send through the Government a pound or two of butter or a crate of fowls to the old country.

Mr. SALMON.—I am afraid we are talking of different things. It is one thing

for the Government of South Australia to send produce to their Agent-General in London—

Mr. HUTCHISON.—No, not necessarily to the Agent-General.

Mr. SALMON. — Well, to their accredited agents in London. But in doing so, they would be in a very different position from that which the Commonwealth Government would occupy in owning a line of steam-ships doing business with all and sundry on the route between here and the old country.

Mr. HUTCHISON.—They would be able to do the work better than it is being done now.

Mr. SALMON.—That is purely a matter of opinion. The honorable member for Barrier, as Chairman of the Shipping Service Commission, has presented a very excellent report to the House. Though I have studied it, I regret to say that I have not yet completely mastered it, and possibly I never shall master the financial portions of it.

Mr. WILKS.—I suppose that is why the honorable member calls it an excellent report?

Mr. SALMON.—I agree that the honorable member for Dalley has hit upon one of the most frequent causes of expressions of admiration. It is not uncommon for persons who do not thoroughly understand a thing to assume that it is something remarkably good. The honorable member for Barrier, in the report of the Commission, states that no definite and reliable figures were available to the Commission upon which to base an estimate. That, in my opinion, is a confession which detracts very seriously from the importance of the financial portion of the report. The honorable member must realize, and, in fact, he has specifically stated in his speech that he cannot expect the Commonwealth to engage in an undertaking which will not be a profitable one. He informs us that the basis of the figures supplied by the Commission are mere estimates, and that they were unable to obtain the necessary information to supply a correct estimate of the total amount which it would cost the Commonwealth to take up this particular work. The honorable member, however, takes something for granted when he says—

Private companies would not send vessels to Australia unless by doing so they hope to make a profit.

I make bold to say that the hope that we will make profits is one of the rocks upon which our fortunes most frequently split.

Mr. THOMAS.—But the honorable member will agree that no one sends ships out here without that hope?

Mr. SALMON.—I agree with that, but that is no argument to use in support of so serious a proposal as that made by the honorable member. The honorable member is not justified in asking the House to accept his proposal upon grounds so flimsy as that, because persons are sending vessels here with the hope of making a profit, therefore, they must be making a profit, and the Commonwealth would make a profit. I refuse to accept such a statement as that as evidence. Later on, the honorable member told us that the Peninsular and Oriental Steam Navigation Company are highly prosperous. That, of course, we see on reference to their annual balance-sheet. If the honorable member could not get exact figures, it may be taken for granted that I could not get them. It has been frequently stated that it is impossible to ascertain the amount of profit on their Australian trade, but it has been mentioned over and over again by Sir Thomas Sutherland, the Chairman of Directors, that that trade is unprofitable.

Mr. HUTCHISON.—Yet the company go on building new ships, when more lines of steamers are coming into competition with them.

Mr. SALMON.—The Australian trade of the Peninsular and Oriental Steam Navigation Company is only a part of their Eastern trade.

Mr. HUTCHISON. — What about other shipping lines?

Mr. SALMON.—It must be recollected by the honorable member that this company's boats do not trade only between the United Kingdom and Australia, but do a very large trade with the East and in certain seasons carry a very large number of passengers to and from the East.

Mr. DAVID THOMSON. — They are philanthropists.

Mr. SALMON.—I do not think so. I am glad to see that their balance-sheet shows a profit. It is very probable that the line from Colombo to Australia—because, after all, that is all we ought to take into account—is not a paying part of their business. The honorable member for Barrier went on to furnish certain calcula-

tions which he had made. From these it would appear that it would cost £400,000 to build and equip each steamer that would be required for this trade.

Mr. DAVID THOMSON.—That is an over-estimate.

Mr. SALMON.—I do not know, but I am inclined to think that it is somewhere about the mark. The honorable member for Barrier has not been able to get all the figures which he desired to obtain, but I am willing to accept his calculation. If we have a fleet of eight boats, with one boat in reserve, because it will be admitted that the Commonwealth should not be placed entirely at the mercy of the opposing lines, if an accident occurred—

Mr. THOMAS.—Does the honorable member mean to tell me that the Government could not charter a boat?

Mr. SALMON.—The Government might find it extremely difficult to charter a boat, and the loss would be greater, possibly, than the interest on the cost of constructing the boat which would be kept in reserve.

Mr. THOMAS.—Is the company going to have nine boats?

Mr. SALMON.—I do not anticipate that the company would have to keep one boat in reserve all the time, but it would be a useful thing to have, at one end or the other, a boat which could be put into use immediately when another boat had to be laid up for, perhaps, a month.

Mr. THOMAS.—It would be useful to have two boats.

Mr. SALMON.—It would be more useful to have two boats.

Mr. THOMAS.—The question is whether it would be business.

Mr. SALMON.—If the honorable member is prepared to say that, in his belief, eight boats would do the work, I shall base my calculations upon that number.

Mr. THOMAS.—In the report we have said so.

Mr. SALMON.—For eight boats we should require the sum of £3,200,000, but the honorable member has not indicated where the money is to come from.

Mr. WILKS.—They would not cost £400,000 each.

Mr. SALMON.—The honorable member for Barrier has accepted that estimate, and for the purpose of my calculation I shall accept it too. He has not indicated, however, where the money is to come from.

Mr. THOMAS.—Tax the foreigner. In the report we say borrow the money. We are now paying a subsidy of £120,000.

Mr. SALMON.—I understood that the honorable member belonged to a party to which I am very glad to belong, and that is the non-borrowing party. I thought that he was not prepared, under any circumstances, to pledge the credit of the Commonwealth for any sum. Yet I find that when he comes along with a little pet project of his own he is prepared to pledge the credit of the Commonwealth in order to raise the necessary funds.

Mr. THOMAS.—At any time I am prepared to pay £90,000 instead of £120,000 a year.

Mr. SALMON.—From my point of view, the socialistic proposition of the honorable member is not to be considered, because, in the first place, we have no evidence that the service would pay, and in the second place, it would compel the Commonwealth to borrow money for the construction of the vessels. These two objections are fatal to his contention.

Mr. WILKINSON.—Has the honorable member any evidence that it would not pay?

Mr. SALMON.—It is not the business of myself or of any other honorable member to come down here and produce evidence that it would not pay.

Mr. WILKINSON.—In their report the Royal Commission say it would pay!

Mr. SALMON.—It is the duty of those who submit such a proposition to offer irrefragable evidence that it would be a paying business for the Commonwealth to enter into. In the course of his speech, the honorable member for Barrier made several remarks concerning the protectionist members of the House to which I do not intend to refer more than to say that at any rate the three great bodies from whom he expected opposition did not find many recruits from the party to which I belong. He said that he expected that vested interests would be too strong, that prejudice would be too powerful, that ignorance would be too rampant, to allow his proposition to be carried. There is something which apparently he did not expect, and that is a feeling of common sense, which I hope will always obtain amongst a majority of honorable members concerning any proposals of this character. I trust that we shall never be prepared to pledge the credit of the Commonwealth in order to start a fleet of vessels across the sea, or to enter into a business, unless it is justified by circumstances and we are absolutely assured

that it would pay. Not only does the honorable member for Barrier contend that the undertaking would be of a paying character, but also that it would be in the best interests of the Commonwealth to carry on this business. That is where the honorable member and I disagree.

Mr. McCAY.—Did not the honorable member say in his electorate, about twelve months ago, that he was prepared to support a Commonwealth line of steamers?

Mr. SALMON.—I would be very surprised if the honorable member could bring me evidence that I made that statement.

Mr. McCAY.—The honorable member is reported to have said so.

Mr. SALMON.—Perhaps the honorable member is thinking of something which occurred in the House three years ago when I strongly urged that we should subsidize a line of steamers to South Africa, for the purpose of getting our produce there on something like fair terms. But that was a proposition of a very different character. I would like the honorable member to tell me where and when it was that I am reported to have made the statement he refers to.

Mr. McCAY.—I saw the statement in one of the Melbourne newspapers. I was surprised when I saw it.

Mr. SALMON.—I should be intensely surprised, too.

Mr. WILKS.—It was said in reference to fighting a shipping combine.

Mr. SALMON.—Is that so?

Mr. WILKS.—That is how it was reported.

Mr. SALMON.—Very possibly; but we have not a combine, but a proposal which is of quite a different character. We have from the Government a business-like proposition, which has been referred to in laudatory terms from one end of the Commonwealth to the other. Honorable members and the press generally have practically been falling over each other in order to pour their congratulations upon the Government and the two Ministers immediately concerned in the matter. I do not desire to delay the House. I feel perfectly satisfied that if the contract be carried out in the spirit in which it has been entered into we need have no fear for the future with regard to communication between Australia and the old country, and especially with regard to the carriage of our produce, which we desire to see placed

upon the London and other markets in the best possible condition.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. WILKINSON (Moreton) [7.30].—When the last mail contract was under discussion in this Chamber, I, in common with other representatives of Queensland, found fault because it contained a condition which, in our opinion, should not have been inserted. The condition to which I refer provides that the steamers now carrying on the mail service shall come beyond Adelaide—the port at which mails are landed and embarked, and to and from which they are transmitted through the eastern States by means of the railways—to take cargo at Melbourne and Sydney. The Government in framing the present contract have admitted the force of that objection, because they stipulate that the service shall end with the transmission of mails to and from Adelaide. Indeed, if the Postmaster-General had not insisted upon certain conditions as to the tonnage of the vessels, I think that we should have had no complaint to make against the contract. The fact that steamers of 11,000 tons burden must be employed, and certain refrigerating and cargo space provided still gives Queensland a ground of complaint, because it makes apparent an attempt to provide a service for the other States, Queensland being left out, since steam-ship companies are not likely to send their vessels there, unless they obtain from that State a substantial subsidy in addition to that paid by the Commonwealth. Although Queensland has gained some material advantages by joining the Union, it cannot be denied that she has also suffered greatly by doing so, and more consideration should have been given to her interests in this matter. In the agreement it is stipulated that the mail steamers shall be each of 11,000 tons register, and capable of steaming at a minimum speed of 15 knots per hour. I have no objection to the stipulation as to speed; but if a mail service alone is required, I do not see the need for the stipulation as to tonnage, because very much smaller vessels would be sufficiently large for the carriage of our mails. To my mind, the condition regarding tonnage has been inserted in order that vessels may be provided which will be sufficiently large to serve the over-sea trade of Fremantle, Adelaide, Melbourne, and Sydney, Brisbane being left

out of consideration. I should have liked to see more attention given to the recommendations of the Shipping Commission. In my opinion, we should have tried to obtain mail ships of our own. Great Britain, which subsidizes mail services on the Atlantic and Pacific, and to all parts of the world, reserves the right to use the vessels as transports or cruisers in time of international trouble. Similarly, if this country had a fleet for the conveyance of its mails oversea, it would secure, in addition to other advantages, that of having under its control a number of vessels which could be used to protect our commerce in time of war. My chief complaint, however, is that the proposed subsidy is to be paid largely to secure a passenger and cargo service for the ports on the western and southern coasts of Australia, and as far north on the eastern coast as Sydney. The steamers are not likely to go to Brisbane, particularly as New Zealand is talking of subsidizing the same line. If Queensland wants a line of her own, she will have to pay a considerable sum to get it. Although an ardent advocate of Federation, I am beginning to think that Queensland made a mistake in not standing alone. We never had a better mail and cargo service than when the vessels of the British-India Company steamed from Brisbane up our eastern coast, and through Torres Straits, giving a service to the East as well as to Europe.

Sir JOHN FORREST.—Why was that service not maintained?

Mr. WILKINSON.—We paid a subsidy of £60,000 a year for that mail service, and, as we are but a mere handful of people, could not afford to continue the subsidy subsequent to Federation. If the States were separate again, however, we could afford to pay the same amount in subsidizing a similar service. Queensland has ports other than Brisbane, some of them of almost as much importance. We have Rockhampton, which affords an outlet for almost as large an area of country as does Brisbane. Then, again, Cairns is the port for a tract of territory the potentialities of which are not known even to Queenslanders, much less to residents in the southern States. Townsville is also another important seaport, and beyond Cape Yorke other harbors have behind them, along the rivers discharging into the Gulf of Carpentaria, some of the richest country on the continent. I submit that, in the

conditions laid down by the Government, Queensland has been entirely left out of consideration. The people of that State will be taxed unfairly and unjustly to the extent that they will be called upon to contribute to a subsidy for a service from which they will derive very little advantage. They will probably be called upon to pay an additional subsidy in order to induce the owners of the new mail steamers to visit their ports and carry away their produce. I understand that the Prime Minister is still in communication with the contractors with reference to the extension of the service to Brisbane. It appears to me that something more than a mail service is contemplated, that the Government have considered not only the carriage of our mails to other parts of the world, but also the question of providing facilities for the conveyance of our perishable products to markets beyond the seas. In no part of Australia is the export trade developing to the same extent that it has done in Queensland during the last few years, and in any contract for other than a mail service the claims of that State should have been taken fully into account. If it were intended that the new service should be arranged solely with a view to the conveyance of our mails, why should conditions have been laid down as to the tonnage of the steamers and the provision of refrigerated space? For a mail service pure and simple it would have been necessary to stipulate merely that the mails should be taken on board and delivered at certain specified ports within a given time. The contract, however, goes far beyond that. It is required that the steamers shall be of a certain tonnage, that they shall maintain a certain rate of speed, that certain machinery shall be provided, and that the plans of the vessels shall be submitted for the approval of the Postmaster-General. Why? It is clear that the new service is intended to provide not merely for the carriage of mails, but for the conveyance of perishable products from our ports to the markets of the world. Under these circumstances, I contend that Queensland had a right to be considered as well as Western Australia, South Australia, Victoria, and New South Wales. Fremantle is to be the first and last port of call in Australia, and Adelaide, the present terminus of our railway system, is to be the final port, so far as the conveyance of mails is concerned. We know, however, that neither at Fremantle nor Adelaide will the new steamers

be able to obtain a sufficient amount of cargo to make it worth their while to trade out here. The Prime Minister and the Postmaster-General knew very well that the contractors would find it necessary to extend their service to Melbourne and Sydney in order to secure freight and passengers. I think that steamers, whether subsidized or otherwise, coming to Australia by either the Torres Straits or the southern route will eventually have to call at Queensland ports in order to fill their holds with cargo. That, however, is not the point. The agreement entered into by the Government is not for a mail contract only. That is the objection that was taken by the representatives of Queensland when the last mail contract was under discussion, and that is the position that I am assuming now. The conditions imposed upon the contractors make it almost imperative that their steamers shall call at Melbourne and Sydney, whereas Brisbane has been left out in the cold. I do not wish to embarrass the Government in any way, or to make it more difficult for them to come to terms with one of the great shipping companies for the carriage of our mails to the old country, but I do not think the fairest possible bargain has been made in the interests of the whole Commonwealth. If time had permitted, and the conditions had been favorable, I should have preferred to adopt the recommendation of the Shipping Service Commission, and to arrange for the mail service to be carried out by means of steamers chartered or owned by the Commonwealth. I do not think that any such arrangement is within the possibilities of the immediate future, but I contend that equal justice should have been measured out to every State in the Union. I am not speaking for Queensland only, because I feel that Tasmania has also been left out in the cold. I suppose that some of the mail steamers will call at Tasmanian ports in order to add to their cargo, and that the contractors will also find it to their advantage to proceed to Brisbane. But there is nothing in the terms of the contract to compel them to do so, whereas they will be obliged to go to Melbourne and Sydney. Under a mail contract pure and simple there should be no necessity to submit the plans of the proposed steamers for the approval of the Government. It would have been sufficient to require the contractors to take our mails on board at certain ports, and deliver them at other ports within a specified time. The

Mr. Wilkinson.

conditions laid down place the agreement entirely beyond the category of a mail contract, and I conceive that every State has a right to share in the advantages conferred by it.

Mr. HUTCHISON (Hindmarsh) [7.48].

—Just prior to the dinner hour the honorable member for Laanecoorie expressed the opinion that the Government had made excellent terms with the contractors. From the point of view of Ministers, possibly that statement may be correct, but we have to consider whether it would not be possible to improve the conditions. I think that that could be done. If the Commonwealth mails could be profitably carried by a company, the service could, with equal advantage, be undertaken by the State. The honorable member for Parramatta told us that the company that were taking the new contract in hand were entirely new to this business. Therefore, they are on exactly the same footing that the Commonwealth would occupy if we decided to carry on the service for ourselves. The honorable member for Laanecoorie stated that there was no comparison between the conveyance of mails upon Government railways and the performance of similar work by State-owned steamers. The reason which he advanced was that we were going outside our own boundaries. I should like to point out to him that in South Australia, and the other States today, we are doing business outside our own boundaries—business with the old country, which I hope will continue to increase. In South Australia, we have established a depot to which the producer can send a crate of fowls, a few pounds of butter, or other produce, and so soon as it has entered the depot, the Government assume control of it, ship it to the old country, and return him any profit that may accrue from the transaction, whilst, if a loss be incurred, he is charged with it. In the past, the difficulty experienced has been to get our produce carried to the foreign market in first-class condition. Another difficulty has been to get reasonable terms, and it would be entirely in the interests of the producers if we established a Commonwealth line of steamers, not only for the purpose of carrying our mails, but for the purpose of giving them far better terms than they can obtain under private enterprise. In this connexion, I have only to mention the enormous charges which have been levied

by the mail companies for the carriage of butter to the old country. To-day, those steamers are carrying that commodity at something like half the freight which they formerly charged. Of course, we are told that butter is being carried at a loss, just as we are assured that the Orient Steam Navigation Company's enterprise results in a loss, but I am very doubtful of the accuracy of that statement. The honorable member for Laanecoorie desired to know if a national line of mail steamers would pay. I do not want to see a Commonwealth service established which will pay in the sense that a service conducted by private enterprise pays. What I desire to know is, "Can we, without loss, offer our producers better terms, and carry our mails much cheaper than they are being carried at the present time?" I am quite convinced that we can. I do not know whether the amendment of the honorable member for Barrier will command a majority, but I shall certainly vote for it. It will not be my fault if it does not obtain a majority. Those who desire to see us obtain the best terms for the carriage of our mails and our produce, should support the honorable member for Barrier. We have been repeatedly told that the trade of the Peninsular and Oriental Steam Navigation Company and Orient Steam Navigation Company is an unprofitable one. Yet, we find that shipping company after shipping company is not only coming here to compete in what is alleged to be an unprofitable business, but, after engaging in the trade, is building steamer after steamer. I can quite understand the Orient Steam Navigation Company declaring that they have not made a profit upon their Australian business. That may be so, but I would point out that some of those who are chiefly interested in that company, receive very large salaries as managers, dwell in magnificent palaces, and live like princes. They do not do that upon the losses which are incurred in the Australian trade. If I were conducting a large business, and received a large salary as manager, I would not grumble if I did not obtain a dividend. It would not matter to me whether I was receiving £5,000 a year as manager, or the same amount in dividends.

Mr. DUGALD THOMSON.—Which of the managers of the mail companies receive £5,000?

Mr. HUTCHISON.—I know of other companies whose managers receive that

amount. I know of one industry in Western Australia, the chief director of which is receiving a salary of £5,000 per annum. I refer to the timber industry. I do not know what salary the manager of the Orient Steam Navigation Company receives, but I am quite sure that if his dividends were taken into consideration, he is getting considerably more than £5,000 a year.

Mr. DUGALD THOMSON.—Oh, no.

Mr. FOWLER.—Is it not possible that there is a commission for superintendence?

Mr. HUTCHISON.—That is very probable. Let us suppose that a national line of steamers did not pay. What right have we to ask a company to embark upon an enterprise in connexion with which we propose to pay a very large subsidy, if we know full well that, despite that subsidy, it will not pay? I am very unwilling to believe that shrewd business men like Sir James Laing and Sons are prepared to sink an enormous amount of capital in the construction of a line of steamers if they are satisfied that the undertaking will result in a certain loss. Seeing that the inhabitants of the Commonwealth would derive any benefit which might flow from the establishment of a national line of steamers, I hold that if the enterprise resulted in a loss it is only fair that they should be called upon to bear it. Throughout Australia to-day the cry of a large section of the community is, "Let us have immigrants. Let us spend money in bringing them here." I should like any money which may be spent in defraying the passages of immigrants to Australia to go to our own line of steamers. We are asked to pay an enormous subsidy to a line of steamers for carrying our mails, and then—if I can judge of the temper of the liberal portion of the community—to bring to the Commonwealth a large number of immigrants whose passages would cost an amount sufficient to build a large fleet of our own. We have only to look at the history of immigration schemes in Queensland, New South Wales, and South Australia to ascertain what they have cost. With the sum which has been expended upon them we could have had our own line of steamers running to-day. Whether the undertaking would prove directly remunerative is immaterial. Even if it could be shown that there would not be a monetary profit straight away, the proposal would not

stand condemned in my eyes. As the Shipping Commission has pointed out, the large subsidy which we are now paying for the carriage of our mails is being paid for the exclusive benefit of our commercial community. If it were not for that section of the community we need not insist upon securing an accelerated mail service at all. The report of the Commission states—

It does not appear that outside the class mentioned the general community would, to any material extent, be inconvenienced by the adoption of the poundage system. A few days' delay in the delivery in Great Britain of private correspondence, which occupies some five weeks in completing the whole journey, can rarely involve hardship either to the writers or recipients of such correspondence. Moreover, the heavy subsidy now being paid for the conveyance of oversea mails conflicts with the principle which the Department usually follows in regard to inland mails—that each service shall pay its way. Any deficiency in postal revenue must be made good out of Customs and Excise taxation—

I want honorable members to take particular notice of that—

and as the bulk of this taxation is paid by the masses who rarely use the subsidized service, we think some effort should be made to re-adjust charges, so that the burden of the subsidy may fall upon those who are directly benefited by it.

Mr. LIDDELL.—Do not the masses benefit indirectly by the present service?

Mr. HUTCHISON.—No. I ask the honorable member to look around the circle of his acquaintances, and to point to one who derives any benefit, either directly or indirectly, as the result of the mail steamers reaching Australia a day or two earlier than would otherwise be the case. But every one would benefit by the adoption of the poundage system, seeing that it would effect a saving of £80,000 annually. There is not a single acquaintance of mine—and I have a few hundred scattered throughout the Commonwealth—who would suffer loss by the adoption of the poundage system.

Mr. WILKS.—With the exception of that friend of the honorable member's—the merchant prince—in South Australia.

Mr. HUTCHISON.—I will give another illustration. I find that at the Premiers' Conference—carrying out the idea of the Shipping Commission, that the cost of the mail service ought to be borne by those who benefit by it—

Mr. MAHON.—The Premiers' Conference was held before the Commission reported.

Mr. HUTCHISON.—I am aware of that. At the Premiers' Conference Mr. Carruthers stated—

If the Commonwealth will impose duties on tea and kerosene and hypothecate or earmark the revenue from those duties for old-age pensions we shall get in a simple way a contribution from the classes who most largely are the recipients of those pensions.

The demand is always made that the poor shall contribute to the cost of any scheme from which the community is to receive a benefit. The honorable member is one of those who would seek to shift the burden of this subsidy on to the shoulders of the poor—who receive no gain from it—by requiring that any loss should be made good out of Customs and Excise revenue. At the same Conference, the Premier of Victoria, Mr. Bent, said—

It is the view of the Victorian Government that it would be well for us at this stage to urge that the people who obtain the pensions should contribute a little through the duties on kerosene and tea.

That is the way with some legislators! They would shift these burdens on to the backs of those who have become poor in making others wealthy.

Mr. WILKS.—Do they not already contribute by way of the duties on narcotics and stimulants?

Mr. HUTCHISON.—They contribute in every direction, and the Opposition will not assist us to remove some of these burdens from their shoulders.

Mr. DUGALD THOMSON.—They contribute more largely through a heavy Tariff.

Mr. HUTCHISON.—As the result of the reduction in the telegraphic rates—and very few poor people use the service to any extent—there was a loss amounting to £11,000 in South Australia, and £11,000 in Queensland, during the year before last. That reduction was made entirely in the interests of the commercial classes, and the poor have to make good the loss so occasioned. It is time that we had something different.

Mr. WILKS.—And the honorable member has been fighting for the manufacturer just as keenly as others have been fighting for the commercial classes.

Mr. HUTCHISON.—I have been fighting both for the manufacturer and the worker. I am not particularly anxious to protect the manufacturer, unless he is prepared to protect the labour employed by him. By way of further illustrating the point I wish to make, I would quote the

statement made at the Conference of Premiers by Mr. Davies, Attorney-General for Victoria, who emphasized what the Premiers of Victoria and New South Wales had said. Referring to the old-age pension fund, he stated—

We do not propose that it should be raised by some tax from the payment of which those who would get the chief benefit of it would be exempted.

If this system is to be adopted, then it is time that the commercial classes, who will reap the benefit of the accelerated mail service, should be called upon to contribute the larger subsidy that we may have to pay. I am sorry that the honorable member for Barrier is not likely to carry his amendment, but I am glad that there is in the contract a provision giving the Commonwealth power to take over these steamers whenever the Parliament may decide to do so. We are nearing a general election, and it is possible that the honorable member for Barrier, if defeated on the present occasion, may be successful in the next Parliament. One of the provisions of the contract of which I do not altogether approve is that which calls upon the contractors to provide a guarantee of only £27,500. Having regard to the extent of the speculation, that is a very small sum.

Mr. WILKS.—It is a mere bagatelle.

Mr. HUTCHISON. — In the circumstances it is.

Mr. EWING. — Usually there is no deposit.

Mr. HUTCHISON.—Had the Governments responsible for other contracts looked after the interests of the country they would have insisted upon a substantial guarantee being given in each case. Still, there is no comparison between the existing established mail service and a purely speculative company.

Mr. EWING.—They are not speculative. Sir James Laing and Sons Limited are as strong as the Orient Steam Navigation Company.

Mr. HUTCHISON.—They will be as strong as the Orient Steam Navigation Company when they succeed with this contract. There is no proof, however, that they are going to carry on the venture. They are possibly going to sell the concession—just as many Government concessions are hawked about and sold—to someone who may not be quite as capable of fulfilling it as they are.

Mr. WILKS.—Laing and Sons Limited are only speculative ship-builders.

Mr. EWING.—Oh, no.

Mr. HUTCHISON. — I have sufficient faith in them to believe that if they retained the contract entirely in their own hands they would carry it out successfully, but we have no guarantee that they will. I am not in favour of the contract—I prefer something that would be better for the community. I am in favour of a national line of steamers which would carry out a patriotic work in a way that is not done to-day by many ship-owners. Much to the detriment of our mercantile marine, we have steamers employing large numbers of lascars in doing work which could be much better performed by white labour. The Orient Steam Navigation Company say that they employed them, not because they are cheaper, but because they are more amenable to conditions. Have honorable members ever seen the lascars on the mail steamers taking a meal? Have they seen them gathered round a tub of food without knives or forks, and plunging their hands into it? They behave like hogs. It is not for the benefit of the lascars that these steam-ship companies employ them. It is shocking to see them eating on these vessels.

Mr. LIDDELL.—I have seen them many a time, and they are quite as clean as the honorable member is.

Mr. HUTCHISON. — The honorable member does not know what he is talking about. They never trouble to wash their hands before sitting down to a meal. If the honorable member thinks that they are so clean, I shall avail myself of the first opportunity to secure for him an invitation to dine with them, whilst I look on. Under our mail contracts we must have white labour, as long as we have a Liberal Government in power. There is little likelihood of the Opposition gaining office; but if they did, the white labour section in the Post and Telegraph Act would be struck out.

Mr. R. EDWARDS.—Do not say that.

Mr. HUTCHISON. — The Opposition tell us that they would strike it out.

Mr. CARPENTER.—They only say that.

Mr. HUTCHISON.—They mean what they say; but, happily, they are not in a position to carry out their desire in that respect. The position in regard to our mercantile marine is so bad that if we were called upon to take part in the great struggle that must come in the near future

we should not have sufficient men to man our ships. And yet, year after year, the lascars employed on mail steamers are increasing. Do I want lascars to fight for my hearth and home? Do those who have property wish to intrust them with it? Nothing of the kind! Purely patriotic considerations should lead us to recognise that it is time we established a Commonwealth-owned line of steamers, in which we could train seamen, not for the British Navy, but for our own Australian Navy. As the result of the establishment of such a line of mail steamers, the rebate system would disappear. We know what the mail companies have done in the past. One gentleman alone has got something like £12,000 in commission and rebates. And for what? For cheating the producers of this country by compelling them to allow him to ship all their butter and other produce at far more than would be a reasonable figure for carrying it.

Mr. DUGALD THOMSON.—Government railways have also been paying rebates.

Mr. HUTCHISON.—I am just as much opposed to them when paid by a Government; and I am quite sure that when the railways of this country belong to the Commonwealth, as one day they will, the rebate system will be ended. The Commonwealth could not, under the Constitution, allow them to be paid. Had it not been for the statements made in opposition to the amendment of the honorable member for Barrier, I should not have had much to say upon this proposal. I am not opposed to the contract itself, although I believe that there is room for amendment in it. It is a little bit one-sided. It leans rather to the side of the contractors.

Mr. WILKS.—The honorable member does not believe in the principle of subsidies.

Mr. HUTCHISON.—I would not pay subsidies at all. I would devote the money to the maintenance of a Government line of steamers. The British Government at one time believed in paying subsidies, but now it has discontinued them on the American lines of steamers. A Commonwealth-owned line of steamers would prevent a shipping combine from fleecing our producers in the way they have done. The very fact of the new line coming into existence will insure much fairer charges being made to our exporters, who at present are

being treated most unfairly. Fair play is not at present being accorded to our coastal trade. To my way of thinking as a layman—and my view is backed up by the soundest legal opinion that can be obtained in this country—we provided by Act of Parliament that when over-sea steamers engaged in the coastal traffic they should pay the same rates of wages as our local ship-owners have to pay. That was a fair provision. Commonwealth-owned steamers would pay the wages rates ruling in the Commonwealth, and that in itself would be an advantage to those ship-owners who are at present carrying on our coastal trade. I am astonished that the Commonwealth Government has refused to do justice in this connexion. They are not likely to do justice until such time as a stronger party from my side of the House is able to compel them. We cannot compel them to do it at present.

Mr. JOSEPH COOK.—Why not?

Mr. HUTCHISON.—Because, unfortunately, we have not the numbers. I only wish that we had the power that the honorable member for Parramatta sometimes suggests that we have. I can assure him that if we had it we should use it to compel a good many things to be done that are at present undone. Is there any plank in our platform that is being advocated by the Government at the present moment? Not one! I may add that, although personally I advocate the nationalizing of our mail services, the Labour Party as a party has not said that it is in favour of nationalizing them, or, in fact, of nationalizing any other industry. All that it has said is that it is in favour of nationalizing monopolies. Before we nationalize monopolies, we have first to obtain the power, and, secondly, to prove that a monopoly exists. I go somewhat further than that, and say that I am prepared to nationalize any undertaking at the earliest moment whether it has been proved to be a monopoly or not, if, by so doing, we can secure a better service to the community for the money expended. For the reasons I have given, I shall have the greatest pleasure in supporting the amendment of the honorable member for Barrier.

Mr. CARPENTER (Fremantle) [8.16].—I am very anxious to see the next order of the day dealt with, so that I shall not occupy much time upon the matter under discussion; but I cannot give a vote without stating in a few words the

position which I occupy, and foreshadowing an amendment which I intend to move. Speaking generally, I approve of the contract which the Government proposes to make. On the whole, Ministers may be congratulated upon having made a fair bargain under the conditions that exist to-day in the shipping world. There are some provisions in the contract which many honorable members would like to see much more in our favour; but we know that in dealing with the gentlemen who control the shipping trade we have to do with men who wield considerable power, and who can be of great service to us if that power is properly directed, whilst they can, and sometimes do, work considerable mischief, involving great loss to the people whom they are supposed to serve. It is something to find that, in spite of all that has been said by the croakers in and out of Australia—

Mr. WILKS.—What croakers does the honorable member mean?

Mr. CARPENTER.—Chiefly the opposition croakers—the gentlemen who have been referred to as “the stinking fish party,” who go about and tell the people in the old country that Australia is a place to be avoided because there happens to be here a Labour Party which is bringing general ruin in its train.

Mr. JOSEPH COOK.—The honorable gentleman's party is continually describing Australia as a cancer or a living lie, and several things of the kind.

Mr. CARPENTER.—I hope that the honorable member, and those who are acting with him, have altogether dissociated themselves from that party.

Mr. JOSEPH COOK.—Most certainly.

Mr. CARPENTER.—I am glad to hear it. It is a comfort after all the abuse to which Australia has been subjected to find that there are still some business men who have sufficient confidence in the future of Australia to invest a few million pounds in a shipping service to carry the trade which they know Australia is in a position to do with the other side of the world.

Mr. WILKS.—If the interest on the outlay be guaranteed by a subsidy.

Mr. CARPENTER.—I do not know whether we are guaranteeing the interest. I am personally glad that the much-discussed white labour provision has been accepted as a matter of course. I do not know whether there has been any contention between the contracting parties on the

point; but, remembering that at the present day there are some honorable members of this House who are telling the public that they intend at the first opportunity to wipe this provision out of the Post and Telegraph Act—and who refer to it as a piece of folly—it is something to find that in making a new agreement for ten years with a new company, the condition as to white labour is accepted without any demur. I desire to call attention to clause 6 of the contract, which is not quite clear to my mind, and on which I should like a few words of explanation. That clause provides that if during the sixth year of the contract, any competing line of mail steamers is performing the journey in a shorter time than is the contracting company, the Postmaster-General may call on the latter to similarly accelerate the service. That is a very wise provision up to that point; but I desire particularly to draw attention to the fact that under paragraphs *b* and *c* of clause 6, there is an assumption that if the contracting company give the accelerated service, they must, as a matter of course, receive some additional payment or compensation. Apparently it does not matter under the clause whether or not the accelerated speed involves any additional cost to the contracting company. We all know that it is quite possible that the adoption of a new fuel may render possible a speedier service at the same expense. For instance, oil as a fuel for steamships is coming to the front; and the next few years may see its general adoption by steamship companies. I am not quite sure whether the use of oil fuel to-day means an increase or a decrease in cost; at any rate, it is quite possible that there may be found some means of accelerating the speed without incurring any additional expenditure. Paragraph *b* of clause 6 provides that the increased amount to be paid to the contractors for providing the improved and accelerated service shall be taken for granted, whether the contractors are put to any additional cost or not, or even if, by the change, a saving is effected. Then paragraph *c* of clause 6 provides that with any such action on the part of the Government to bring about an accelerated service, provision shall be made for extending the period for which the improved service shall continue. If I rightly understand paragraph *c*, it means that if the Government at any time after the sixth year of the contract, call on the contractors to run their

vessels at a quicker speed, there is to be an extension of the period of the contract.

Mr. EWING.—No, not to that extent; the paragraph simply means that it might be wise to extend the time in order to get better conditions.

Mr. DUGALD THOMSON. — The arbitrators would settle that.

Mr. EWING.—But still, the Government could do nothing in the way of giving the contractors further payment, or an extension of time, without the approval of Parliament. Parliament virtually approves of the agreement before us, and no Government could interfere with the agreement without the approval of Parliament.

Mr. CARPENTER. — But by this clause, the Postmaster-General is given power to call on the contractors for an accelerated speed, and the paragraph lays down the conditions on which that accelerated speed shall be supplied.

Mr. EWING.—I am quite satisfied that no Postmaster-General or Government would interfere with this contract without the approval of Parliament. The honorable member may take that as absolutely correct.

Mr. CARPENTER.—It would not be an interference with the contract, but carrying out the contract; and I ask the Postmaster-General to look more closely into the clause. To me, it appears quite plain from the wording that if we exercise the power of calling on the company for a quicker service during the sixth year or after it—

Mr. DUGALD THOMSON.—Not after the sixth year.

Mr. CARPENTER.—It is plain to me that if, during the sixth year, an accelerated service is asked for, it can be supplied only on our observing the conditions laid down in paragraphs *b* and *c* of clause 6; and these paragraphs tie us down to giving increased remuneration and an extension of the period of the contract.

Mr. EWING.—That is only possible, subject to the approval of Parliament.

Mr. CARPENTER.—If the Minister is quite sure that this would be regarded as an interference with the contract, and would therefore require to be brought before Parliament, I am prepared to accept his statement.

Mr. EWING.—I do not think there can be any doubt about it.

Mr. CARPENTER.—As I read the clause, I believe it would not be considered an interference at all, and we should be

tying ourselves down to something which might prove to be very irksome in the future. With reference to the amendment, I wish to say that I recognise the excellent work which has been done by the honorable member for Barrier, and the members of the Commission of which he was chairman. They have rendered Australia a service by the very extensive inquiry they have made, and by producing a report from which it is evident to any unbiased mind that the scheme they recommend is a practicable one, and that the Commonwealth Government might own and run a line of steamers to do their own work, and the work of the producers of the Commonwealth. The honorable member for Hindmarsh has pointed out that State ownership and control of a line of steamers is not a part of the labour platform. I am pledged according to that platform to advocate the nationalization of monopolies, but the oversea shipping service cannot certainly be classed as a monopoly.

Mr. THOMAS.—It is not far off it.

Mr. CARPENTER.—I admit that it may come very near to being a monopoly, and that by-and-by we may be subjected to the control of a shipping combination.

Mr. DUGALD THOMSON.—It is quite as much a monopoly as are some of the businesses that have been so described.

Mr. THOMAS.—Every bit as much.

Mr. CARPENTER.—I am not prepared to argue that question now. I have considered the matter for some time, and I am bound to confess that I think there is a distinction between a monopoly, as generally understood, and a line of steamers competing with other lines on the high seas. I was going to say that I regret that it would not be possible under such an agreement as that before us to have some understanding with the company that they should not by any action of theirs become a part of a monopoly; that they should not, while enjoying a subsidy from the Commonwealth, inflict upon the people of Australia the evils which a shipping monopoly can and does inflict.

Mr. THOMAS.—Is the honorable member prepared to vote that they shall not join the shipping ring in England?

Mr. CARPENTER.—I will tell the honorable member directly what I propose to do.

Mr. THOMAS.—If the honorable member would do that he would kill this contract, and it might as well be killed by that way as by the honorable member's proposal.

Mr. CARPENTER.—As soon as ever we had any indication that this company has become connected with the Shipping Conference, as it is called, but which is merely the respectable name for a shipping combine, the Government should have power to take over the company's boats at once, and run them as a Commonwealth concern. No one would then support them more strongly than I should.

Mr. THOMAS.—I suppose the business would then become a monopoly?

Mr. CARPENTER.—It would be part of a monopoly.

Mr. THOMAS.—That would be the dividing line.

Mr. CARPENTER.—I do not wish to place myself in a position of antagonism to the acceptance of this contract, which I think offers the best terms we can get under existing conditions, but I still desire to protect the people of Australia from any combination between the new company and existing companies, which would place them at the mercy of a capitalistic combine. I therefore give notice that I will move the following amendment:—

That the following words be added to the motion, "and is of opinion that the Government should at the earliest possible date acquire and control any approved steamers built pursuant to this contract in order to provide the producers of the Commonwealth with cheap and rapid carriage of sea-borne goods."

Mr. HUTCHISON.—The contract already provides for that.

Mr. CARPENTER.—The contract gives the Government power to acquire the steamers.

Mr. GLYNN.—We had better wait until we see what they are like.

Mr. CARPENTER.—The amendment which I propose to move forestalls the honorable and learned member's objection.

Mr. DUGALD THOMSON.—It would be buying a pig in a poke.

Mr. CARPENTER.—The honorable and learned member for Angas perhaps did not hear the amendment I intend to propose. I propose to use the words "acquire and control any approved steamers built pursuant to this contract." I do not suppose that the Government would buy a pig in a poke, as the honorable member for North Sydney has put it. I intend to submit the amendment as indicating what I wish the Government to do.

Mr. GLYNN.—The honorable member proposes that the Government may take two of the steamers and permit the rest to go on with the trade.

Mr. CARPENTER.—It must not be forgotten that, according to the terms of the proposed contract, the Government will have power to buy all or any of the steamers constructed by the company.

Mr. HUTCHISON.—Would it be fair to leave them in possession of only half their steamers?

Mr. CARPENTER.—The Government will have that power if we approve of this contract. I am merely, in my amendment, including what the agreement already provides for with the proviso that we express the opinion, while accepting the contract, that the Government should, at the earliest possible moment, exercise the power of purchase which it gives them.

Mr. THOMAS.—Who is to decide what will be the earliest possible moment?

Mr. CARPENTER.—The Government; who else would decide that?

Mr. JOSEPH COOK.—I take it that the honorable member suggests that we should acquire the whole fleet engaged in carrying on the service.

Mr. CARPENTER.—We should acquire a sufficient number of the boats to enable the service to be continued, but I do not desire that the Commonwealth Government should be bound down to the purchase of any and every ship which the company might build or acquire.

Mr. WILKS.—The amendment of the honorable member for Barrier is better than that proposed by the honorable member.

Mr. CARPENTER.—I hope that if he thinks so the honorable member for Dalley will vote for the amendment of the honorable member for Barrier.

Mr. WILKS.—I do not believe in it, but I think it is better than the honorable member's amendment.

Mr. CARPENTER.—If the honorable member does not believe in the amendment moved by the honorable member for Barrier, he will, no doubt, vote against it. What I propose is merely that we should accept the contract as the best that can be obtained for the time being, whilst we think that the Government should have the power, and should have an expression of opinion from this House that they should exercise that power, as soon as they think fit, to acquire and control these steamers.

Mr. JOSEPH COOK.—The honorable member suggests that in substitution of the amendment moved by the honorable member for Barrier?

Mr. CARPENTER.—Yes. I am opposed to the amendment moved by the honorable member for Barrier, and I shall submit in preference to it the amendment which I have suggested, which expresses my own view.

Mr. McDONALD (Kennedy) [8.35].—The honorable member for Barrier, as well as the members of the Shipping Service Commission, of which he was the chairman, may, I think, be very well satisfied with the report they have presented, when they take into consideration the criticisms which have been levelled against it. The only serious attempt to criticise that report was that made by the *Age* newspaper, and the honorable member for Barrier, when speaking the other day, flattened that criticism out in such a way as to afford sufficient justification for the decision arrived at by the Commission. I may say in passing that it has taken the proprietors of the *Age* a couple of issues to gracefully retreat from the position taken up by that newspaper in criticising the report. There has, in fact, been no criticism of the report to which any member of the Commission can take exception. If it had been possible to criticise it severely, honorable members of the Opposition, the section of the press opposed to the nationalization of the shipping and other industries, and especially the anti-Socialists, would have taken a stronger stand against it than they have done up to the present. One matter connected with the criticism of the report to which I should like to refer, is the fact that a letter was published in one of the newspapers, over the signature, I think, of Mr. Kenneth Anderson, who made a very strong point of the fact that the members of the Commission arrived at conclusions which are, in his opinion, erroneous, and which he thinks they would not have arrived at had they seen, as they might have done, the balance-sheets of the Orient Company. I mention this matter now in order that the position of the members of the Commission may be clearly explained. It is true that we had an opportunity to see the balance-sheets of the Orient Company, but it is also true that it was proposed that if we took advantage of that opportunity we should keep secret what we had seen. We distinctly stated at the time that the Commission was not

formed to pry into the private affairs of any company doing business in Australia. We were conducting our investigation in the public interest, and desired that any information we obtained should be made known to the public. Consequently, we declined to see the balance-sheets of the Orient Company on the condition suggested.

Mr. WILKS.—Does the honorable member not think that what was desired was that the information should not come to the knowledge of rival companies?

• Mr. McDONALD.—I am not suggesting that that was not the object of the condition imposed, but Mr. Kenneth Anderson, no doubt inadvertently, makes the statement to which I have referred, without thinking for the moment of the reason we had for not inspecting the balance-sheets of the company. It is quite possible that he did not desire that the private affairs of the company should become known to those conducting rival companies, but it was because we would be unable to publish the information obtained that we declined to inspect the balance-sheets of the Orient Company. I make this statement in order that members of the Commission may be put right in connexion with the somewhat important objection raised by Mr. Kenneth Anderson in his criticism of their report. I may further say, so far as Mr. Anderson is concerned, that no one connected with the overseas shipping industry treated the Commission more courteously, and proffered more information to assist them in carrying on their inquiry, than he did. I regret to have to say that in Victoria, in New South Wales, and even in Queensland, a better public spirit was not exhibited, that greater interest was not taken in the work of the Commission, and that a larger number of the public men connected with the shipping industry were not prepared to come forward to give evidence. In some cases we actually had to drag it out of them. In one case it was not until we had virtually threatened to summons an individual that we were able to get any information from him, and when it was supplied it was of a very meagre character. I think it is just about time that the Commonwealth dealt in a definite way with the huge shipping ring which now dominates, not only our overseas trade, but also our coastal trade. Each year the shipping ring which is controlling our overseas trade is becoming more powerful, and it is only a question of time when, if some step

be not taken to check its actions, it will have the producers of this country practically in its hands. It is for that reason we think that it is in the public interests that a Commonwealth line of steamers should be run. I do not propose to dwell long upon these particular matters. First of all, let me dwell upon one important case which is referred to in paragraph 14 of the report. It goes to show that if certain consignments—and it refers more particularly to the fruit trade—are not sent through the shipping companies, and sold by certain agents whom they dictate, the combine will not carry the fruit at all. Where a company dictates, not only the particular line of vessels by which fruit shall be carried, but also the particular agents through whom it shall be sold, I think that, from the stand-point of the interests of our producers, it is carrying things a little too far. Furthermore, we are told in this paragraph that had the shippers a free opportunity to sell by such agents as they desired, or by whatever method they desired, they would be in a position to save not less than 1s. 6d. per case on their fruit. In Adelaide this monopoly practically has the fruit trade at its mercy, and could ruin it at any moment if it thought proper. That is a very serious state of affairs, and certainly it is one which ought not to be allowed to exist. I do not intend to read this particular paragraph, as it is rather long, and it may be referred to by honorable members if they choose. In Brisbane we had evidence from Mr. T. C. Beirne, a very large importer, in which he pointed out that owing to the combine's practical monopoly of the oversea trade, those who require certain goods at special seasons are virtually at its mercy, and have to pay whatever charges it thinks proper to impose. In one case to which he particularly referred, he did not know until the goods were actually landed at the wharf that there was going to be an increase of about 10s. or £1 in the freight. He also told us that in the hands of these companies the power of the rebate system is so strong that, owing to the broker who used to handle the goods he sent to Brisbane having once shipped a consignment of goods to South Africa by a line of vessels that was outside the ring, he was threatened with the loss of his rebates. It is an extraordinary thing that in such a case the combine can say to a man: that if his agent,

who is also agent for a large number of firms doing a similar class of business, should send a particular shipment, even without his knowledge, by an outside line of vessels, he shall lose his rebates, which may amount to any sum from £10, or £20, up to £200 or £300. That is a very serious state of things. It prompted us to suggest that the sooner the combine was broken down the better, and we are of opinion that the only way in which that can be done is by establishing a national line of steamers. Let me point out another action of the combine. From Brisbane, Townsville, and Rockhampton a very large consignment of meat is shipped. For some years it was carried by boats that proceeded by the northern route to Great Britain. There was a feeling prevailing that the prices charged were rather high. A new line of boats—I think it was the Aberdeen line—came upon the scene, and competed for this trade. But the combination which is conducted in Queensland ports principally by the British-India Company, was so powerful that, after a fight which lasted for several months, and in which the Aberdeen line lost, according to the press, from £30,000 to £40,000, the latter was compelled to capitulate. And to-day, although the Aberdeen line is allowed to go on from Sydney to Brisbane and ship other commodities, it is not allowed to take an ounce of meat away from Queensland. It will be seen that the combine interferes very largely with the progress and development of the meat industry, to the detriment of that State. Under these circumstances, we naturally think that it is an evil which ought to be abolished as soon as possible.

Mr. THOMAS.—It is very nearly a monopoly.

Mr. McDONALD.—At the present time it is practically a monopoly, and one which is acting detrimentally to the best interests of the Commonwealth. The combine has also the right to regulate freights. It may be argued that, if too high a rate be fixed, other steamers may come along and take the commodities at a lower rate. But that is not so simply done, because the combine has the shippers in the hollow of its hand. In other words, it retains, in the shape of rebates, enormous sums, which the shippers would lose if they were to ship by other vessels. Under these circumstances, we can honestly say that the combine is an actual monopoly at the present

time. Year after year, as the volume of trade increases, the amount of rebate also increases, and the power of the combine becomes more complete and effective, and therefore a national line of steamers ought to be instituted. For a moment I wish to refer to the monopoly along the coast, and to indicate the evils which, in my opinion, justify our recommendation. On the Queensland coast there is a shipping monopoly as great as, if not greater than, any oversea monopoly affecting the transport of our produce, with the result that industry there is hampered in every way possible. I wish to place the House in possession of an incident which shows how, by means of the rebate system, this combine has been able to materially injure so important a town as Maryborough, where, as honorable members know, many of the locomotives in use on the Queensland Government railways have been made, where there is one of the biggest timber industries in the State, and where other industries also flourish. A firm of saw-millers there—Messrs. Hyne and Son—had a contract to supply timber to Sydney, and for its conveyance secured two small vessels, the *Mayflower* and the *Hopewell*. It was, of course, necessary for them to obtain back-loading from Sydney; but they found it almost impossible to do so, because persons who wished to send goods to Maryborough were afraid to consign by their vessels, for fear of losing the rebates due to them in connexion with consignments by the vessels of the combine. Messrs. Hyne and Son therefore purchased a quantity of flour, bran, and cement, and, I think, pig iron, and, sending this to Maryborough, gave it to a commission agent to sell. It is well known that business men, when a large quantity of a commodity is thrown on a market, buy largely in order to protect their own interests, so that the public may not be able to supply their requirements at wholesale prices. Therefore, when these goods were offered at auction at Maryborough, a number of the merchants there purchased them. For doing so, however, they were threatened by the shipping combine with the loss of their rebates, and were allowed to keep those rebates only on condition that they promised to refuse to purchase anything more carried by the vessels of Messrs. Hyne and Son. In the case of a baker who had obtained flour from Sydney by one of those vessels, the combine went so far as to say that it would not carry any more goods for

Mr. McDonald.

him. In making these statements, I am not dependent for my information on mere idle rumour, but am supported by the evidence given on oath before the Shipping Commission. I have, moreover, copies of the original letters which passed during the transactions. Messrs. Hyne and Son tried to come to terms with the combine, and in regard to the negotiations write as follows:—

At the inception of our trade with Sydney the representatives of the combine here called on us, and wanted to know on what terms we would agree to work with them, that is, not to carry cargo backwards. To this we agreed to accept a low minimum back freight in instance of each of our vessels, 50 tons for "*Mayflower*," and 100 tons for "*Hopewell*," which we were prepared to carry at 10s. per ton, and as the rate of combine in the main is 17s. 6d. per ton this left them with a profit of at least 5s. per ton after they paid rebate to their customer of 10 per cent., and paid what little labour was incurred in taking delivery at this end. But this did not suit the combine; they wanted the whole of coastal freights to be entirely in their hands. Subsequently to this we made them still more reasonable offers, which they rejected.

The action of the combine has been to put an end to what might have been a flourishing trade between Maryborough and Sydney, where there is always a great demand for timber, importations to meet it being made from other parts of the world. Such a trade would have benefited the people of Maryborough and of the Commonwealth generally. An even more serious case occurred in connexion with a quotation for silky oak logs. Messrs. Hyne and Son desired to obtain a number of these logs from Northern Queensland, where the tree flourishes, the timber being sent from there to various sawmills to be cut up. Messrs. Burns, Philp and Company, however, exercise a great influence up north, because of their stores and other establishments in different centres, and, to a large extent, the business of the timber-getters is in their hands. Therefore, when Messrs. Hyne and Son asked for a quotation of prices, they received the following letter:—

We are duly in receipt of your's of the 22nd inst., and now beg to confirm our wire, advising that we had asked Mr. James Lyons to quote you for Silky Oak Logs, which we understand he has done. We may state that we are unable to quote for shipment by any other than the Associated Company's steamers, otherwise we should lose our accrued bonuses with those companies.

It is extraordinary that such things can happen in a democratic country like Australia, where everyone speaks about the

liberty and freedom which we enjoy. A combine such as I have been describing can wield enormous power, and can, as I have shown, practically bring about the ruin of an important industry. In addition to what has been done in regard to the timber industry, I would point to the action of the shipping combine in connexion with the carriage of pig-iron for Walkers, Limited, at Maryborough. The combine have laid down freight conditions which operate to the serious disadvantage of those who are engaged in carrying on industries at all our Queensland ports. The moment that they obtain full control of the situation—and they have almost succeeded in ousting all competitors—they will be in a position to dictate any terms they please, and to compel the public to pay exorbitant rates for the carriage of their produce or of the goods which they may require for manufacturing or other purposes. The present position of affairs is a public scandal, and the sooner an improvement is effected the better it will be for the Commonwealth. All honorable members who have spoken during this debate have expressed the opinion that monopolies and combines are bad. It is well known that, in connexion with the oversea trade, the reduction of the freights upon our perishable products has been of great advantage to our producers, and has placed them in a much better position than they occupied some years ago. This reduction was brought about only when a few outside firms came along, and captured a certain amount of the trade, in spite of the combine. Then the companies that were carrying on the contest against the combine became so strong that the shipping ring were compelled to take them into the fold, with the object of again increasing freights in order to recoup themselves for the losses sustained. When Mr. Kenneth Anderson was giving evidence before the Commission, I asked him if it would be possible for a competing firm to join the shipping combine, if it so desired. He replied that it would all depend on the financial strength of the firm. In other words, he conveyed the impression that if a firm were sufficiently strong to fight the combine, the latter would be prepared to accept it as a member of the shipping ring, whereas in a case such as that of the Aberdeen line they would dictate their own terms.

Mr. WILKS.—The party to which the honorable member belongs is a combine.

Mr. McDONALD.—It is a benevolent combine. The Commission contend that if we were to run our own line of steamers we should be able to provide employment for our own citizens under conditions very different from those mentioned by the honorable member for Melbourne. We should also be able to give our employes reasonable wages, and would be able to afford a desirable outlet for our young men who have a liking for a seafaring life. I think, moreover, that if we had a Commonwealth fleet, our citizens would display more interest in maritime life generally. It is desirable that this interest should be encouraged, in order that we may be enabled to train officers and men to man an Australian Navy when the conditions are ripe for the maintenance of such an institution. We should also be in a position to assist our producers to place their produce upon the markets of the world to greater advantage than at present. We could provide them with a more regular and rapid means of transit than they have enjoyed in the past. This is a matter of special importance to our butter and fruit industries. If we had a fleet of our own we should advertise Australia, perhaps, more effectively than by any other means. As the honorable member for Barrier pointed out, we should have at our hands a means of introducing our best products in the way of fruits, preserves, and meats, and this in itself would probably lead to the opening up of fresh markets.

Mr. THOMAS.—What about our wines?

Mr. McDONALD.—Although the members of the Commission were almost without exception teetotallers, they did not lose sight of the fact that we might provide passengers by our steamers with wines grown in the Commonwealth, and thus introduce the product of one of our staple industries to the favorable notice of the outside world. We were told that if we established a Commonwealth-owned line of steamers we should have to fight the Shipping Conference. I do not believe that that result would be brought about, because the Shipping Conference would realize that if the Commonwealth once embarked in such an enterprise it would have to go on with it. They would appreciate to the fullest extent the distinction between the Commonwealth and, say, the Aberdeen line, and would realize that if they once entered into a fight with us they

could not expect to sweep us from their path within a few months. No people worthy of the name would allow any combination to exist within the Commonwealth which was greater than the Commonwealth itself. Under these circumstances, I contend that no shipping ring or combination would attempt in any shape or form to fight the Commonwealth. We have been told that if the proposed new mail contract be ratified the contractors will establish a new line of steamers to fight the combine. If they can form a company and expend £3,000,000 or £4,000,000 in constructing a fleet of steamers, and if they can afterwards establish a remunerative trade with Australia, why in the name of common sense cannot the Commonwealth do so? We have been assured by the honorable member for Parramatta that whilst it is true we can purchase the services of men who are qualified to run a national fleet of steamers, those men would not devote the same energy to their task that they would exhibit if they were employed by private enterprise. The Shipping Commission were informed by Mr. Kenneth Anderson that we should require to engage the services of men who are familiar with every phase of shipping, in order to insure the running of a Commonwealth line of steamers as economically and profitably as possible. We all realize that. But the Commission were also informed that these men could be obtained if we were prepared to pay them reasonable salaries. I contend that it is only natural that the Commonwealth would secure the best available talent. Is it not reasonable to suppose that the men who would be placed in charge of a national fleet of mail steamers would—for the sake of their own reputations—do their best to make it a success? Would they not endeavour to make it successful because of the emoluments which would attach to their positions? Here in Victoria have not the Government imported a gentleman to take charge of the railways?

Mr. JOSEPH COOK.—And to run them as private railways are run elsewhere.

Mr. McDONALD.—Just so. We require the services of men to run a national fleet of steamers upon similar lines.

Mr. JOSEPH COOK.—The honorable member's party would not let them do that.

Mr. McDONALD.—Are the Railways Commissioners not allowed to do that in

New South Wales? Is it not a fact that last year those gentlemen returned to the Treasury of that State £300,000 or £400,000 owing to their magnificent management?

Mr. WILKS.—They have made a mess of things in New South Wales.

Mr. JOSEPH COOK.—It was owing to the magnificent seasons.

Mr. McDONALD.—The railways were paying before the drought occurred in New South Wales, and in one year the Commissioners returned a profit of nearly £250,000 to the Treasury. When the drought took place they showed their sagacity by carrying fodder for starving stock at extremely low rates, in order that they might save that stock in the future interests of New South Wales.

Mr. WATSON.—A private company made more money in that year than in any other year of its history.

Mr. WILKS.—A Royal Commission has recommended that the Railways Commissioners in New South Wales should be got rid of as quickly as possible.

Mr. McDONALD.—The honorable member for Parramatta will agree with me that the late Mr. Eddy made the New South Wales railways a financial success.

Mr. WILKS.—And who gave him a very bad time?

Mr. McDONALD.—Providence stepped in and gave him a very bad time.

Mr. WILKS.—The Socialist party were always tormenting him.

Mr. JOSEPH COOK.—And if they had had the power they would have hunted him away.

Mr. McDONALD.—Mr. Eddy was a strong man, and I regret that we have not a dozen more like him to take charge of other national enterprises.

Mr. WILKS.—If I recollect rightly, the honorable member's own leader voted against Mr. Eddy's salary upon the ground that it was too high.

Mr. WATSON.—I do not think so. If I did, I soon found out my error.

Mr. WILKS.—Now I come to think about the matter, I know that the honorable member did not vote in the way that I indicated, although the majority of the Labour Party did.

Mr. McDONALD.—It is only reasonable to suppose that whoever was intrusted with the work of running a national line of steamers would do their best for the Commonwealth, if only to save their own

reputations, and to retain their positions. I have already referred to the fact that the establishment of a Commonwealth fleet of mail steamers would be the means of providing a large number of our citizens with a maritime training. The serious decrease that has taken place in the number of British sailors in our mercantile marine is sufficient to make us pause and think. I find that in 1860 the total shipping tonnage of Great Britain was 4,257,739 tons, whereas in 1900 it was 10,550,094 tons. The number of British seamen during those forty years increased from 157,112 to 175,532. In the former calculation the masters and officers have been excluded, and in the latter they have been included. In 1860 the British mercantile marine employed 14,280 foreigners and 335 lascars, whereas in 1890 their numbers had increased to 36,893 foreigners and 36,023 lascars, or a total of 72,916. In other words, the proportion of foreigners and lascars to British seamen in 1860 was 9.3 per cent., whereas in 1900 it was 41.78 per cent. Here we have a clear proof that in running oversea ships, private enterprise will employ the cheapest labour procurable. That point is worthy of special notice by those who favour the repeal of the section in our Post and Telegraph Act which prevents our mails being carried by vessels which employ coloured aliens. The fact that the number of lascars engaged in the British mercantile marine has increased from 335 to 36,023 during the past forty years should be taken into consideration. The establishment of a Commonwealth line of steamers would tend to minimize that evil.

Mr. JOHNSON.—If the British authorities made a similar proposal in their postal contracts with regard to white labour, that difficulty would be largely overcome.

Mr. McDONALD.—I admit that the British Government have not made a similar proposal, but they are in a different position. At present they are deriving a very large revenue from a portion of the Empire, which comprises a coloured population of something like 350,000,000. In the circumstances, we are not compelled to give the same recognition to those coloured people.

Mr. JOHNSON.—Nevertheless, the question is one into which the British Government will have to look very seriously.

Mr. McDONALD.—That is so. I do not propose to deal with the figures advanced by the Commission in support of

their recommendations, for they have not been seriously assailed.

Mr. JOSEPH COOK.—It is just as well not to deal with them, because they constitute the main feature of the report.

Mr. McDONALD.—No honorable member has seriously assailed them.

Mr. JOSEPH COOK.—Why need we do so when the Commission themselves assail them?

Mr. McDONALD.—The only newspaper which seriously endeavoured to challenge them was the *Age*, but after the speech made by the honorable member for Barrier in support of his amendment, it gracefully backed down. That speech was a complete refutation of the criticism levelled at the report.

Mr. JOSEPH COOK.—But the members of the Commission themselves say that they are only guesses.

Mr. McDONALD.—It is true that some of the figures may be, so to speak, slightly experimental, but in the main they will withstand all criticism. Some honorable members say that the amendment is an excellent one, but that it is inopportune. Had the honorable member for Barrier failed to take advantage of the present opportunity, he would have been unable to submit his proposal with the prospect of its being carried into effect until this contract had expired. I, therefore, hold that the course he has taken is a proper one. Before passing from the report of the Commission to other matters, I would say that, when the terms of this contract were published, Mr. Denham, Minister of Agriculture and Secretary of Railways in the Government of Queensland, said that he objected to it, and that he felt that that State was being bled in connexion with it. Whilst I personally approve of the Government inserting in the contract a clause compelling the mail steamers to go as far as Brisbane, I regret very much that Mr. Denham, or some other member of the Queensland Ministry, failed to place before the Shipping Service Commission evidence showing the situation in which Queensland was placed in connexion with the Orient Company's contract. Before proceeding to Brisbane, the Chairman of the Commission—the honorable member for Barrier—wrote to the Government of Queensland, asking if any members of it were prepared to give evidence, and the then Premier, Mr. Morgan, replied that they were. When we reached Brisbane, however, the Chairman received a telephone message from a Government

officer that it had been decided that no member of the Ministry would give evidence, but that, if we desired it, a State official would be prepared to give evidence. Such a witness would, doubtless, have given us some official and stereotyped answers to any questions submitted to him; but we wanted something more. Our desire was that a member of the Government should come before the Commission, and give us some idea of what, in their opinion, should be done in regard to the calling of the mail steamers at Brisbane. Although Queensland was vitally interested in the carriage of mails under future contracts, not one member of the Government was prepared to give evidence before the Commission. I regret this, not merely because I was a member of the Commission, but because, as a representative of Queensland, I wished my fellow Commissioners to learn how unjustly Queensland was treated in being called upon to pay £26,000 per annum to secure the calling of the Orient Steam-ship Company's mail steamers at Brisbane. In the circumstances, it ill-becomes any member of the Queensland Ministry to find fault with anything that is being done in regard to the mail contract. We have been told by the Postmaster-General that this is to be an Australian company; but he did not tell us to what extent it could be so described. All that we are told is that the company is to be registered in Australia. All that we can gather from the statement of the Minister, and the other information placed before us, is that we are to give a concession to certain persons who will subsequently form a company, which, if successful, will build a fleet of steamers and carry out the terms of the contract. We are also told by the Postmaster-General that the gentleman who has signed this contract has given a guarantee to the extent of £25,000, but, having regard to the fact that the building of this fleet of steamers would involve an expenditure of about £4,000,000, that is a very insignificant sum. I would draw the attention of honorable members to an incident which took place in Queensland some time ago. A certain company desired a concession for the construction of a railway from Normanton to Cloncurry. We were told that this concession was not going to be hawked round London or anywhere else, but that the financial magnates interested in the company were in a position to put down the £4,000,000 necessary to build the line, and to carry out other works in

Mr. McDonald.

connexion with the scheme. That was the argument used to induce the members of the State Parliament to vote for the granting of the concession, and in the same way the Postmaster-General has said that the company proposing to take up this contract could build the necessary steamers, and carry out all the conditions, without appealing to the public. The concession was granted, in addition to which five or six other concessions were granted to different companies to build various lines of railway. Although those companies put down sums varying from £2,500 to £10,000 by way of guarantee, not one of the railways has been built up to the present time. I should like to warn the Postmaster-General that a guarantee of £25,000 is, in my opinion, insufficient under the circumstances, for the reason that, if the company fails within a reasonable time to give some guarantee that the vessels will be built, and if the contract is not proceeded with, the Commonwealth will be involved in a loss of, perhaps, £50,000 or £100,000. The historical incidents to which I have referred are therefore worth remembering. It behoves us to think very seriously before we enter into the contract now proposed. We should have some guarantee that the scheme is not going to be hawked around London, so that a company may be formed, or may be attempted to be formed, with the consequence of landing us ultimately in a serious difficulty. We are told that this is to be an Australian company, and that the ships are to fly the Australian flag. What is the use of their flying the Australian flag and being registered in Australia if the shares are held in London? In Austria-Hungary the Government insists that at least two-thirds of the shares of any company subsidized by the State shall be held in the country, and by Austrian subjects. Germany goes even further. In Japan the Government refuses to grant a concession to any company the shares of which are not held by Japanese. In America the conditions are still more stringent. Before we can call this an Australian company, at least two-thirds of the shares should be held in Australia. A clause should be inserted to provide that not only the shipment of all crews, but their discharge, shall take place in Australia. That would make the company a little more Australian than it will be under the agreement as it stands at present. With such an amendment the contract will be

improved. But I regret very much that the Government has not seen its way clear to accept the amendment of the honorable member for Barrier.

Mr. JOSEPH COOK. — The honorable member's own party is not solid upon it.

Mr. McDONALD.—I cannot help that. I can assure the honorable member that the members of the Royal Commission are very solid. Combines, not only in the coastal trade, but in the oversea business, are all-powerful to-day, and do very much to retard the development of Australia. The only method by which those combines can be induced to take a reasonable view of their duties, instead of fleecing the public of Australia, is by adopting some such proposal as that of the honorable member for Barrier to nationalize the shipping industry. We should thus create an enormous influence in favour of Australia. To have a fleet such as is proposed by the Royal Commission sail from our ports to other parts of the world would be one of the biggest and best advertisements we could possibly have.

Mr. DAVID THOMSON (Capricornia) [9.36].—I do not rise to congratulate the Government upon this new contract. On the contrary, I think that, if it is ratified, it will inflict a flagrant piece of injustice upon Queensland, and will do more damage than any honorable member contemplates. In the first place, the Postmaster-General has told us that this is a mail contract pure and simple. If that be so, why is there a clause in it requiring that the ships shall be of the size of 11,000 tons? It is not necessary to have vessels so large simply to carry mails to England. It appears to me that there is something behind the proposal. It must be admitted that they must do other work. They must come to Melbourne and Sydney, where the large centres of population are situated, for trade purposes. The carriage of mails alone would not pay a fleet of this character. The amount they received for that purpose would only barely pay interest on the outlay. Under the proposed contract only two States of the Commonwealth will have the ships calling at their ports, namely, Western Australia and South Australia. Much was said some time ago about the contract with the Orient Steam Navigation Company, which we then had before us, under which the Commonwealth Government contracted to pay £120,000 for the carriage of mails. But now the Government is to pay £125,000. The Orient

Steam Navigation Company not only calls at Melbourne and Sydney, but also goes on to Brisbane. Under this contract the voyage of the steamers will terminate at Adelaide. There is nothing to compel them to go elsewhere. It is true that we shall secure some advantage in a shortening of the time of the voyage; but the great masses of the people care nothing about the saving of a few hours. They do not know when the English mail either leaves or arrives in Australia. They do not feel much interest in it. Only a few people like the richer merchants, and those who wish to communicate with Europe, are interested in the speed of the mail boats. We cannot afford to allow this country to be mulct in a further expenditure of £5,000 to save a few hours. There is much to be said about the contract from a monetary stand-point. The present mail service is, in my opinion, just as good as the new service will prove. I see very little in the condition that the vessels shall be registered in Australia and fly the Australian flag. That may be all very well from a patriotic point of view; but I, as an Australian, do not attach much importance to the stipulation. Personally, I would just as soon see the English flag continue to fly over the mail steamers until the time arrives when we have vessels of our own over which to fly our flag. As to the calling of mail steamers at Brisbane, I know there are at present negotiations going on between the Premier of Queensland and the Prime Minister as to what the extension of this facility would cost. So far, I understand that Messrs. Lang and Sons Ltd. have asked for an extra subsidy of £26,000 per annum; but I think that the Queensland Government would be exceedingly foolish to fall in with any such idea. I know that to-morrow I shall wire to the Premier of Queensland advising him to have nothing whatever to do with such a proposal, which I regard as an injustice to the northern State, Sydney, and all the other Australian ports are bound to be visited by the mail steamers for the purposes of trade, and yet Queensland is to be left out.

Mr. JOSEPH COOK.—We are not aware that the Premiers of any of the States have been consulted.

Mr. DAVID THOMSON.—But the Premier of Queensland has been consulted as to the payment of an extra subsidy, although that State is at present paying its

quota of the Commonwealth subsidy. Such a proposal appears to me to be an infringement of the Constitution, because it practically means certain States legislating for one State, and differentiating that State from the other members of the Union. As I said before, I hope that the Queensland Government will refuse to pay any further subsidy, but will reserve any such assistance for a Torres Strait service. We are told that the steamers of the contracting company, under the new agreement, are to run fifteen knots an hour; but what is that speed compared with the twenty-four or twenty-five knots an hour of the Atlantic liners?

Mr. DUGALD THOMSON.—The new boats will have to do more than fifteen knots an hour, in order to perform the voyage in the allotted number of hours.

Mr. DAVID THOMSON.—Even if the new steamers did sixteen knots an hour, the German liners and the Cunard liners on the Atlantic are now doing twenty-four and twenty-five knots. According to the terms of the agreement, it is apparent that, instead of £125,000 per annum, we shall have to pay £150,000 per annum, if the vessels are to attain the higher speed. Then it seems to me to be wrong to enter into a ten years' contract with the company. It would have been far better to have contracted for a shorter period with the old company, even if we had to pay more. We have no guarantee that the contracting company occupies anything like the position which has been indicated. We have been told to-day that the company has up to the present built only tramp steamers, and their deposit of £25,000 is a mere flea-bite.

Mr. EWING.—Who has said that the contracting company are building only tramps?

Mr. DAVID THOMSON.—That is what is said by those who have gone into the question.

Mr. EWING.—It is not correct.

Mr. DAVID THOMSON.—Of course, it does not follow that because the company has up to now built only tramps, it is not capable of turning out ocean greyhounds. A man who can build a tramway can build a railway. I dare say this is a very respectable firm, and doubtless it will have to find a lot of money in order to go into this enterprise; whether or not the enterprise will pay them is for their consideration, not ours. I have nothing further to say, except to repeat my protest against this agreement as it stands. There

ought to be a stipulation that the vessels shall call at all the States; and I may point out that Queensland in the past has been badly treated, not only in connexion with the mail service, but in a great many other ways. I have, time after time, made that statement, and it cannot be repeated too often. The people of Queensland think that they have been badly treated, and a great number have the idea of secession in their heads. That may be only empty talk, and I do not attach much importance to it; but when we find that a State is badly treated, simply because it happens to be situated far away from centres of population, a point should be strained in order to extend some assistance. It is well known that ever since the inauguration of the Commonwealth, the Queensland finances have been on the wrong side, and that that State has had to take less than the three-fourths of the revenue to which it is entitled under the Constitution. I hope these boats will go on to Brisbane. There will certainly be plenty of trade there for them in the future. At the present time the dairying, meat, and other industries of Queensland are looking up, and I have no doubt that in a few years she will be the premier State. In ten years time there will be a big difference in the condition of affairs in Queensland, and it is very hard that the boats of the contracting company should be permitted to stop at Sydney.

Mr. JOSEPH COOK.—There is nothing in the contract requiring them to stop at Sydney.

Mr. DAVID THOMSON.—There is nothing in the contract to compel them to go to Sydney.

Mr. JOSEPH COOK.—In that respect Queensland is placed in the same position as the other States.

Mr. DAVID THOMSON.—That is so; but the honorable member overlooks the fact that there is a very big population in Melbourne and Sydney as compared with the population of the capital of Queensland, and also the fact that Brisbane is so much further off. A company running these very large boats might consider that it would be too expensive to take them on to Brisbane for the trade of that port. I think that, even though we should have to pay a little more for this contract, it should be specified that the boats should call at a port in each of the States.

Mr. DUGALD THOMSON.—Would the honorable member have the boats engaged in the Vancouver service go on to Western Australia?

Sir JOHN FORREST.—Western Australia pays her share of the cost of that service.

Mr. DAVID THOMSON.—They might go to Western Australia, so far as I am concerned. If it is a Commonwealth service it should serve all the States.

Mr. DUGALD THOMSON.—Let the honorable member consider the cost.

Mr. DAVID THOMSON.—If it were shown to be necessary I should have no objection, nor would the people of Queensland. What I complain of is that the proposed contract is for a direct line from England, and it is not proposed that the boats shall call at ports in all the States. I hope that this contract will not be ratified. I intend to oppose it, and will do all I can to secure its rejection. I have only my vote with which to prevent its ratification, and I know it is of very little use to talk when a majority of honorable members are opposed to one's views, but if the contract is ratified I hope that the Government will see their way to introduce some condition under which the boats engaged in the service will call at Brisbane.

Mr. JOSEPH COOK.—We should have no guarantee that the proposed national line would go there.

Mr. DAVID THOMSON.—We will guarantee that if honorable members will agree to the amendment. I must congratulate the honorable member for Barrier on the project submitted by the Shipping Service Commission. That Commission has proved to be one of the best that has been appointed by any Commonwealth Government. It has submitted a number of practicable recommendations, and has shown us how to do something. It is all very well for honorable members to try to pick holes in the figures submitted by the Commission, but I think that their estimates are in some cases rather too high than too low. There is only one matter regarding which there may be an element of speculation, and that is the revenue to be derived from such a line. The Commission considered the revenue derived by the Peninsular and Oriental Steam Navigation Company, and the Orient Company, and I think that when the figures are carefully considered it will be found that the Shipping Commission have not been very far out in their estimate

of the probable revenue from a Commonwealth-owned service. I am satisfied that if we established such a service it would be an eye-opener to the world, as it would prove that we in Australia are able to provide a line of magnificent ships. I am sure the honorable member for Barrier would not advise the construction of inferior vessels. The question is asked whether such a line of steamers would pay, and I reply that if it pays a private company such as the Orient Company or the Peninsular and Oriental Company to run a line of steamers here it would pay the Commonwealth Government equally well.

Mr. JOSEPH COOK.—The honorable member for Barrier is proposing the establishment of another competing line.

Mr. DAVID THOMSON.—The honorable member is proposing the right thing, and you are not proposing the right thing.—a lot of sharks as you are, trying to take the people down.

Mr. SPEAKER.—The honorable member must address the Chair.

Mr. DAVID THOMSON.—A few days ago we had under consideration a proposal to build a great railway through the desert of Western Australia at a cost of £5,000,000. We found a majority of honorable members in this House supporting that proposal, but if we can afford to pay £5,000,000 for the construction of that railway we can better afford to pay that sum for the construction of a Commonwealth line of ships. Such a line of ships would be of very great service, and it would be much more profitable to the Commonwealth to construct eight or nine ocean-going vessels than to construct the railway I have referred to.

Sir JOHN FORREST.—No fear. The building of the railway would mean unity.

Mr. JOSEPH COOK.—This is the true Federal spirit.

Mr. DAVID THOMSON.—It would be better evidence of the true Federal spirit that honorable members should support a proposal to connect us with Great Britain by establishing a line of Commonwealth ships rather than a proposal for the construction of the proposed transcontinental railway to connect us with Western Australia. We hear nothing about the necessity of paying interest on the cost of constructing that railway. I again congratulate the Shipping Commission on their report, and I should prefer action on the lines they recommend to the acceptance of

this contract. I do not say that by the establishment of a Commonwealth line of steamers we should be able to do away with the £200,000 now paid annually towards our naval defence, but a Commonwealth line of steamers would be useful for the defence of our shores. I repeat again that I hope this contract will not be ratified, and that a Commonwealth line of steamers will become an accomplished fact.

Mr. CULPIN (Brisbane) [9.55].—I wish to say a word on this question. I am in favour of something being done which will help us, and which especially will be of advantage to the northern State. With that object in view, and believing that, under the amendment moved by the honorable member for Barrier, Queensland, as well as the rest of the Commonwealth, can be provided with a good shipping service, I shall support that amendment. We have had instances from the other side of the readiness of honorable members to give up something. According to his own statement, the leader of the Opposition has given up no less a thing than this Parliament. The right honorable gentleman also proposes to give up the provision we have made for the employment of white seamen in vessels subsidized by the Commonwealth. Whatever we may feel about giving up this Parliament, none of us on this side thinks of giving up that provision. I shall support the amendment moved by the honorable member for Barrier, and I hope that we shall be able to carry it.

Mr. STORRER (Bass) [9.57].—Whilst we may be making a very good bargain with the new shipping company, so far as the cost of carrying our mails is concerned, I think that if we were running the business ourselves we should be quite satisfied to adopt the poundage system which has been referred to, and thus save £80,000 a year on the present expenditure. That is a very large sum, in my opinion, for the Commonwealth to have to pay for the sake of a few days earlier delivery of mails. As I pointed out last year, I do not think that the speedier service afforded by the contract system is worth the additional cost, even to the merchants, who contend that it is. Although under the poundage system there might be a delay of a day or two in the delivery of mails, all the merchants concerned would be placed on the same footing, and one would be given no advantage over another. The majority of our merchants and others seem to think

that it is necessary that we should have a quicker service than we could procure under the poundage system, and if they are prepared to pay a large proportion of the additional cost under the contract system I do not think that it would be wise for us to object. At the same time I think that in a mail contract of this description we should have some guarantee that the shipping company obtaining the contract will make provision for the transport of perishable products. I am aware that a great many people in Australia do not believe that the Post Office should be debited with expenditure incurred by other Departments, but I hold the view that the public Departments of the Commonwealth should be considered as one, and that each should be expected to assist the other. If by their arrangements with the steamship companies the Postal authorities can get concessions and benefits from the shipping companies, they should do so. I know that the Government of the Commonwealth have communicated with the various States, and have not received from them that support which they might reasonably have expected. At the same time, I think it is their duty to make some provision in reference to the carriage of perishable products, in order that there shall be a guarantee. No doubt, for its own sake, a shipping company may make some concessions in that direction, but, at the same time, there is no guarantee that it will be done. If in the contract the Postmaster-General had inserted a condition to that effect, a service would have been assured to the shippers. I am very glad, however, that it contains a clause empowering the Commonwealth to purchase the steamers if the Parliament should think it advisable to do so. In a contract extending over the long period of ten years, it is only right, I think, that that power should be taken. What troubles me as a Tasmanian representative, is that provision is made at the public expense for the conveyance of the mails to all parts of the Commonwealth except Tasmania. Under this proposed contract, the mails will be landed at Adelaide, and despatched by train to the various points on the mainland, but Tasmania will have to pay for the transport of its mails across Bass Strait. Last year, when the acceptance of a contract was under consideration, Tasmania and Queensland got an advantage in that direction. Under the new arrangement,

Queensland will still have its mails sent on by train from Adelaide at the expense of the Commonwealth, but Tasmania will have to pay for the conveyance of its mails across the Strait. That is not exhibiting the true Federal spirit. In view of the fact that Tasmania has also to pay a special rate for cablegrams, and a subsidy of £4,000 to the Eastern Extension Telegraph Company, I trust that the true Federal spirit will be displayed, and that before the termination of this Parliament the carriage of mails across the Strait will be made as free as on the mainland.

Mr. FISHER (Wide Bay) [10.4].—The discussion on this important question has not been of such a character as I should have wished. And the Ministry is not doing full credit to the subject when it neglects to make a fuller explanation, and to reply to some of the speeches which have been made. It is of no use for honorable members to try to shirk the responsibility which rests upon them. The Commonwealth must be provided with a mail service in one way or the other. Since its inauguration, it has never received an offer for the carrying of its mails at a fair price and under fair conditions. Under these circumstances, we shall have to face, sooner or later, the question of carrying in our own ships, not only the mails, but also the produce of our people to other parts of the world. It may be evident that a majority of the representatives of the people are not of that opinion now, but that in no way justifies an attempt to make little of a great question such as this is. If I caught his reasoning correctly to-day, the deputy-leader of the Opposition said that the subsidy paid to these boats is of general benefit to the whole of the community, and that fast services are absolutely necessary if we are to take our place amongst progressive nations.

Mr. JOSEPH COOK.—I think that that was said in criticism of the Commission's report. I said that anything which affected advantageously the commercial class as well as the exporters of produce must necessarily affect advantageously every man and woman in the community.

Mr. FISHER.—That will serve my purpose equally well, and I quite agree with the honorable member, but I submit that no better argument could be advanced in favour of a national line of steamers, because if anything which affects the merchant and the importer, also affects

the producer, then it is our duty to find the very best and the cheapest method of carrying on those services. That brings us to the question of whether for the carriage of mails and cargo a national service is cheaper and more effective than a service such as that which has been provisionally agreed to between a steam-ship company and the Government to carry the mails. I quite agree with those who contend that we should have the most up-to-date steam-ship service between Australia and other parts of the world. Under these circumstances I consider that a large subsidy is justifiable, but although I believe that from their point of view the Government have made a fair bargain, I am of opinion that even greater advantage would accrue to the Commonwealth and its people if they could face the initial cost of providing a line of steamers to carry not only mails, but also the products of this country to other countries, and to bring back the products of other countries. Furthermore, it has been pointed out by the honorable member for Kennedy that in Australia there is a shipping combine even more drastic in its operations than the shipping combine at the other end of the world. My view is that if we met this big oversea combine by a national line of steam-ships it would be equally necessary to provide a subsidiary service to meet the wants of the States. I am one of those who contend that we ought not to be afraid of things that are new if we can prove that they are right, and would be beneficial to the community. Australia has a great advantage in being self-contained. It has an advantage—from one point of view it is a disadvantage—in having no great shipping at the present time, and it would be to our distinct advantage if we could initiate an oversea service, and also an Australian service, so as to completely meet the necessities of the people who are settled over a very vast continent. Let us take the conditions which prevail at the present time in the district I represent. For some years the condition of affairs at the port of Maryborough has been such that no person has been free to trade as he wished. When Messrs. Hyne and Son endeavoured to send timber from Maryborough to other parts of Australia, and to bring back cargo, not only did the combine refuse to assist them, but it placed every obstacle in their way, and would not even enter into an agreement allowing them to take back

freight at low rates and under a sharing arrangement. They went further, and announced that any one buying goods brought to Maryborough in the vessels of Messrs. Hyne and Son would lose the rebates to which they were entitled. Some honorable members consider that such dealings are to be regarded as freedom of contract, and a proper system of trading; but, in my opinion, they are commercially immoral, and any Government having the power to put an end to them, and allowing them to continue would be unworthy of its position. It is thought by some that the Australian Industries Preservation Bill will meet the case; but, even if it does, it will not put an end to the oversea shipping ring. One of the weak points in the contract—and this criticism should have been answered from the Government Bench—is that it contains no provision preventing the company carrying our mails from combining with the other shipping companies now doing business here, and leaving us in our present position. No one who examines the correspondence and the conditions of the contract will consider that we have had a fair and honest offer for a mail service. I am of the opinion that it would have been better, as the honorable member for Bass has pointed out, to continue, for some years to come, to pay poundage rates for the conveyance of our mails, until the people of the Commonwealth became ready to make arrangements for the establishment of a national line of steamers. If we agree to the contract, we shall be bound for a period of eleven and a half years from the present time, and, as the honorable member for Coolgardie has pointed out, many developments in ocean transport are to be expected in that period. No doubt there is a majority against the amendment of the honorable member for Barrier; but the arguments put forward in support of it have not been answered by those who are defending the contract. The honorable member for Parramatta says that the Commissioners gave an estimate of the cost of constructing a fleet of steamers large enough to carry on the Government service, which was not reasonably correct.

Mr. JOSEPH COOK.—The Commissioners say that it is not correct.

Mr. FISHER.—I submit that the figures of no one connected with the Commonwealth are generally regarded as so reliable as, and will be taken more readily than, those of Mr. Coghlan. I have always found

greater accuracy in his works than in those of any other statistical writer to whom I have had to refer, and have always been satisfied with my dealings with him. It is his figures which are impugned when the estimate of the Commissioners is challenged. The Commissioners put forward no estimate of their own. All they say is, "We have done everything that we can to obtain the best estimates." No doubt Mr. Coghlan was able to obtain information from some of the most competent authorities in London.

Mr. JOSEPH COOK.—No doubt; but experts here say that he has not been supplied with a full estimate.

Mr. FISHER.—An estimate going into shillings and pence was not expected, but that furnished by Mr. Coghlan is fairly complete, and, I venture to say, as nearly accurate as could be obtained by appealing to any one else on the subject. If that is the only difficulty which prevents the honorable member from favorably considering the proposals of the Commissioners, I suggest that the Commonwealth Government should ask some of the chief ship-building firms what they would build the necessary steamers for. It is a usual thing for firms to submit estimates of this kind. No doubt Messrs. Harland and Wolff would say what they could build the vessels for, and would be quite willing to undertake the work, because they would be sure that, upon its completion, the payments due would be made. Then, to deal with another statement of the honorable member for Parramatta, the people of the Commonwealth would be benefited if the effect of establishing a national line of steamers were to increase competition and reduce rates. That would bring about a state of affairs which, to the honorable member, is almost ideal. We have heard from him a thousand times of the advantages of competition, and the fact that there would be fierce competition between the national line and the private lines is a reason why we should support the proposal. Even if there were a loss in the working of the national line, the public would benefit by the reduction of rates created by the competition. There would be an indirect benefit somewhat akin to that which results from the construction of non-paying railways.

Mr. WILKS.—The honorable member refers to developmental lines?

Mr. FISHER.—A railway constructed as a developmental line soon becomes a paying line, and, ultimately,

helps to support other lines, which do not pay directly, but, indirectly, are beneficial to the community, as a national line of steamers would be, even if it did not show a profit on its working expenses. It has been contended by some honorable members that our railway systems, which are socialistic, are monopolies, with which competition is impossible. I do not believe, however, that Socialism can exist only where there is monopoly. If socialistic principles could not hold their own even against private competition, I would not support them long. It is because I believe them to be sound, beneficial, and necessary to the development of the community, where there is competition, that I support them. I am as willing to face competition on the high seas as in connexion with any State enterprise on land.

Mr. DUGALD THOMSON.—Is the honorable member in favour of increasing the loss at present incurred in connexion with the postal service, by carrying on an unprofitable mail service?

Mr. FISHER.—The honorable member is assuming that there would be a loss in connexion with the mail service.

Mr. JOSEPH COOK.—The Commission show that there would be a profit of £112,000 per annum.

Mr. FISHER.—I am not here to father the figures put forward by the Commission, but I would point out that manifestly inaccurate figures have been submitted by other authorities, and that the most egregious blunders have been committed by some of the leading newspapers. I cannot vouch for the correctness of the figures put forward by the Commission, because I am not acquainted with the details. It cannot be denied, however, that Mr. Coghlan is most reliable in matters of this kind.

Mr. JOSEPH COOK.—Mr. Coghlan did not make up the balance-sheet.

Mr. FISHER.—No, but the capital expenditure estimated by the Commission is based upon Mr. Coghlan's figures.

Mr. DUGALD THOMSON.—Yes, but how could boats built at a cost of £375,000 be equal to vessels costing £500,000?

Mr. THOMAS.—What steamers cost that amount?

Mr. DUGALD THOMSON.—The Peninsular and Oriental Steam Navigation Company's steamers.

Mr. FISHER.—The question as to whether boats of the required class would

cost £350,000 or £500,000 could easily be settled by calling for tenders. I venture to say that if the Government cabled to some of the principal builders in England they could ascertain within a very short time exactly what expenditure would be involved in the construction of steamers of any given class. In estimating the income of the proposed Commonwealth-owned line of steamers, the Commission have based their calculations upon the number of passengers carried by the present mail companies during the seven months over which the busy season extends.

Mr. THOMAS.—No. We calculated upon the steamers having a full complement of passengers for five months in the year, and did not reckon on having any passengers for the balance of the period.

Mr. DUGALD THOMSON.—The number of passengers carried by the present mail companies has nothing whatever to do with the question.

Mr. FISHER.—The Commission have allowed a very considerable margin for contingencies, and I think that their expectations are very reasonable.

Mr. JOSEPH COOK.—Always supposing that the Commonwealth-owned steamers drove one of the other lines out of the trade.

Mr. FISHER.—It is contemplated that the Commonwealth-owned steamers would be equipped upon such lines that they would be superior in every respect to the vessels proposed to be employed under the new contract. No reasonable expense would be spared, and there is no reason why the Commonwealth line should not secure the cream of the public patronage. Moreover, we should be able to avail ourselves of the services of the officials in all the Commonwealth Departments in providing facilities to producers for despatching their produce to the best markets. The postal officials, for instance, could give information to farmers and others as to the markets to which they could forward their produce to best advantage, and there is no reason why the Customs officers should not also lend their assistance in facilitating exportation generally.

Mr. WILKS.—Would the honorable member make our public servants general carriers and forwarding agents?

Mr. FISHER.—Why not? What is the object of government but to afford every facility for production and the pursuit of industry, thus promoting the comfort and

welfare of the people? The aim of those who are engaged in private enterprise would appear to be to beggar their neighbours, but the Government would not enter into trading concerns with any such purpose. It would be the duty of every public servant to offer every possible facility to those who had goods to send away to other parts of the world.

Mr. JOSEPH COOK.—The theory as enunciated by the honorable member is an excellent one.

Mr. FISHER.—Many wild theories have been enunciated in the history of the world. Some of the most desirable reforms have, when first proposed, been stigmatised as wild and impracticable. I venture to say that arrangements could be made under which the railway servants of the various States could render valuable assistance to our settlers in the back blocks, and enable them to send away their produce to the best markets without incurring agency and other charges such as they now have to bear. I would point out that in 1888 or 1889, the Queensland Railway Act was amended to enable the Railway Commissioners to make an arrangement such as I have suggested. That action was taken in a State that was not then regarded as so radical in its political tone as some others. The idea of the State owning steamers is no new one. Nearly thirty years ago a certain Premier of Queensland took it upon himself to order a steamer, with a view to breaking down a monopoly. I should like to add a great deal more upon this matter, but I have already declared myself in favour of the establishment of a Commonwealth line of steamers. I believe that the nationalization of these services is the only course which will ultimately succeed. I am not prepared to pamper any socialistic scheme, but I claim that the proposal of the honorable member for Barrier can be justified upon the grounds of economy and justice. The reason why a number of State concerns have not succeeded as they ought to have done, is that those who have been charged with their management have not been in sympathy with them. In some cases it was to their interests not to succeed. Can we have a brighter example of what can be accomplished by the State than is afforded by the Newport workshop? Its position has been challenged again and again, and upon each occasion it has come out vic-

torious. When we find the Railways Commissioners appealing to the Government to place a sum of money upon the Estimates to recoup them, because they have had to purchase machinery elsewhere at a greater cost than it could have been manufactured at the workshop in question, it is the best testimony that can be given to its efficiency. Although the amendment of the honorable member for Barrier may not command a majority on the present occasion, I trust that many of us will live to see, not only a national line of steamers trading between Great Britain and the Commonwealth, but a fleet of our own vessels trading round the coast of Australia. In this Parliament during the last session or two we have heard a great deal about our profound loyalty to the mother country and to Australia. How can we better evidence our loyalty to Great Britain than by establishing a national line of steamers to trade with that country, and by providing a means of giving effect to the great immigration scheme of which so much has been said? If the Commonwealth owned a line of mail steamers, it could, in the "off" season, carry immigrants to Australia for practically nothing.

Mr. JOSEPH COOK.—In fact, it is wonderful what the proposal would accomplish.

Mr. FISHER.—The difference which the conveyance of a few passengers would make is neither here nor there. That being so, we could bring immigrants to the Commonwealth in the "off" season for practically nothing, and we should only incur the cost of having to feed them in transit.

Mr. JOSEPH COOK.—In fact, the proposal is a regular bile bean. It will cure all evils.

Mr. FISHER.—Nothing will cure all evils. I believe in competition. If socialistic enterprises cannot withstand competition I will not support them. I am more strongly in favour of competition than is the deputy-leader of the Opposition, because I would not support an unsound proposal.

Mr. DUGALD THOMSON.—If the amendment were carried, a motion would soon be submitted in this House, declaring that owing to "unfair competition," other ships coming to Australia should be prevented from carrying goods.

Mr. FISHER.—That may be so. Perhaps such things have been done, but the honorable member must recollect that we now have an enlightened democracy sending representatives to Parliament, the like of which has never been known before. I trust that the amendment will be thoroughly threshed out in the light of day, and it is the duty of the Opposition to see that that is done. From every point of view those who support the establishment of a national line of steamers have had the best of the argument, although those who entertain the opposite view will, I think, have the best of the voting.

Debate (on motion by Mr. DUGALD THOMSON) adjourned.

ADJOURNMENT.

CANTEEN BILL: ACTION BY THE
COMMANDING OFFICER AT QUEENSLIFF—
TELEPHONE SERVICE: TOLL SYSTEM.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. MAUGER (Melbourne Ports) [10.36].—I desire to bring under the notice of the Minister representing the Minister of Defence a matter of very considerable importance. Honorable members will recollect that upon Thursday last this House passed through all its stages a Bill for the abolition of canteens. In connexion with that measure the Commanding Officer at Queenscliff has taken a most remarkable course. He has issued to his officers and men the following circular:—

Queenscliff,
21st July, 1906.

From C.O.R.A.A., Victoria,

To Officers Commanding Melbourne District.

C.O. desires that each Warrant Officer, non-commissioned officer, and other soldiers in the R.A.A. serving in Victoria should give a direct answer to the following questions:—

1. Do you personally desire that the sale of all intoxicating liquors should be forbidden to soldiers in barracks and camp?
2. Do you desire that the canteen as now established should continue?

By order,

H. COX-TAYLOR, Capt. R.A.A.,
Staff Captain and Adjt.

Mr. FISHER.—Is the honorable member quoting from an official document?

Mr. MAUGER.—I am quoting from a copy of an official circular which has been issued. A referendum of the officers and soldiers is being taken whilst the Bill for the abolition of canteens is under consideration in another place.

Mr. FISHER.—There is need for action to be taken somewhere.

Mr. MAUGER.—The course adopted by the Commanding Officer at Queenscliff is decidedly objectionable, and it seems to me that it is open to the construction that it is an endeavour to discover what officers gave the information which was used in this Chamber.

Mr. FISHER.—Conduct of that sort should be stopped at once.

Mr. MAUGER.—I have never previously heard of such an attempt being made to interfere with legislation passed by this House. Coming, as it does, from officers who have derived undoubted benefits from the establishment of canteens—

Mr. CROUCH.—By whom is the circular issued?

Mr. MAUGER.—By H. Cox-Taylor.

Mr. DEAKIN.—“By order.”

Mr. MAUGER.—Yes; but I do not know by whose order. The course which has been adopted is entirely wrong. I do hope that the Government will take steps to put an end to this sort of thing, and to let the officers at Queenscliff know that they have certain duties to perform. The course of action which has been taken is decidedly outside their duties, and is an insult to this House.

Mr. EWING (Richmond—Vice-President of the Executive Council) [10.39].—The honorable member for Melbourne Ports was good enough to inform the Prime Minister that he intended to bring this matter forward, and the latter has caused certain inquiries to be made. I shall read a copy of a memorandum from the Commandant in reference to inquiries regarding the circular issued at Queenscliff by the Commanding Officer of the Royal Australian Artillery, Victoria, to officers commanding district. It reads as follows:—

The Commanding Officer R.A.A. stated in answer to a telephone message that the circular was issued by his authority, and on his own responsibility, as he had been informed that the warrant officers, non-commissioned officers, and men of his command were greatly surprised at the proposal to abolish all military canteens, and

that, before approaching the Commandant on the matter, desired to know the feelings of the members of his command regarding such can-tees.

The copy of the circular is similar to that referred to by the honorable member. The steps that have been taken, however, are likely to be satisfactory to the House. The Minister of Defence has issued instructions that no further action is to be taken in this matter by the Commanding Officer, Royal Australian Artillery, Victoria, and has directed that the Commandant shall supply a full report regarding it.

Mr. WILKINSON (Moreton) [10.41].—I should like to ask the Minister representing the Postmaster-General when we are likely to obtain information regarding the proposed application of the toll system to the telephone service. It appears to me that the newspapers can obtain a good deal more information than honorable members can. I have seen in the *Argus* and *Age* information which I have been unable to obtain in respect to the action contemplated by the Government, although when many of my constituents ask what is likely to take place I am unable to reply. I should like to know when this information will be available to honorable members.

Mr. EWING (Richmond — Vice-President of the Executive Council) [10.42].—Mr. Speaker, I desire to say—

Mr. SPEAKER.—Order. The honorable member has already spoken.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [10.43].—The honorable member for Moreton can always see in the newspapers information that is not obtained by honorable members, and is never likely to be.

Mr. WILKINSON.—Where do they obtain it?

Mr. DEAKIN.—I cannot pretend to such profundity of knowledge as would enable me to say where they obtain some of it.

Mr. WILKINSON.—They get it in Queensland, and send the news to me.

Mr. DEAKIN.—The Postmaster-General will be in the House to-morrow, and I shall direct his special attention to the honorable member's inquiry.

Question resolved in the affirmative.

House adjourned at 10.44 p.m.

Senate.

Wednesday, 25 July, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

TARIFF COMMISSION'S REPORTS.

Senator CLEMONS.—I desire to ask the Minister of Defence, without notice, if in this session the Government will submit, for the consideration of Parliament, all the reports of the Tariff Commission presented on or before the 31st August next?

Senator PLAYFORD.—Replying off-hand, I should say that there will be no objection.

Senator CLEMONS.—Would the Minister like me to give notice of a question in order that he may be in a position to give a fuller answer to-morrow?

Senator PLAYFORD.—Yes; I shall be prepared to answer the question then.

PAPERS.

MINISTERS laid upon the table the following papers:—

Extracts from report by the Secretary for Labour to the Minister for Labour, New Zealand, 1903, relating to trusts and anti-trust legislation in the United States and Europe.

Amendment of Public Service regulation 104, Statutory Rules, 1906, No. 51.

Correspondence between the Prime Minister and the Premier of South Australia relative to the transfer of the Northern Territory to the Commonwealth. (Dated 3rd February to 30th July.)

Ordered to be printed.

MAIL SERVICE, TASMANIA.

Senator CLEMONS.—I desire to ask the Minister representing the Postmaster-General, without notice, first, if the conditions in the contract for the mail service between Australia and Tasmania are being carried out with regard to the speed of the vessels running between Melbourne and Launceston; second, whether there is any alteration in such conditions in the tenders which are now being called for a new service; and, third, whether he will lay upon the table of the Senate a copy of the conditions for the new contract?

Senator KEATING.—I understand that the conditions as to speed are being observed. If there are any instances in which the honorable senator thinks that they have not been observed, and he will give me particulars of them, perhaps I could obtain a more specific answer to his question.

Senator CLEMONS.—I should say that they have not been carried out during the whole of this winter.

Senator GUTHRIE.—What is the speed required under the contract?

Senator KEATING.—I do not know that an exact mileage has been arranged. The conditions for the new service have been published in the *Gazette*. I shall be able to lay a copy of them upon the table, and, if necessary, they can be printed separately.

Sepator CLEMONS. — Can the Minister say whether there is any alteration in the proposed rate of speed between Melbourne and Launceston?

Senator KEATING.—I think not; but the conditions, when tabled, will indicate that.

NAVAL DIRECTOR: REPORT.

Senator PEARCE.—I desire to ask the Minister of Defence, without notice, whether he has yet received from the Naval Director a report as the result of his recent visit to Great Britain, and, if so, does he propose to lay it before the Senate?

Senator PLAYFORD.—I have not yet received a report from the Naval Director. When I do, I shall consider it and then make up my mind as to whether it would be wise to lay it before Parliament or not.

OFFICIAL PUBLICATIONS.

Senator Col. NEILD.—I desire, sir, to ask a question concerning the distribution of official publications, and I am not quite sure that it ought not to be put to you. About a month ago, the Senate, at my instance, passed a motion in favour of supplying to members of both Houses Government publications, particularly regulations under various Acts. I have not received any of these regulations, but, judging by the advertisements in the *Gazette*, I think that a good number have been promulgated.

The PRESIDENT.—The officers of the Senate cannot distribute any papers unless they have been laid upon the table

and printed. Until that is done they have not got the papers to distribute. I understand from the Clerk that all papers which have been laid upon the table, and are in print, have been circulated.

Senator Col. NEILD.—Perhaps, sir, you will be kind enough to indicate what course ought to be pursued, because these documents, although not ordered by the Senate to be printed, are in print. If papers cannot be supplied to members of Parliament unless they are ordered by the Senate to be printed, of course I shall submit another motion; but as the documents are already in print, that does not seem to me to be needful.

The PRESIDENT.—So far as the Senate is concerned, all documents which are laid upon the table and ordered to be printed are distributed. If documents are not laid upon the table, but are merely printed in the *Gazette*, I do not see how the officers of the Senate can distribute them. Perhaps the Minister of Defence can furnish some information.

Senator PLAYFORD.—I understand that whenever any regulations made under an Act of Parliament are printed in the *Gazette*, slips are struck off, and that upon making an application, and paying a small fee, any member of Parliament can receive copies of them. The instruction which has been given to the Government Printer is that for everything which goes out of his office, either payment must be made by the Senate or by the members of Parliament concerned.

Senator STEWART. — Why should members of Parliament have to pay for copies of any regulations?

Senator PLAYFORD.—I did not know what the exact position was until Senator Henderson gave notice of a motion which will possibly be discussed to-morrow. It relates to some action which was taken by the Printing Committee of the other House, and to which our Printing Committee has taken exception. I took the opportunity of trying to make myself acquainted with the facts of the case. I have been informed that as regards regulations printed by the Government Printer, but not ordered by either House to be printed, members of Parliament can get copies of them by making a small payment.

Senator MULCAHY. — Is not the Minister supposed to lay all these regulations upon the table of the Senate?

Senator PLAYFORD.—It is my intention to suggest to my colleagues that it shall be an instruction to the Government Printer to send a copy of each regulation, or set of regulations, to every member of Parliament. That I think will meet the case. Honorable senators have the right to call in question the wisdom of any regulations, and to move that a regulation be amended by way of deletion or addition. The least which can be done is, I think, to supply them, without payment of a fee, with copies of regulations as they are issued by the Government Printer.

Senator Col. NEILD.—Is not the Minister aware that at least a month ago the Senate passed a motion expressing its opinion that the documents referred to should be supplied to members of both Houses?

Senator PLAYFORD.—I have written to the Prime Minister with a view to having the order of the Senate carried out. It had escaped my memory for the moment.

PAPUA ACT: PROCLAMATION.

APPOINTMENT OF LIEUTENANT-GOVERNOR.

Senator CROFT asked the Minister of Defence, *upon notice*—

Will he inform the Senate—

1. Why there has been such delay in issuing a proclamation bringing the Papua Act into force?

2. When the Government propose issuing the proclamation?

3. What negotiation has the Government had with any resident of the Commonwealth with a view to the appointment of a Lieutenant-Governor of New Guinea?

4. What negotiation (and the result) has the Government had with Sir Wm. MacGregor in respect to the position of Lieutenant-Governor?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. The delay has arisen in consequence of the necessity for framing new and comprehensive ordinances to deal with land, liquor, labour, mining, and other important questions. Most of these have been drafted in Papua, revised by the Minister for External Affairs, and returned for amendment.

2. As soon as possible.

3. None.

4. The negotiations are at present incomplete, as soon as a definite result is attained it will be communicated to Parliament.

EMINENT DOMAIN BILL.

In Committee (Consideration resumed from 20th June, *vide* page 1597):

Clause 6—

The Governor of a State, acting with the advice of the Executive Council thereof, may (by force of this Act, and notwithstanding anything to the contrary in the law of any State) sell or lease to the Commonwealth any Crown land of the State which is required for any public purpose, and execute any instrument or assurance for the purpose of granting, conveying, or leasing the land to the Commonwealth.

Senator BEST (Victoria) [2.46].—When we reported progress on this Bill on Friday, I had submitted, together with a number of my honorable friends, reasons for the desirableness of re-casting clause 6. I am very loth indeed to bring under the attention of the Committee again, at any length, the points then objected to. I presume that the Minister has had an opportunity to reconsider the matter in the meantime. I certainly thought that he would have attempted to supply some answer to the objections which were then made, and I ventured to hope that he would accept the suggestions, and re-cast the clause. I should like, as shortly as possible, to recapitulate the objections to the clause, as it stands. The first objection to it is that it contains a very undesirable principle which is a departure from what we have hitherto done in the framing of clauses of a similar character. It is attempted to enact a law under which a State shall act in regard to matters which are essentially within the jurisdiction of the State itself. In other words, we seek to provide by this clause what the Governor of a State may do under certain circumstances, in spite of what may be the law of the State concerned. The clause uses the words:—the Governor of a State acting with the advice of the Executive Council thereof.

As a preliminary remark, I would mention that that language, in itself, is a little irregular, and somewhat uncomplimentary to the States. It is possible, but extremely improbable, that the Governor of a State, acting with the advice of the Executive Council, will act contrary to the law of the State. I would point out—though not as a very strong objection—that under the terms of the clause it would be quite possible for the Governor of a State, with the advice of the Executive Council, to execute any agreement contemplated by the clause, irrespective of, and, indeed, in

spite of the laws of that State; in other words, disregarding the desires and wishes of the Parliament of the State. That I make, as a preliminary remark, but the essential objection which I take to the clause—and it is one which has been strongly supported—is that we, as a Commonwealth, are attempting to enact a law under which the Governor of a State is to act. What we have hitherto done under similar circumstances has been to enact that the Governor-General shall have power to enter into an arrangement with the Governor of a State. But here we go further. We turn the provision round, and say that the Governor of a State, acting with the advice of the Executive Council, may do so and so. I say that in principle that is essentially wrong. I ventured on Friday to make certain suggestions by way of amendment, and, in doing so, I sought to meet—and I think I completely met—the objections urged by the Minister in charge of the Bill to alterations of the kind suggested. The objections which the Minister took were these: He argued that it is essential that we should empower the Governor of a State to do certain things. First he urged that the Governor of a State having at present only power to issue a grant in a certain form, that grant might contain certain reservations which might require that the grant should only last for a period of twenty-one years, when the land could be resumed without compensation. In short, the objection was that the Governor of a State might only be able to make a grant subject to certain reservations or encumbrances. That is a very important matter. My answer was, and is, that as the Commonwealth has the undoubted power under the terms of the Constitution to acquire land free of encumbrances, all that it was necessary to do under those circumstances was to enact that upon the notification of the grant in the *Government Gazette* that notification should have the effect of cancelling any dedication or reservation to which the land was subjected. No one, least of all the Minister, can say that such a power is not within the jurisdiction of this Parliament, because the Minister himself has inserted in the Bill certain words in regard to land which the Commonwealth is empowered to resume compulsorily.

Senator GUTHRIE.—Suppose the Commonwealth wanted to take away some right of the public?

Senator BEST.—We have power to do it.

Senator GUTHRIE.—Not land which has been dedicated to the public?

Senator BEST.—Yes. And such a power is essential, though of course it has to be exercised with very great care and caution, and with due regard to the public interest. What I contend is that what I have submitted is a complete answer to that objection of the Minister. He cannot take exception to it, because as a matter of law he admits that it is competent for the Commonwealth to enact such a provision. A further exception which was taken was, as I understood it, that before any land could be sold by mutual arrangement by the Governor in Council of a State it would be necessary to go through certain forms—either to put the land up to public auction or to resort to some such machinery in order to comply with the law of the State. That also would be a valid objection if it could not be completely met. But my answer is that it is not necessary to act in the manner proposed by this Bill for the purpose of overcoming that objection. It is not necessary to adopt the improper principle of legislating as to what the Government of a State may do in order to achieve our end. All that need be done is to say that upon the publication of the notification in the *Government Gazette*, or even upon entering into an agreement, the property shall vest free of all encumbrances in the Commonwealth. We as a Commonwealth have power to make that enactment. Consequently I say if it is declared *ipso facto* that upon entering into the agreement or upon the publication in the *Government Gazette* the land shall vest in the Commonwealth free of all encumbrances, or, as it may be, subject to the agreement, that will be sufficient.

Senator GUTHRIE.—Would the honorable senator compulsorily and absolutely take away from the people the rights which they at present enjoy in lands?

Senator BEST.—The Bill itself purports to do so.

Senator GUTHRIE.—The honorable senator is advocating the same thing.

Senator BEST.—I am objecting to the manner in which the Government seek to do it.

Senator GUTHRIE.—The honorable senator wants to do the same thing by another means.

Senator BEST.—It is necessary that the Commonwealth should have power to acquire land, though, of course, the Commonwealth Government will be responsible to Parliament as to how it exercises so delicate a power.

Senator GUTHRIE.—Suppose the Commonwealth Government wanted to take the Yarra bank?

Senator BEST.—It has the power to take it, with compensation, if it is in the interests of the Commonwealth to do so.

Senator GUTHRIE. — As against the interests of the people of Victoria?

Senator BEST.—That is so. This is one of the specific powers delegated to the Commonwealth. I submit that I have shown, first of all, that it is undesirable to enact a clause in the manner in which clause 6 is framed in this Bill, and that we are departing from precedent in doing so. On Friday, I instanced what was done in regard to the Meteorology Bill. Our object in passing that measure was the same as it is in this instance—to acquire land by mutual agreement. I pointed out that in that case what we did was to enable the Governor-General—that is to say, our own agent—to enter into an arrangement with the Governor of a State; and we did not attempt to say how the Governor of the State should attempt to carry out his functions and duties. I therefore urge that the objections which I and some of my honorable friends have taken to the clause are sound, and that the reasons which have been given by the Minister for inserting it in this form are insufficient. I think that I have furnished a complete answer, and by the proposed amendment I have suggested a better way. My honorable friend may say in reply, “Yes, but a similar provision was inserted in the Property for Public Services Acquisition Act, which was passed by this Parliament in the year 1902.” I am not prepared to say that that provision goes anything like so far. Section 5, which provides that in the case of Crown lands purchased under the Act, the Governor-General may grant the land in the name of the King to the Commonwealth, has to be read in conjunction with section 3, which enables the Governor-General to agree with the owners of the land, and with the State in the case of Crown land, for the absolute purchase. These two sections are to be read together; and section 5, I submit, provides for what is strictly a Ministerial act. But apart from that, in my

opinion, after debate and consideration of the principles to which I have referred, I submit that section 5 as we enacted it is wrong; that is, I think the Senate acted unwisely in enacting the provision in that particular form. And now that we have an opportunity of achieving the same end in a less objectionable way it is our duty to do so. Therefore, my suggestion is that, first of all, we should re-enact section 3 of the Property for Public Purposes Acquisition Act, adding to it an amendment to the effect that upon such agreement and notification thereof in the *Gazette*, the land shall be vested in the Commonwealth free from all encumbrances.

Senator GUTHRIE.—Suppose that land has been dedicated to the public for fifty years—would the honorable and learned senator propose to resume it?

Senator BEST.—That is the object of the Act.

Senator GUTHRIE.—Under such a law the Commonwealth might take the Sydney Domain.

Senator BEST.—The honorable senator is rather late in the day in raising that objection, because the present law would permit what he instances.

Senator GUTHRIE.—Not free from encumbrances.

Senator BEST.—Pardon me, it must do so.

Senator GUTHRIE.—The law has not done so.

Senator BEST.—Pardon me, it has.

Senator GUTHRIE.—Do we not remember the trouble about Dawes Point?

Senator BEST.—We already have the power referred to by the honorable senator; and I am now suggesting that it should be exercised in a much less offensive way by the amendment I have foreshadowed. This Senate is supposed to conserve the rights of the States; and I trust we shall always do so as far as possible. It may be suggested that the provision is not at all offensive to the States in its present form. That may or may not be so; still, the provision creates a precedent and a wrong principle, and we have no right to infringe on the rights and duties of a State in the manner proposed by the Bill. It might be held that it is undesirable, following Acts of a similar character since 1845, to simply declare that the land shall vest in either the State or the Commonwealth, as the case may be, without a parchment title. Such, however, is the

case according to the present law; at any rate, I can speak of the law of Victoria. But if a parchment title is required by having recourse to the Bill and similar legislation, the simple answer is that a certificate can be given by the Attorney-General that the land has been compulsorily resumed. When that certificate has been issued, a parchment title will be granted by the Commissioner of Titles, or a corresponding officer. What I suggest is completely in conformity with what would take place were land compulsorily resumed. But I desire to make the same principles apply to an agreement in order to avoid what has hitherto been a difficulty, namely, that under certain circumstances land has been compulsorily resumed where it would have been more desirable to have resumed it by mutual agreement.

Senator GUTHRIE.—Have we any power to take land which has been dedicated to the public by the Imperial Government?

Senator BEST.—Certainly; that is according to the present law of the States, and also of the Commonwealth. The Imperial Parliament, in granting responsible government to Australia, and placing the lands of the country in charge of the various Governments, gave us absolute dominion, and power to legislate in regard to those lands. Senator Guthrie need not be at all apprehensive that we are entering upon any violent innovation; because we are simply carrying out the laws of the States, and of the Commonwealth. It is suggested that certain minor alterations shall, by this Bill, be made in the law of the Commonwealth. One of the alterations is in an offensive form; and the desire of certain honorable senators and myself is simply to place the provision in a less offensive form, and not to create what I regard as a wrong principle.

Senator KEATING (Tasmania.—Honorary Minister) [3.7].—Since this matter was discussed in Committee on Friday, consideration has been given to the suggestion made by Senator Best and other honorable senators who supported him. So far, I have been informed and advised by those who are intimately acquainted with the working of this and similar legislation, that to give effect to the suggestion would be somewhat dangerous, so far as the Commonwealth is concerned. I use the word "dangerous" in the sense only that the suggestions would not take us any further than

where we stand to-day. We have, of course, under the existing law, power to acquire land, either by mutual agreement or compulsorily. We propose to still exercise that power, whether the owner be a private individual, or the Crown in any particular State. What we do desire—and I think it is a very laudable desire—is that we shall never exercise our compulsory powers, either as against the private individual or the Crown, except in the last resort. Under the provisions of the present law, the Crown law officers in some of the States are of opinion that the Governor of a State, in dealing with the Commonwealth in the disposition of the lands of the State, is absolutely tied and limited by the State laws. I gave, on Friday last, some instances, and showed that in the case of Western Australia, a deed came to hand for execution on the part of the Commonwealth, containing in it a reservation of the right of the State to resume the land at the end of twenty-one years in case certain improvements were not effected. The Commonwealth rightly showed a disinclination to accept a grant, subject to such a reservation; and the Western Australian Government then, in effect, said—"As a matter of fact, we do not wish to impose such a reservation, but our law requires that in all such instances we shall do so; and we cannot treat the Commonwealth Government differently from any other person or persons." I think honorable senators accept my assurance that this provision is not intended to mean anything in the nature of aggression, or an assertion of high-handed authority on the part of the Commonwealth.

Senator BEST.—Up to that stage we are all agreed.

Senator KEATING.—On Friday last I also instanced the State of New South Wales, where the Government are to some extent tied, in granting land, by conditions which impose the necessity of having the land put up for selection, or subjected to public auction. Those conditions, of course, could not apply to the Commonwealth; but to this the New South Wales Government reply that the Commonwealth Act for the acquisition by agreement of property for public purposes is not strong enough—that the local Government are compelled to comply with all the conditions of the local Statutes, and that the Commonwealth ought to exercise their compulsory powers. I have here a letter, which

is only a specimen letter, setting out that attitude on the part of the New South Wales Government, as far back as 1904.

Senator BEST.—Nobody disputes that position.

Senator KEATING.—The following was the letter from Mr. E. W. O'Sullivan, then New South Wales Minister of Lands:—

I have the honour to inform you that the honorable the Attorney-General for New South Wales is of opinion that this State has not the power to alienate this land to the Commonwealth, and to request that the Commonwealth Government take immediate action to complete the purchase by acquiring the land by means of the Property for Public Purposes Acquisition Act 1901, at the valuation practically agreed to, namely, £32 9s.

As a matter of fact, the State of New South Wales and the Commonwealth were in agreement as to the sum to be paid, but the former suggested that, under the circumstances, our compulsory powers should be exercised. As I said before, it is desirable that we should exhaust all chances of peaceful negotiation before we resort to our compulsory powers, in the case of either a private individual or the Crown. The amendment suggested by Senator Best is to re-state section 3 of the present Act, and add a paragraph corresponding to the second paragraph of clause 17.

Senator BEST.—My suggestion is that we should go a little further, and add the words "and thereupon the said land shall vest free of encumbrances, or subject to the agreement as the case may be."

Senator KEATING. — I would point out that such a provision would simply enable the Governor-General to negotiate with the Governor of a State, and, thereupon, would follow consequences absolutely rigid and fixed.

Senator BEST.—That would be precisely the same as if you attempted compulsory resumption.

Senator KEATING.—Exactly, and that is the reason why we do not want to exercise the compulsory powers until we are forced.

Senator BEST.—The Minister must see that one is subject to the terms of agreement, and the other is not.

Senator KEATING. — If we adopted the suggestion of Senator Best, we should find that the agreement once concluded, results specified in the provision and absolutely hard and fast, would necessarily follow in every instance.

Senator BEST.—The Minister does not intend to misrepresent, but he has misunderstood me if he thinks such a thing for a moment.

Senator KEATING.—If we are going to have an agreement between a State and the Commonwealth, we ought to provide the utmost elasticity, in order that both parties shall be able to come to an agreement fitted to the peculiar or particular circumstances of any individual case.

Senator MILLEN.—Does clause 6 represent the Minister's idea of elasticity?

Senator KEATING. — Undoubtedly. Senator Best has not submitted an amendment in form, and I am only dealing with his suggestion as I understand it. When the Commonwealth authority and the State authority come to an agreement, I understand Senator Best to suggest that the question of reservations or anything of that character shall be dealt with by a clause corresponding to the second paragraph of clause 17.

Senator BEST.—If that be desired.

Senator KEATING.—We might acquire land without any reservations, so far as the Commonwealth is concerned, whereas it might be eminently desirable, in the interests of all parties, that the State should have its own particular reservations.

Senator BEST.—That would be a term of the agreement.

Senator KEATING.—It might be desired, for instance, to reserve to the State mining rights.

Senator WALKER.—That is always done in New South Wales.

Senator KEATING. — The question arises as to how far a reservation on the part of a State authority applies as against a Commonwealth authority in the absence of an agreement. The Commonwealth might desire in some instance only what might be called the surface rights; but still we wish to have the freehold title, subject to such reservations as any State may agree with the Commonwealth to make, and in those instances it would be undesirable to have a hard and fast rule.

Senator BEST.—That would be a term of the agreement.

Senator KEATING.—As I said before, Senator Best has submitted no amendment in form, and I am only criticising his suggestion from memory, as I heard it indicated by him on Friday, and re-stated this afternoon. So far as this clause is concerned, I point out to the Committee that its object is

simply to empower the Government of a State—not to direct them, and not to oblige them—whenever they in their wisdom think fit to do so, to dispose of lands of the State to the Commonwealth for public purposes. And that notwithstanding the fact that so far as those lands are concerned, generally, and in the case of alienation to any private individual, they would be subject to some condition which ought not attach to lands acquired for the public purposes of the Commonwealth. We are not obliging the States authorities or commanding them to do certain things in certain circumstances, but are leaving them the most unbounded discretion.

Senator MILLEN.—Does “may” mean “may” in this clause?

Senator KEATING.—Certainly it does not mean that they “must” do these things. I do not think that the Executive Council of a State, notwithstanding the fact that they would feel legally protected under this Bill, would do anything that might seem to be in contravention of the wishes of the State. I do not think that the Executive Council of a State, with a full sense of the responsibilities they owe to their Parliament and people, would advise the execution of any of the powers conferred under this legislation where they would not feel that they would be upheld by that Parliament and people.

Senator BEST.—They might do so, and the clause will give them the power to do so.

Senator KEATING.—Yes, but they would still be responsible to their Parliament.

Senator BEST.—After the act is done.

Senator KEATING.—No doubt; but the honorable and learned senator is aware that a State Executive Council has now power to do a hundred-and-one things contrary to the people’s wishes, and does not do them. What keeps them in the right course? It is a sense of the responsibility they owe to their Parliament and people.

Senator MILLEN.—Does that keep them in the right course always?

Senator KEATING.—At all events, they are aware that they will have to answer to the State Parliament and to the people of the State for anything they may do which is considered prejudicial to the interests of the public generally. Having the superior authority in this common domain of legislation, we simply

propose to empower them, when they do decide to do anything of the kind, to proceed to do it, notwithstanding anything to the contrary in the laws of their State. I assure honorable senators that since Friday last I have been in consultation with the public officers most intimately acquainted with the working of the existing Act, and who know a great deal about the working of corresponding laws in the different States, and they are disposed to think that an amendment in the direction indicated, or other amendments drafted for the purpose of trying to meet the views of honorable senators opposite, might and probably would, be read and construed in the States as bringing the States authorities no further forward in this matter.

Senator BEST.—In those circumstances our compulsory provisions are utterly fallacious and misleading.

Senator KEATING.—Not at all. If possible, we desire to avoid having to resort to them, and we wish to empower the States authorities to agree to sell, just as freely as a private individual might do, unhampered by any conditions of local legislation. I believe that honorable senators who have had an opportunity to consider the difficulty raised will be well advised in supporting the clause as it stands.

Senator MILLEN.—Has the Minister had any communication from a State authority other than the letter which he has read, in which a request has been made for Federal legislation of the kind proposed?

Senator KEATING.—I do not know that I have. But, speaking from recollection, I believe that I have read in the Home Affairs or in the Attorney-General’s Department a statement by one of the States officers to this effect: “Our Act does not give us the necessary powers, and therefore you had better adopt the system of compulsory acquisition.” As a matter of fact, the procedure now largely adopted is that of acquiring land compulsorily from the States.

Senator MILLEN.—Is the Minister aware of any defect in that procedure?

Senator KEATING.—Only that it is a more roundabout method of doing what we desire to do. Though the States authorities may have in fact, but not in law, agreed, this method involves a considerable amount of advertising, asking the States authorities to put in claims, and the whole of the procedure laid down in the existing Act for the compulsory acquisition of land.

which is, of course, rightly laid down for the protection of individuals dealt with under the compulsory sections of the Act.

Senator BEST.—No doubt it is most desirable that there should be a power of mutual arrangement enacted. It is only the form in which it is proposed to which objection is taken.

Senator KEATING.—Quite so. I appreciate the feelings of the honorable and learned senator with regard to that. But I am sure that, unless the clause is drafted in something like its present form, there will still be apprehension in the minds of the people who have already questioned how far existing Federal legislation enables them, so to speak, to disregard the law of their State in parting with lands required for the public purposes of the Commonwealth.

Senator CLEMONS (Tasmania) [3.22].—If the Minister had been able to supply the Committee with a simple but clear proof that most of the States desire us to do something which practically they feel themselves unable to do, and desire that we should do it in the way proposed, we could accept the clause. Seeing the clause for the first time as it stands, and without any explanation, we should be justified in assuming that it arrogates to the Commonwealth powers which might be enforced against the States without their consent, and in such a way as to injure their feelings. In the absence of any explanation, we should say at once that this is an assertion of Commonwealth power which is very likely to create friction. Senator Keating has said that the authorities of one State intimated some years ago that, while perfectly willing that their land should be compulsorily acquired, there were certain obstacles in the way created by State legislation which they desired that the Commonwealth Parliament should overcome. But I think the honorable senator quoted only one instance of that kind.

Senator KEATING.—I gave the Western Australian instance the other day.

Senator CLEMONS.—That was a different case, and, so far as we know, the Western Australian authorities in that case did not call upon the Commonwealth to enact legislation which would overcome the difficulties arising under their State legislation. What they said was that their State legislation was such that the difficulty could not be overcome except by the compulsory acquisition of the land by the Common-

wealth. The case cited by Senator Keating showed that in 1904 Mr. E. W. O'Sullivan, as Minister of Lands for New South Wales, intimated that while the State had no power to alienate certain land to the Commonwealth, he would raise no objection to the Commonwealth taking immediate action to complete the purchase by acquiring the land by means of the Property for Public Purposes Acquisition Act 1901. Whilst I throw no doubt upon Senator Keating's statement, I think it would be a pity to pass the clause in its present form, because it would enable the authorities in the various States to permit their lands to be compulsorily acquired, although that course might not be agreeable to the people of the State. If the States authorities desire that these acquisitions of land by the Commonwealth should take place unhampered by conditions of local legislation, why do they not alter their local legislation to make that possible? Why should the onus be thrown upon the Commonwealth of assuming powers which might possibly be exercised against the will of the people of the State?

Senator GUTHRIE.—It would never be possible to induce the Parliament of South Australia to pass an Act providing that the Commonwealth might take the park lands.

Senator CLEMONS.—I am not dealing with park lands, but with Crown lands generally, in connexion with which certain obstacles to their acquisition by the Commonwealth, arising under States legislation, could be got over by the States themselves.

Senator GUTHRIE.—The States would not attempt to get over them.

Senator CLEMONS.—If they would not, why should we attempt to assume a superior position, and force them to act in contravention of their own laws?

Senator GUTHRIE.—That is the point I take.

Senator CLEMONS.—Does Senator Guthrie think it fair that we should?

Senator GUTHRIE.—No, I do not; but I like Senator Best's amendment less than the clause as it stands.

Senator CLEMONS.—I think that it would be better to leave the States Parliaments to frame such legislation as may be necessary to overcome these difficulties, but, at the same time, I admit that if we had an intimation from all the States Governments that they were agreeable that we

should do the work, there would be no reason why we, as practical men, should not undertake it.

Senator TRENWITH (Victoria) [3.28].—Two objects are proposed to be served by the clause, and both should be kept in mind. First of all, we have to consider that we are taking the right to acquire land for public purposes on behalf of the Commonwealth. I think we might assume circumstances in which it would be necessary for us to acquire land in the interest of the Commonwealth against the will of a State. In such circumstances, the interests of the whole must override those of a section, and we must, therefore, have the power to acquire compulsorily any of the lands of a State required in the public interest. We know that in all the States there are certain dedications or reservations in connexion with public lands which, unless very strong reason to the contrary is shown, should be observed. The States Parliaments taking necessarily a narrower view as compared with the Commonwealth Parliament have embedded the principle of reservation in particular enactments. In the event of circumstances arising in which, for some reason, it would be obviously in the public interest that land should be acquired by the Commonwealth for public purposes, and a certain dedication or reservation revoked, the case might be so strong that even the authorities of the State responsible for enacting the dedication or reservation would admit the justice of the claim.

Senator GUTHRIE.—They may erect a tobacco factory upon park land.

Senator TRENWITH.—That is a highly improbable contingency.

Senator GUTHRIE.—Football.

Senator TRENWITH.—Let us assume, for the sake of argument that, in a time of stress or extraordinary circumstances, the best military judgment arrived at the conclusion that the most suitable site in the Commonwealth for a military fort was within the limits of the Adelaide park lands. Suppose that to be incontestibly proved. Righteous as the dedication of lands for park purposes undoubtedly is, that is not a sufficient justification for jeopardizing the safety of the entire Commonwealth.

Senator GUTHRIE.—No.

Senator TRENWITH.—The honorable senator has referred to football, but can any

one conceive the possibility of the Commonwealth enacting a law to revoke a dedication of the character mentioned for the sake of providing a football ground?

Senator GUTHRIE.—It has been done in Melbourne.

Senator TRENWITH.—It seems to me that the clause is designed to facilitate business in an event which may easily arise. Both parties may agree that the best thing to be done is that which is proposed, but a law may stand in the way. In order to obviate the necessity of a special Act in every instance in which a contingency of that sort arises, we by this Bill intrust the right to take land from a State to our responsible administrators, over whose action Parliament continually keeps control. I think that there is no danger involved in the provision.

Senator BEST.—The honorable senator misconceives the position. We do not do anything of the kind. My contention is that what we should do is to empower our agent—the Governor-General—to do these things.

Senator TRENWITH.—It seems to me that the clause empowers the act to be done by the administrators of a State, in conjunction with the administrators of the Commonwealth, notwithstanding anything in the law of the State to the contrary. It seems to me to give two sets of administrators, on some general principle, the power to come to an agreement. I feel disposed to support the clause. I do not think that it contains anything which is offensive to the States. In all questions of aggregate public interest, we must take to the Commonwealth the right to supersede any section of the community in that connexion.

Senator MCGREGOR (South Australia) [3.35].—I feel quite sure that honorable senators are viewing this question from the Commonwealth point of view. No party issue is involved, and I believe that every honorable senator is endeavouring to pass a measure which will work smoothly. When the present Act was under consideration here, very few senators other than those who belonged to the legal profession, took any active interest in its provisions. Speaking from memory, it was left entirely to the superior intelligence of the lawyers to frame a measure which would carry out the intentions of the Parliament, and which would not in any way be oppressive to the States. It has been found, however, that notwithstanding all the diligence of the learned

senators, it is not a perfect measure. Senator Keating has pointed out the direction in which it has not fulfilled the object of Parliament, and that is in coming to an agreement without resort to compulsion. Senator Guthrie has been persistent in his declaration that the Commonwealth could not take lands which have been dedicated to the purposes of the public in the different States. But that is all nonsense. According to the present Act—and also according to this Bill—if the Commonwealth choose to resort to compulsion it can take any land, whether it is dedicated to the purpose of a park land, or a cemetery, or a church. In some instances, the Government have not been able to come to an agreement with a State other than by resorting to compulsion, and they wish to obviate that. They wish to empower the representative authorities of the Commonwealth and a State to meet together, and to say, "We are both agreeable that this shall be done." That is the object of the clause, and it is the object which Senator Best has in view when he wishes to embody section 3 of the present Act in his suggested amendment. I believe that clause 6 is far more likely to be acceptable to the States than is his amendment, and I am very glad to find that my view is shared by Senator Trenwith. What does the clause provide in its present form? It provides that if, in an emergency, or under any circumstances, it be desirable to resume any land, it shall be within the power of the representatives of the Commonwealth and the State to come together, and, notwithstanding any State legislation to the contrary, or any reservation attached to any land, to come to an agreement that the land shall be transferred to the Commonwealth. An interjection was made by an honorable senator about the land being handed back to the States, but that is a different matter. The Commonwealth already has full power to take any land for temporary use, and then it can revert to the State under the agreement, but that has nothing to do with the clause. If honorable senators will read the clause carefully they will see that it really is not necessary to retain the words—

notwithstanding anything to the contrary in the law of any State.

The very object of the Bill implies that, and the expression is only used in the clause as an indication of what is meant. Senator Best wishes to provide in an open manner that the Governor of a State, with the

Senator McGregor.

consent of his Executive Council, may do a certain thing.

Senator GUTHRIE.—And under any conditions.

Senator MCGREGOR.—If there were any reservations which the Government of a State wanted to maintain, they would not recommend the proposal, and the Commonwealth would have to exercise its compulsory powers. The honorable senator does not seem to recognise that whether the Government of a State agrees or not the Commonwealth has power, under existing legislation, to take land compulsorily, and that the Bill keeps that power in existence. The clause, as it stands, will enable the Government of the Commonwealth to act as fairly as possible towards a State. But what Senator Best wishes to do is to embody in this clause section 3 of the Act, which empowers the Governor-General to make an agreement with a State, and provides that, upon its publication in the *Gazette*, the matter shall be finished, in spite of any legislation of the State to the contrary, or of any reservation attached to the land. In the clause, however, we say that the Governor of a State, with the consent of his Executive Council, may come to an agreement with the Commonwealth. I hope that honorable senators will be able to see the matter in that light.

Senator GUTHRIE (South Australia) [3.45].—I have a very strong feeling upon this matter, because I have seen the inroads that have been made by public authorities upon the public domain. We ought to do everything that lies in our power to protect from inroads estates owned and enjoyed by the public. I have a clear recollection of an endeavour made some time ago by the City Corporation to take a portion of the park lands surrounding Adelaide for the purpose of erecting abattoirs, rubbish destructors, and other buildings of an objectionable character. The Defence Department has also made considerable inroads upon the public domain, though it is true that it has not prevented the public from crossing the land.

Senator MCGREGOR.—It has beautified the place.

Senator GUTHRIE.—There is no beautification in a galvanized iron shed and an asphalted path.

Senator PLAYFORD.—My Department has never taken any land for that purpose.

Senator GUTHRIE.—The Defence Department took it over, and has still further encroached upon the public reserve. This

Bill gives the Commonwealth Government further power to take away land vested in the public.

Senator TRENWITH. — The honorable senator is simply showing that the States have taken public lands.

Senator GUTHRIE. — The Commonwealth has also been making encroachments.

Senator PLAYFORD. — Oh, no.

Senator GUTHRIE. — I do not agree either with Senator Best's amendment or with the clause as it stands.

Senator BEST. — My amendment is, first, to reject the clause, and then to substitute section 3 of the original Act, together with additional words, providing that when an agreement has been entered into between the Governor-General and the Governor of a State, with the advice of the Executive Council of the State, thereupon the land shall vest in the Commonwealth free of all encumbrances.

Senator GUTHRIE. — To intrust this power to the Commonwealth Government means that if it resumes public property for Commonwealth purposes, the public may have no right of entrance.

Senator STEWART. — What area of park lands has been resumed?

Senator GUTHRIE. — I do not care what the area is. It does not matter if it is only a square foot.

Senator BEST. — That has been done under the present law.

Senator GUTHRIE. — If it is the present law, the Minister of Defence has never had the pluck to put up a barrier, and to say to the public of Adelaide, "You shall not go upon that land."

Senator BEST. — He can compulsorily resume if he likes.

Senator PLAYFORD. — Why should I keep the public out?

Senator GUTHRIE. — Why should not the Minister do it if he is the rightful owner? As a private individual, having interests in another corner of the city of Adelaide, he can say to the public, "I defy you to go upon this land." Why should he do that as chairman of a company, and yet, as Minister of Defence, give the public the right to go upon land which his Department has resumed?

Senator BEST. — He has not exercised his full power in the latter case; that is all.

Senator GUTHRIE. — Why does he not exercise it?

Senator PLAYFORD. — If my Department built a powder magazine upon the land, I should refuse to allow the public to go there.

Senator GUTHRIE. — Powder magazines have been built, and I can go and smoke my pipe there. The public go there, and the Department has never prevented them.

Senator TRENWITH. — Has the honorable senator done that?

Senator GUTHRIE. — Yes.

Senator TRENWITH. — Then he is lucky to be here now!

Senator GUTHRIE. — I maintain that lands which have been devoted to the public use for the last 50 or 100 years should not be taken away from them. I have strong reasons for that contention.

Senator BEST. — Then the honorable senator ought to have been a legislator a century ago.

Senator GUTHRIE. — In the country where I was born I have seen the public turn out *en masse*, pull up fences, pour oil upon them, and burn them, in order to insist upon their right to passage across lands. I am surprised that Senator McGregor, who knows these facts as well as I do, should support this provision.

Senator MCGREGOR. — The honorable senator is labouring under a misunderstanding.

Senator GUTHRIE. — I am not.

Senator PLAYFORD. — The honorable senator should recollect that the State is the public. The Commonwealth would act in the interests of the public.

Senator GUTHRIE. — What is a municipality? Is it not supposed to represent the public? Yet the municipality of Adelaide attempted to take away certain portions of the park lands of that city. The State Government, however, refused its permission. Now the Federal Government is taking power to say that it shall, if it likes, vest those lands in the Commonwealth. What do the Commonwealth representatives from Queensland and Tasmania care about the park lands of Adelaide? They do not care twopence.

Senator TRENWITH. — Does the honorable senator really believe that?

Senator GUTHRIE. — Senator Trenwith himself said that if it was in the interests of the Commonwealth that a tobacco factory should be erected on the park lands of Adelaide, it should be done.

Senator TRENWITH.—I have not said that, but I say it now. If the park lands of Adelaide were the only place where it would be in the interests of the Commonwealth to erect a factory that was required for Commonwealth purposes, it should be done there.

Senator GUTHRIE.—Against the interests of the people? Unless the people of any part of the Commonwealth where lands are taken by the Commonwealth are given the right of entrance, I shall vote against the clause.

Senator PLAYFORD.—We should never have had the railway in Adelaide to this day if permission had been refused to enter upon the park lands. The railway crosses those lands.

Senator GUTHRIE.—But the point is that this Bill puts a new construction upon the term "public purposes." This point has formed the subject of a decision by the Supreme Court in South Australia. I wish Senator Symon were present, because he gave an opinion both ways on that case.

Senator TRENWITH.—That shows that it is arguable!

Senator GUTHRIE.—First of all he gave an opinion to the Government, and then he accepted a brief on the other side. I refer to the Malcolm lands case. The decision of the Supreme Court was that the Government had power to reclaim lands for roads, railways, and bridges, and for such purposes only. But under this Bill the powers given to the Commonwealth are far greater than those enjoyed by any State.

Senator TRENWITH.—So they ought to be.

Senator GUTHRIE.—The definition of "public purposes" contained in this Bill would apply to the whole Continent.

Senator BEST.—There is not a principle in this Bill, so far as resumption is concerned, that has not been embodied in States Acts almost ever since responsible government was granted to the States of Australia.

Senator KEATING.—Such a law already exists in South Australia.

Senator GUTHRIE.—What is that principle?

Senator BEST.—That the State must be supreme where it is in the interests of the public to resume lands.

Senator PLAYFORD.—That is the law of eminent domain.

Senator GUTHRIE.—The principle of this Bill is very much wider than that contained in the States laws.

Senator KEATING.—No.

Senator GUTHRIE.—The Supreme Court of South Australia absolutely laid it down that the only powers which the State had to resume public lands were for the purpose of making roads, railways, and bridges.

Senator FINDLEY.—Does the honorable senator think that the Commonwealth is going to acquire land unless it really wants it?

Senator GUTHRIE.—The Commonwealth may want land to speculate with.

Senator BEST.—That would not be for "public purposes."

Senator GUTHRIE.—It is questionable.

Senator Lt.-Col. GOULD.—The Constitution would stop that. The Commonwealth cannot go beyond the powers conferred by the Constitution.

Senator GUTHRIE.—Anything that is lawful under the Constitution can be done. It is, for instance, lawful for the Commonwealth to build lighthouses.

Senator TRENWITH.—Does the honorable senator say that the Commonwealth should put up a lighthouse in a wrong place because the right place happens to be public property?

Senator GUTHRIE.—The Commonwealth should not be allowed to acquire 100 acres for the purpose of a lighthouse when five acres would be sufficient. I can quote a case where that has been done.

Senator BEST.—But there is no reason why the Commonwealth should not have the power because a similar power has at times been abused.

Senator GUTHRIE.—The honorable senator wants to shut the public out from all lands acquired by the Commonwealth. He wishes to provide that property shall be handed over to the Federal Government without encumbrance, and that, even though the public have had the right to use lands for 100 years, that right may be taken away from them.

Senator MCGREGOR.—The public may still have the right when the land is acquired by the Commonwealth.

Senator TRENWITH.—And probably will have it.

Senator GUTHRIE.—But the amendment says that the land is to be acquired without encumbrances.

Senator BEST.—That is the object of the clause also.

Senator GUTHRIE.—Senator Best apparently wants to absolutely shut out the people.

Senator BEST.—The honorable senator misunderstands me.

Senator GUTHRIE.—Senator Best proposes that where the State has given a right in land to the people, that right may be taken away.

Senator BEST.—That is the object of the clause, and the object of the existing law.

Senator GUTHRIE.—I do not think so. I shall support the clause in preference to the amendment suggested by Senator Best, but I shall later on move that the words within brackets be left out.

Question—That the clause stand as printed—put. The Committee divided.

Ayes	...	...	14
Noes	...	...	13
Majority	...	...	1

AYES.

Dawson, A.	Stewart, J. C.
de Largie, H.	Styles, J.
Guthrie, R. S.	Trenwith, W. A.
Henderson, G.	Turley, H.
Keating, J. H.	Zeal, Sir W. A.
McGregor, G.	
Pearce, G. F.	<i>Teller:</i>
Playford, T.	Findley, E.

NOES.

Baker, Sir R. C.	Millen, E. D.
Best, R. W.	Neild, J. C.
Dobson, H.	Pulsford, E.
Drake, J. G.	Smith, M. S. C.
Fraser, S.	Walker, J. T.
Gould, A. J.	<i>Teller:</i>
Macfarlane, J.	Mulcahy, E.

Question so resolved in the affirmative.

Clause agreed to.

Clause 7 (Minister of State may act for State).

Senator PULSFORD (New South Wales) [4.5].—I should like the Minister to explain how this clause compares with the corresponding section in the original Act. I observe that there has been a great re-arrangement of provisions, some clauses being identical with corresponding sections, while others are curtailed and varied in all sorts of ways. It would certainly save time, and serve the convenience of the Committee, if the Minister would explain the reasons for the variations.

Senator KEATING (Tasmania—Honorary Minister) [4.6].—The honorable senator, if he turns to the original Act, will

find that this clause is practically a re-draft of section 48, which opens with the following words:—

Wherever under this Act a State may make any claim, or give any notice, or do or suffer any act, matter, or thing, or be made subject to any liability. . . .

The opening words of clause 7 are—

Where under this Act a State may make a claim, or give any notice, or do or suffer any act, matter, or thing, or be made subject to any liability. . . .

It will be seen that the two provisions thus far are almost *verbatim*. The remainder of section 48 is—

such claim may be made, or notice given, or act, matter, or thing done or suffered by, and such liability may be enforced against, the Minister for Lands of the State, or such other Minister of the Crown for the State as the Governor of the State, with the advice of the Executive Council thereof, may appoint.

Clause 7 continues—

the claim may be made or notice given—not “such claim”—

or act, matter, or thing done or suffered by, or the liability may be enforced against the Minister for Lands of the State, or such other Minister of the Crown for the State as the Governor of the State, with the advice of the Executive Council thereof, appoints.

There is no substantial alteration.

Senator DRAKE.—Will the Minister tell us what is the essential difference?

Senator KEATING.—There is none. It is simply a matter of drafting, in order to make the provision read better. While the Bill was being drafted two minor alterations suggested themselves as bringing the clause more into conformity with the drafting of provisions usual in the Commonwealth Statutes. On the second reading I purposely took the precaution to introduce to the notice of honorable senators every material or substantial alteration that would be effected by the Bill. If I did not particularly refer to a clause it was because there was no alteration in it of any consequence or material significance.

Clause agreed to.

Clause 8—

Any person seised, possessed, or entitled to any land, particularly any—

- (a) corporation;
- (b) tenant in tail or for life;
- (c) married woman seised in her own right or entitled to dower;
- (d) guardian;
- (e) committee of a lunatic or idiot;
- (f) trustee or feoffee in trust;
- (g) executor or administrator;

(h) person for the time being entitled to the receipt of the rents and profits of any land in possession or subject to any estate in dower; or

(i) lessee for life, or for life and years, or for years, or for any less interest;

may (by force of this Act, and notwithstanding anything to the contrary in any law, deed of settlement, memorandum, or articles of association, deed, or instrument), sell and convey the land to the Commonwealth, and may enter into any agreement for that purpose.

Senator Lt.-Col. GOULD (New South Wales) [4.10].—Although I believe that this clause is similar to the corresponding section in the original Act, I desire to call attention to the fact that a very serious power is placed in the hands of corporations, trustees, and so forth. Amongst the persons referred to in this clause is (j) "trustee or feoffee in trust."

Senator KEATING.—That is also provided in section 4 of the original Act.

Senator Lt.-Col. GOULD.—The following words are certainly new:—

(by force of this Act, and notwithstanding anything to the contrary in any law, deed of settlement, memorandum, or articles of association, deed, or instrument).

Senator KEATING.—These words are, in fact, restored to our law from the existing English law. When we passed the Property for Public Purposes Acquisition Act they were omitted, and the present opportunity is taken to re-introduce them.

Senator Lt.-Col. GOULD.—Is there a provision later on providing how the trustee or feoffee in trust shall hold the money?

Senator KEATING.—Yes; the Court has power to determine how the compensation shall be paid.

Senator Lt.-Col. GOULD.—It is all very well to legislate in this way, but such provisions deal rather ruthlessly with all sorts of trusts, whether for public purposes or in private interests. Where lands have been settled upon trust for the payment of the rents to a widow and afterwards to her children, the sale might not be in the best interest of the family generally. It would be much better in such cases for the trustee or person holding the land to get the approval of the Court, or, failing that, to leave it to the Government to resume the land, so that, while the law was complied with, the trustees themselves might be protected. We do not desire to put a trustee in such a position that he will be liable for a breach

of trust, and neither do we desire to ride rough-shod over the Courts of the State in a matter of the kind. It would be as well to call a halt in regard to some of these provisions, in order to insure that persons like those to whom I have referred may be placed in a safer position.

Senator KEATING (Tasmania—Honorary Minister) [4.13].—The powers which are sought by the new clause are at present enjoyed by the Commonwealth. If honorable senators compare clause 8 with section 4 of the original Act, they will see that the same bodies and persons, and only the same, are empowered to dispose of land under the Bill to the Commonwealth.

Senator BEST.—The clause is wider than the present section.

Senator KEATING.—In what respect?

Senator BEST.—According to the original Act, this power is confined to trustees or feoffees in trust for charitable or other purposes.

Senator KEATING.—That is so. Trustees are, under this clause, empowered to convey lands to which they are legally entitled to the Commonwealth for the purposes of this Bill. It is desirable that the Commonwealth should not be hampered in any way in the acquisition of lands, so long as they are required for a public purpose. If the Commonwealth is to be compelled to enter into nice questions as to whether or not any trustee would be well advised in disposing of the land which he holds, upon certain trusts indicated in some deed or document of title, we should never know when we could negotiate with such persons. If that were so, any person would be entitled to draw up deeds and documents of trust which would place considerable obstacles in the way of the Commonwealth acquiring land for public purposes. We, therefore, propose to empower all such persons holding a partial or limited interest in land, and having an immediate legal title to it, to dispose of it to the Commonwealth for public purposes under this Bill. We are not giving such persons the right to dispose of such lands in a general fashion to anybody, but only in certain specified circumstances, namely, to the Commonwealth, for public purposes, and under the provisions of this Bill. Once they do dispose of it, so far as the compensation which

may be paid to them is concerned, subsequent provision is made in clause 11 for its application. In that clause we provide that—

Any such purchase money or compensation, when paid to a tenant in tail or for life, guardian, committee of a lunatic or idiot, executor, administrator, or person having a partial or qualified interest only, and not entitled to sell or convey except under the provisions of this Act, shall be applied in some one or more of the following manners.

Then the clause indicates several different methods in which the compensation may be applied.

Senator BEST.—But it says “when paid.” Would it not then be too late. Does the Minister propose that it should be left to the person to whom the compensation is paid to make the application provided for? Is it proposed that the Commonwealth should assume any responsibility in the matter.

Senator KEATING.—No, we do not propose that the Commonwealth should take any responsibility in the matter, if the person to whom the compensation is paid is not disposed to apply it under paragraph *a*, “in the discharge of any debt or encumbrance”; under paragraph *b*, “in the purchase of other land or of Government securities of the Commonwealth or of a State,” or paragraph *c*, “in removing or replacing buildings or substituting others in their stead.” But there is power left to the parties interested to apply to the High Court or to the Supreme Court of a State to make a direction as to how the purchase money is to be applied.

Senator BEST.—Yes, but I point out that the money having once been paid it might be too late to attempt any of those things. Strictly speaking, would it not be the proper course to adopt to deposit the money with the Court, giving power to the person making the sale to apply to the Court for his share, and leaving the balance to be paid out on application by the persons interested?

Senator KEATING.—Possibly, but I am pointing out now the way in which we propose that the purchase money shall be dealt with, and that we give to the parties interested the right to apply to the High Court or the Supreme Court for a direction as to the application of the money. Under the existing law the parties might apply to the High Court for a direction as to the apportionment of the money,

and we propose a modification of the existing law to the extent of enabling those persons to apply not merely to the High Court, but alternatively to the Supreme Court of a State for such a direction. We introduce no other new provisions in clause 11, to which I have referred honorable senators, because of its relation to clause 8, with which we are at present dealing. Going back to clause 8, I point out that we only extend the existing law in this clause by making trustees or feoffees in trust for other than charitable purposes competent to convey to the Commonwealth.

Senator Lt.-Col. GOULD.—Is not that a very serious extension?

Senator KEATING.—I do not think that it is. Of course we have executors and administrators, who, in a great many instances, occupy the position of trustees, and, speaking generally, that is the only extension we propose of the provisions of the existing law, if I exclude for a moment from consideration the words within parentheses. These, as I have already pointed out, are provisions which exist in the English legislation from which our present Act was adopted, as honorable senators will see by a reference to the marginal note of the corresponding section in the existing Act. The words referred to are—by force of this Act, and notwithstanding anything to the contrary in any law, legal settlement, memorandum, or articles of association, deed or instrument.

Although these words do not appear in the existing Act, and are incorporated in this clause, they are not novel or original, but merely a statement of principles that apply in the corresponding sections of English legislation which has been in force for some time, and which, for some reason or other, were not adopted at the time we were passing our existing law.

Senator DRAKE.—Is that why they are printed within parentheses?

Senator KEATING.—I do not know that it is for that reason. They may perhaps appear in parentheses in the English Act. They are words which correspond to the words within parentheses in clause 6. The object is that those persons who have a partial interest, or an interest subject to a trust, may not have the slightest doubt in their minds as to their power and authority to dispose of land to the Commonwealth for public purposes under the provisions of this Bill.

Senator BEST (Victoria) [4.22].—I admit freely that Senator Keating is quite right in saying that these provisions are well founded. They are founded on English legislation, to some extent re-enacted in our own law, but it is just as well that the Committee should understand the full extent of their operation. Personally, I think that they go too far. Under this clause, for instance, this might happen: A.B. might be a life tenant of a most valuable property in Collins-street, C.D. the reversionary owner, subject to the life tenancy of A.B., may be living in a remote part of Australia or abroad. It would be quite possible, under this clause, for the Commonwealth Government to resume the property by arrangement or otherwise. It will be observed that the estate of the life tenant would be practically only a small portion carved out of the estate in question. The Bill would enable the life tenant to deal with that valuable property just as though he were the owner of the fee-simple, and the Government could go so far as to say that he was entitled to receive the whole of the purchase money. The real owner of the reversion, who, as I have said, might be resident abroad, might never hear anything about the transaction. Hitherto the life tenant has not been able to deal with any interest in an estate, saving his own life tenancy, but, under this clause, when once he received the purchase money, he would put it into his pocket, and the owner of the reversion would be absolutely and completely robbed of his interest in the estate. That is what this Parliament is asked to enact. According to my view that has always seemed to be a harsh law. I think that the proper way in which to deal with such matters is that, where various interests exist in an estate, such, for instance, as the interest of a remainder man, the owner of the reversion, it should be necessary that the transaction should be submitted to a Judge of the Supreme Court, or, at least, to an officer of that Court, whose duty it should be to assess the value of the several interests in the estate, and to pay out to the life tenant, for example, his interest, whilst the Government should deposit in the Treasury, or in the Savings Bank, or with the Court, as might be thought advisable, the balance of the money, to be lifted whenever the remainder man came to be entitled to it. I have given a most simple illustration, because I desire to impress upon honorable senators the seriousness of the principle. I wish them to understand that

they are here being asked to re-enact what, in my view, is an alarming principle, and I have suggested what I think should be the course adopted.

Senator PEARCE.—The objection seems to lie only to paragraph *i* of clause 8.

Senator BEST.—No; the objection lies to paragraph *b*, "Tenant in tail or for life."

Senator PEARCE.—To paragraphs *b* and *i*; the other cases appear to be fairly safeguarded.

Senator BEST.—In the case of other trustees referred to, it is probable that the hardship would not be so serious. For instance, a guardian is constituted by a testator, or by the Court, to control the property, and there would be no hardship in that case. There would be no hardship in the case of a "committee of a lunatic or idiot" who would be appointed by the Court for the purpose of looking after the affairs of the lunatic or idiot. There would, possibly, be no hardship in the case of a "trustee or feoffee" in trust appointed by the persons directly interested, or by the Court, for the purpose of managing the trust estate, nor in the case of an executor or administrator appointed either by a testator, or by the Court. I think that the objection I have raised would lie to paragraph *h*—

Person for the time being entitled to the receipt of the rents and profits of any land in possession or subject to any estate in dower.

In respect to paragraphs *b*, *h*, and *i*, the serious objection I have raised will hold good. I submit to the Minister that the terms of the Bill are that, in the case of these persons, they are to be entitled to give the estate in fee simple to the Government. There might be no objection to that, but when we come to look at clause 11, we find that it is provided that—

Any such purchase money or compensation when paid—

to such persons, is to be applied in certain ways provided for in the clause. When the money is paid over to the life tenant to whom I have referred, clause 11 goes on to provide how the purchase money shall be applied by that person. It will then be quite competent for any person interested to apply to the High Court, or the Supreme Court of a State, for a direction as to the way in which the purchase money shall be applied. That is all right.

Senator TURLEY.—Is it not dealt with in clause 10?

Senator BEST.—The point is that the money has already been paid over.

Senator TURLEY.—Clause 10 indicates to whom it may be paid.

Senator BEST.—The money has already been paid over to the tenant for life, and he has put it in his pocket. C. D., the person I have referred to, has never heard anything about the matter, and without his will, he has been robbed of his estate. It has been converted into cash and the money has been paid to a person who was only a tenant for life.

Senator PEARCE.—Which is authorized by this Bill.

Senator BEST. — Yes; a life tenant is authorized to convey the whole estate away from C. D., who is abroad. I submit that if it were necessary to hunt all over the country for the *cestui que* trusts—that is the persons beneficially interested—the matter would be hung up indefinitely. Where trusts are disclosed, the obligation should be thrown upon the Government to pay the money into Court, in order that an assessment of the various interests might be made, and the money paid out. Although these principles have been re-enacted time after time, I would call the attention of the Government to the desirability of reconsidering them.

Senator KEATING (Tasmania—Honorary Minister) [4.33].—That is a matter which I venture to suggest should be considered on the clause relating to the application of the purchase money. In the meantime, it is desirable, however we may provide for the application of the purchase money, that the persons who hold the legal estate shall be empowered to convey to the Commonwealth, so that there shall be the least possible delay, and there shall not be an opportunity afforded to private individuals who desire to hoodwink the Commonwealth, to enter into deeds of trust which would in some way or other hamper its action in relation to the property. This clause, I think, should stand, and the question of apportioning the compensation could be better determined on clauses 10 and 11.

Senator MILLEN (New South Wales) [4.34].—It is not inappropriate to mention a matter which I brought up on the definition clause, because the same principle is involved. Judging from the last words of Senator Best, his object in directing attention to a weakness in this and subsequent clauses is to point out that there is no machinery by which compensation

money can be distributed in equitable proportion among the holders of various interests in land acquired. That is exactly the position I raised in regard to conditional purchasers, conditional lessees, and the holders of other tenures in New South Wales. I have not yet been able to discover in the Bill any proper provision by which the interests of the States of New South Wales and the interests of those to whom it has conditionally sold land can be determined. Nor can I discover that there is any machinery by which compensation money can be distributed between them. It is possible that there are other clauses in which I can submit an amendment, but, still, I suggest to Senator Keating whether, if there is any force in the remarks concerning this clause, clause 8 will not also require consideration if it be deemed desirable to alter the definition clause later on.

Senator Lt.-Col. GOULD (New South Wales) [4.36].—I am very glad that I referred to this clause, because the remarks of Senator Best have thrown a good deal of light upon what we are enacting. The Government say, "Do not throw any obstacle in the way of getting a transfer completed." But there is such a thing as placing too much power in the hands of a Government at the expense of persons who are primarily interested in property. While we should be willing to give every facility we can to the Government where it is necessary to acquire land, we should also take care that no opportunity is afforded by our legislation to persons to defraud others of what they are entitled to. It has been pointed out that the empowering of tenants in tail or for life to dispose of property, is a very serious matter, especially when coupled with the right to receive the purchase money. I do not object to making the machinery of the law reasonably smooth and easy, so long as the interests of owners of land are fully provided for. But that, I think, has not been done here. The Minister has stated that the clause has been taken from the Imperial Act. Paragraph i of the Bill empowers a trustee or feoffee in trust to sell or convey. But according to section 4 of the present Act, it is only those persons who hold "in trust for charitable or other purposes" who can exercise this right. I wish to know why it is necessary to extend the power so as to meet cases where persons are holding land on private trusts. Why should we

give power to these persons to join in and sell instead of leaving it to the Government to adopt some other course?

Senator KEATING.—In paragraph *i* we do not extend the provision. The words, “for charitable or other purposes” are not necessary.

Senator Lt.-Col. GOULD.—No doubt, from the Minister’s stand-point, they are not necessary, but the provision in the present Act relates to—

all trustees or feoffees in trust for charitable or other purposes.

The words “Other purposes” do not extend the power to an unlimited extent.

Senator KEATING.—They go beyond the charitable genus.

Senator Lt.-Col. GOULD.—I feel certain that the Minister will find that the words have been held to be words of limitation, and limitation to a purpose of a charitable character. Paragraph *i* of clause 8, however, gives the right to sell and convey land to a—

lessee for life, or for life and years, or for years, or for any less interest.

Suppose that a man had a property leased to him for a period of three or five years. Under this provision he would have the power of entering into negotiation, and fixing the purchase money for the fee-simple of the land. By a subsequent clause he could receive the money, and the owner would have to get it out of him as best he could. Surely the Minister must see that a lessee for life, or for life and years, or for any less interest should not have the power to convey the fee-simple! He might be allowed to deal with his life interest, whatever it was, leaving it to the owner of the land to join in with regard to the remainder.

Senator KEATING.—I think that in every State Statute and in the English Act there is a corresponding power for a lessee for life to convey the legal estate.

Senator Lt.-Col. GOULD.—But this provision relating to a lessee for years carries the principle still further.

Senator KEATING.—Yes.

Senator Lt.-Col. GOULD.—It is well that the Committee should pause before it gives such drastic powers in a Bill of this character. It would be a different thing if it were only providing that these persons could sell and convey their interest in any land, whatever it might be.

Senator KEATING.—According to the English Act of 1845, amongst others em-

powered to sell, convey, or release are persons who hold, subject to any lease for life, or for life and years, or for years, or for any less interest.

Senator BEST (Victoria) [4.40].—If the Minister desires to make substantial, and, as I conceive, most necessary reforms in the law relating to the acquisition of land and compensation therefor, there is ample room for doing so. The danger I have referred to applies most seriously, I think, to paragraphs *b*, *h*, and *i*, because a lessee for years cannot be said to have the legal estate.

Senator KEATING.—Upon looking at the English Act, I find that there are provisions for the application of compensation when it exceeds £200 in the direction indicated by the honorable senator.

Senator Lt.-Col. GOULD.—Will the Minister make a provision of that character?

Senator KEATING.—Personally, I see no objection to doing that.

Senator BEST.—I hope that the Minister will see the desirability of making an amendment.

Senator KEATING.—The sections in the English Act are very cumbersome, but they make provision for the deposit of the compensation, and the application of it amongst the various parties interested.

Senator BEST.—That is all I am contending for. The Minister will see that under the Bill as it stands it would be quite possible, and it is a very common case, for a man without knowledge to be completely robbed of his property.

Senator KEATING.—In the English Act there are differential provisions, namely, for sums up to £20, from £20 to £200, and then from £200 on.

Senator BEST.—For the reasons I have urged, I think it is undesirable that the Government should be at liberty to negotiate solely with a—

(*b*) tenant in tail or for life;

(*h*) person for the time being entitled to the receipt of the rents and profits of any land in possession or subject to any estate in dower; or

(*i*) lessee for life or for life and years, or for years, or for any less interest.

It is most undesirable that the Government should negotiate with those persons alone. My suggestion to the Minister is that where a person is not the owner in fee-simple, and where there are subordinate interests—for instance, where property is held in trust—then, in order to relieve the Government from any embarrassment

or difficulty, they should simply deposit the amount, and allow the persons to take out the money for themselves. That would assure to these persons, at all events, that they would be placed in no worse position than they previously occupied, because they would get an assessment of the value of their interest. I do not deem it necessary that in the interest of the Government there should be any person who would convey to them a legal estate, because in these Acts, right from the very commencement, there has always been provision made for the vesting of the estate by the execution of a deed-poll by a purchaser, whilst in some cases the mere fact of the deposit of the money has vested the estate in the Government. What I am urging is that the Minister should adopt some of the principles embodied in this measure itself, and say that, on taking possession of land, and on notification in the *Government Gazette*, instead of paying over the money to the tenant for life—who may disappropriate it—or to the other persons mentioned, he should simply deposit the money. Then the interests of the other persons would be protected. In the interests of the Government it is not necessary that the purchase money should be paid to the person from whom the land is acquired. There is no value in a clause of this kind, which picks out a person having a comparatively small interest in a property, and says that that person shall convey to the Government.

Senator FEARCE.—Are we in a different position from a State in this respect?

Senator BEST.—We should be in a better position in the way I have suggested—by saying that when we have deposited the money the property shall vest in the Commonwealth. I suggest that, instead of the present provisions contained in paragraphs *b*, *h*, and *i*—under which injury can be done, money embezzled, and a man deprived of his estate—the money should be deposited, and the person dealt with should only have power to draw out a sum corresponding to his interest.

Senator KEATING.—I think that the persons mentioned in paragraphs *b*, *h*, and *i* are provided for in paragraph *a* of clause 9. They can only convey as far as their own interest is concerned, not for any other party.

Senator BEST.—As a matter of fact, a tenant for life can convey absolutely.

Senator Lt.-Col. GOULD.—A tenant for life is a different person from a lessee for life.

Senator BEST.—I think that Senator Keating realizes that the Government has nothing to gain by setting up a person with a limited interest to convey the whole of the property concerned. All that need be done—what should be done to protect the interests of others—is simply to deposit the money.

Senator KEATING (Tasmania—Honorary Minister) [4.49].—This clause, as it stands, provides that the person or bodies enumerated in the paragraphs may, "by force of this Act," "sell and convey the land to the Commonwealth." Clause 9, which will subsequently come up for consideration, provides, in paragraph *a*, that the power to sell and convey may be exercised—

by any person (other than a married woman entitled to dower, or a lessee for life, or for life and years, or for years, or for any less interest), not only on behalf of himself and his heirs, executors, administrators, and successors, but also on behalf of every person entitled to reversion, remainder, or expectancy after him, and in defeasance of the estate of every person so entitled.

The effect of that provision is that the persons excepted have no power to convey any interest beyond their own.

Senator PEARCE.—That does not seem to be set out clearly, and it seems to be in contradiction of paragraph *i* of clause 8.

Senator KEATING.—The Bill says that the power to sell may be exercised by any person, not only on behalf of himself, but also on behalf of any person

entitled in reversion, remainder, or expectancy after him, and in defeasance of the estate of every person so entitled;

with the exception of the persons enumerated in brackets in the paragraph. If it is desired that there shall be any restriction placed on persons who only hold a partial or limited interest in property disposing of the whole of the estates to the Commonwealth, the proper course, it seems to me, would be to extend the exemptions which are included in parentheses in paragraph *a* of clause 9. If Senator Best objects to the tenant in tail or the tenant for life having power to dispose of the whole interest in a property to the Commonwealth, the proper place to include such an amendment would be in the same paragraph. The tenant for life could be included amongst the other disabled persons. But clause 8

deals with the power of persons to dispose of land to the Commonwealth where the compulsory powers of the measure are not being employed.

Senator PEARCE.—It does not say anything about their own interests.

Senator KEATING.—But the definition of land in the Bill includes any estate or interest in land. If Senator Best wishes to except any person empowered by clause 8 to dispose of land to the Commonwealth, and to confine his powers to his own interests, such person can be enumerated where I have mentioned in clause 9.

Senator BEST (Victoria) [4.54].—My honorable and learned friend Senator Keating has not dealt with my objection. I draw attention to the ambiguous wording of this clause. The power to sell land may be exercised by "any person." It does not go on to say "any person who is interested," no matter how small his interest is. We will assume that he has some interest—it may be the most remote. For instance, it may be an interest coming into existence after the death of a dozen persons. But that person under this clause is authorized—provided he is not one of the persons excepted—not only on behalf of himself, his heirs, and successors, but also on behalf of every person entitled in reversion, remainder, or expectancy after him, and in defeasance of the estate of every person so entitled

to convey the land to the Commonwealth. That is the principle which I say is wrong.

Senator PEARCE.—The minor interest may give away the right of the major.

Senator BEST.—Exactly. Any man with a mere titular interest—with the most remote interest—is to be at liberty to give away the rights of persons who are entitled "in reversion, remainder, or expectancy after him." That is the provision to which I am taking exception. The fault will not be cured by adopting the suggestion of my honorable and learned friend and inserting in paragraph *a* of clause 9 the words "tenant for life," because the object and the intent of this clause is to enable a person with a remote interest to give away the estate of others.

Clause agreed to.

Clause 9 (Extent of power to sell).

Senator BEST (Victoria) [4.56].—I do not desire to embarrass my honorable and learned friend, Senator Keating, because I am aware that the ques-

tion to which I have called attention is a difficult one to deal with at the table; but I hope that he will take into consideration the representations that I have made. I would not advise him to insert an amendment hastily. An alteration of the kind cannot be made without full consideration as to how it will affect other portions of the Bill. It is not the intention and desire of this Parliament that the property of persons should, against their will, and without their knowledge, be taken away from them.

Senator KEATING.—I agree that we should have some provision for the deposit of purchase money where a number of interests are involved. Does the honorable senator wish to test the question regarding the insertion of the words "tenant for life"?

Senator BEST.—I am not going to advise my honorable friend to consent to an amendment of that kind without further consideration, especially in regard to a provision which has been in operation in some form since 1845. I say, however, that it is a wrong principle, and one that ought not to be perpetuated by this Parliament. I therefore ask my honorable friend to take the point into consideration, and, if necessary, to recommit the clause.

Senator KEATING.—I will agree to a recommittal if Senator Best desires it.

Senator BEST.—I want my honorable and learned friend to take the responsibility.

Senator KEATING.—I know what the honorable and learned senator means.

Senator Lt.-Col. GOULD (New South Wales) [4.58].—There is nothing very serious in making such an amendment as has been suggested. It is not necessary that the Minister should think it over. The clause provides that a lessee for life shall not be entitled to convey the whole of his estate away. What we need to do is to insert in addition the words "tenant for life." A tenant for life virtually has the same estate as a lessee for life. But still he is not a lessee for life. It is just as easy to ascertain who is entitled to the reversion of an estate held by a tenant for life as who is entitled in the case of a leasehold for life. There is a distinction between the two. A man lets property to A.B. for life, with the remainder to C.D. In another case he leases property to A.B. for the remainder of his life, which is a different thing from

making him a tenant for life. I think the Minister can readily agree to the insertion of words such as have been suggested.

Senator BEST.—The words "tenant for life" should certainly go in, but if the Minister has any doubt about it he should have time to consider the point.

Senator Lt.-Col. GOULD.—I am contending that there should be no doubt about it. I understand that the Government want to be in a position to secure the conveyance of property with a minimum of trouble. There is no more trouble about getting a conveyance from the owner of the land where it is in the occupation of a tenant for life than in the case of the occupancy by a lessee for life. I do not think there is much need to be apprehensive as to persons other than those enumerated.

Senator BEST.—But the principle is rather serious.

Senator Lt.-Col. GOULD.—That is so, but I cannot see that a conveyance would be taken from any person who had a less interest than that mentioned.

Senator BEST.—Then what is the object?

Senator Lt.-Col. GOULD.—There may possibly be some reason, but I cannot see any danger; I cannot imagine that the Government would be advised to take a conveyance from any person holding any very much smaller interest. The Government could always protect themselves by resuming the land, and obtaining possession in that way. With the amendment suggested, and provision made as to how the purchase money or compensation shall be paid, the clause will, I think, amply protect every interest. Will the Minister consent to an amendment?

Senator KEATING.—I cannot consent to an amendment, but I shall have the matter indicated by Senator Best considered, and, if it be necessary, we can recommit.

Clause agreed to.

Clause 10 (Payment of purchase money).

Senator KEATING (Tasmania—Honorary Minister) [5.2].—I agree with Senator Best that it might be desirable to have some provision analogous to that in the British Act, in regard to the distribution of the purchase money amongst the persons holding various interests in the same piece of land. This clause enables the Commonwealth to pay the money to the person who is empowered to sell and convey the land, and clause 11 deals with the application of purchase money, when it is paid to a person

having a partial interest. I have no objection to both clauses being postponed. In the meantime, I shall have the matter considered, and, if possible, some amendments brought down for consideration.

Clause postponed.

Clause 11 postponed.

Clauses 12 and 13 agreed to.

Clause 14 (Modes of acquisition).

Senator MULCAHY (Tasmania) [5.5].—
I move—

That the following words be added to the clause:—"Provided that nothing in this Act shall authorize the acquisition by the Commonwealth otherwise than by agreement with the State of any Crown land of a State which is dedicated for the recreation or amusement of the public, and has been so dedicated for a period of seven years."

I quite agree that the amplest power should be given to the Commonwealth to acquire lands which may be necessary for Federal purposes. In regard, however, to lands dedicated to public recreation or amusement, we may reasonably ask for a little restriction. We should not enable, possibly, a military officer who has rather large ideas, as military officers sometimes have—

Senator PEARCE.—Senator Gould does not say "hear, hear," to that.

Senator Lt.-Col. GOULD.—I will say "hear, hear," if the honorable senator wishes.

Senator MULCAHY.—We should not allow such officers to acquire these public lands when they may be able to secure others. In all the State capitals, and many of the other cities, there are reserves which the public enjoy and appreciate, and which they very jealously guard; and the restriction I suggest seems very insignificant.

Senator BEST.—Is it insignificant? It is very serious.

Senator MULCAHY.—It is a small restriction, applying only to lands which have been dedicated for seven years. It will not prevent the Commonwealth acquiring such lands, but merely stipulate that the consent of the State Government shall be obtained.

Senator MCGREGOR.—This amendment is in contradiction to the short title of the Bill.

Senator MULCAHY.—That may be; possibly the short title of the Bill, although I supported it, may not be exactly the one that should have been applied to the measure. However, I know that in the various

capital and other cities, there are reservations which the public have enjoyed for many years, and which ought not to be lightly taken away.

Senator BEST.—Hear, hear.

Senator MULCAHY.—As the Minister of Defence is present, I may mention that there is a disposition on the part of the Defence Department to sometimes ride roughshod, not only over public, but also private rights.

Senator PLAYFORD.—Give an instance.

Senator MULCAHY.—I can at once give an instance of such proceedings in the case of a private owner of land.

Senator PLAYFORD.—But the honorable senator was talking about public lands.

Senator MULCAHY.—I do not think it is right for any public Department to send officers to examine and survey private lands, without having the courtesy to approach the owner and give him notice of the possibility of the land being acquired.

Senator PEARCE.—If the honorable member objects to that proceeding, he will have to oppose a great deal of this Bill.

Senator MULCAHY.—In the case of Melbourne, those who first surveyed the city showed very wise foresight in dedicating large reserves for public purposes. I suppose there are few cities in the world the inhabitants of which have such reason to be thankful in this respect, and in all the cities of the Commonwealth there are reserves of one kind and another. In Hobart and in Launceston, the chief city of the north of Tasmania, there are reserves on the maintenance and beautifying of which public money is spent year after year, and which are regarded by the people with as much, if not more, jealous care than is their own private property.

Senator MCGREGOR.—For what purpose would the Commonwealth Government resume Cataract Gorge?

Senator MULCAHY.—But the Commonwealth Government might resume some of the reserves for the purposes of a drill ground, and thus deprive the public of access to them.

Senator FINDLEY.—The citizens of the island are not Tasmanians, but Australians, now.

Senator MULCAHY.—That is so; and they have no objection to the Commonwealth Government acquiring all the land that is necessary for Federal purposes. It may be considered only wise, however, to have some little restriction in regard to lands which are now dedicated to public

purposes. There is a disposition, on the part of military officers, at any rate, to disregard the rights of the people—to proceed in time of peace much as they would in time of war. My desire is to put a brake on the ardour of those gentlemen, and to give them to understand that there are public rights which even the Commonwealth ought to respect. It is all very well for the Minister of Defence to say that the Department would never endeavour to obtain a piece of a recreation reserve unless the land was absolutely necessary.

Senator PLAYFORD.—I do not think that the Department ever did, or ever wanted to, acquire land that was not absolutely necessary.

Senator MULCAHY.—On the other hand, I do not think any State Government would raise any real objection if a certain piece of land were necessary, and another piece quite as good could not be obtained. However, I have placed the amendment before the Committee, and I hope it will receive fair consideration and support. I have proposed the term of seven years, but, if it be deemed advisable, I shall have no objection to an alteration in that regard. The principle of the amendment is that there shall be no absolute power to compulsorily acquire land used for recreation and amusement and the promotion of the public health.

Senator FINDLEY.—What would be the use of the Bill if under it we could not acquire such land?

Senator MULCAHY.—The proviso will not prevent the acquisition of land of the kind, but will only prevent it from being compulsorily acquired.

Senator PLAYFORD.—If the proviso be passed, a special Act of Parliament will be required for every piece of such land it is sought to acquire.

Senator MULCAHY.—No.

Senator PLAYFORD.—There are tens of thousands of acres in the National Park of New South Wales, and, if a small piece of land were there required for public purposes by the Commonwealth, a special Act would have to be passed if the amendment were accepted.

Senator MULCAHY.—Not necessarily.

Senator PLAYFORD.—There would have to be a special Act if the State objected.

Senator MULCAHY.—Yes, if the State objected; but what reason is there for supposing that the State would object if a piece of the National Park were absolutely necessary to the Commonwealth?

Senator FINDLEY. — The amendment shows that Senator Mulcahy evidently presupposes such a contingency.

Senator MULCAHY. — I do not presuppose such a contingency arising in the absence of substantial grounds. I know that Commonwealth Ministers, whether they be in Melbourne or at the future Capital, must be advised by their officers in various parts of Australia; and my desire is to let those officers know that a check is imposed upon them. Under such circumstances, I believe the officers would seek for lands the acquisition of which would not involve any infringement of the public rights.

Senator PLAYFORD. — Does the honorable senator not think that if the Government tried to infringe the public rights the question would soon be brought before the notice of Parliament?

Senator Lt.-Col. GOULD (New South Wales) [5.14]. — It is assumed by a good many honorable senators that, because the Commonwealth Parliament has control of the Defence and other great Departments, there should be the fullest possible means of acquiring lands which may be deemed necessary. We may concede all that; but I should like to quote the case of Sydney as an illustration affording some light on the other side. In Sydney there is the Centennial Park, which for many years has been dedicated to public recreation, and is used and highly appreciated by thousands of people. The Defence Department might consider that a portion of the Centennial Park would be very convenient as a drill ground, or as a site for drill sheds.

Senator MCGREGOR. — It would cost thousands of pounds to level the Park.

Senator Lt.-Col. GOULD. — Considerable sums have been spent in making many portions of the Park level; and it is not quite an impossible contingency that the Commonwealth Government may desire to acquire a portion of it for defence purposes. If the State Parliament were opposed to any alienation, the Commonwealth Government could, under the provisions of this Bill, declare their intention to take the land, and to run the risk of any trouble that might subsequently arise in the Commonwealth Parliament. In the Commonwealth Parliament there are members who represent States far removed from New South Wales, and who are not seized, as members from that particular State are, with the importance of this Park to the public. Under such circumstances,

the Government might, under the protection of Parliament, do an act which would really be ruthless to an individual State, and by that means a conflict might be brought about between the State and the Federal authorities. Let us take another point of view, and ask ourselves whether there is any more reason to believe that a State would object to give up land which was necessary for defence purposes, than that the State would object if the defence were still under its own jurisdiction?

Senator FINDLEY. — Would the honorable senator's line of reasoning not equally apply to the States when they acquire land?

Senator Lt.-Col. GOULD. — No; each State has a separate Parliament, and if, in the opinion of the majority of members, anything wrong was done, the Government could be brought to book. The Commonwealth Government would not be amenable to the same tribunal as the State Government. The State Government would always be anxious to do everything possible for defence purposes, but they would have very intimate knowledge which might enable them to prevent the acquisition of land by the Commonwealth, the parting with which might inflict an injury upon the State, which would not be compensated for by the advantage which its acquisition would be to the Commonwealth. For instance, if it were proposed to resume land near Sydney, Melbourne, Hobart, or Adelaide, for defence purposes, it would have to be remembered that it would be necessary not only for the defence of the Commonwealth, but for the defence of the particular city or port, and the acquisition of such land would be a matter of very great moment to the residents of the city concerned, who would probably be in the best position to decide on the wisest course to be adopted. They would be in closer touch with the matter, and under the amendment a means would be afforded to ascertain whether the State Government were willing to permit the acquisition of the land by the Commonwealth without allowing the Commonwealth Government to ride over them roughshod. We have here to deal with States Governments having rights over the Crown lands of the States and a Commonwealth Parliament having power to resume certain of those lands for public purposes. We do not desire to bring about any conflict between the two different authorities. These matters should be dealt with, if possible, in an amicable way. But

if, for the sake of argument, the authorities of a State unreasonably withheld their consent to the acquisition of certain land by the Commonwealth, the Commonwealth Parliament has the power by legislation to acquire that land compulsorily. We should exhaust every possible means of agreement and concurrence between the two bodies before any attempt is made to exercise our powers of compulsion, which are given for general purposes, and are not intended to be applied to special and particular cases, in connexion with which difficulties may arise between a State and the Commonwealth.

Senator FINDLEY.—The honorable senator does not believe that the Commonwealth would be arbitrary or aggressive?

Senator Lt.-Col. GOULD.—I admit that the Commonwealth authorities might not desire to be so, but their action might be so regarded by the authorities of a State. We should not run that risk. I think that the amendment proposed is, therefore, reasonable, and should be accepted by the Committee. We must assume that a State Executive will be composed of reasonable men, just as we assume that the Commonwealth Executive will be composed of such men. Although the authorities of a State might, in the first instance, be disinclined to permit the resumption of certain lands, if they are shown that the resumption is absolutely necessary, and that there is no other piece of land equally suitable, they will naturally give way.

Senator FINDLEY.—Who is to judge that the Commonwealth Government cannot obtain another piece of land equally suitable?

Senator Lt.-Col. GOULD.—I am contending that the Executive of a State should receive just as much credit for being reasonable as should the Executive of the Commonwealth, and just as much credit for being interested in seeing that all that is necessary for public purposes is given effect to. If the Executive of a State is unreasonable, the Commonwealth will continue to hold the supreme power of compulsory acquisition, but I say that we have no right to assume that the authorities of a State will not act reasonably.

Senator FINDLEY.—We have had no evidence that they will in connexion with the Federal Capital Site.

Senator Lt.-Col. GOULD.—I think that New South Wales has been eminently reasonable, and that the Federal Parliament has been eminently unreasonable in connexion with that matter. There is a difference of opinion at once. I recognise the fact that it is within the competency of this Parliament ultimately to deal with the matter now under consideration, and that we should be justified in doing so if we found that reason would not be listened to by the State authorities. I hope that the amendment will be given careful consideration. I believe that it would be a means of promoting and maintaining the good feeling which ought to exist between the States and the Commonwealth. No man who has been a member of a State Parliament can fail to realize how jealous people are for the preservation of public recreation grounds and reserves.

Senator TRENWITH (Victoria) [5.23].—In connexion with this question of the jealousy of the rights of citizens, I think it can safely be said that the Federal Parliament, as at present constituted, is very much more likely to regard the rights of the public than is any of the State Parliaments I have in mind just now. But the amendment really bids for differences between the Federal and States Governments over matters in connexion with which the Federal authority must be supreme. If we accept the amendment we shall be adopting a principle which I do not think has been adopted in any civilized country—the principle that a section of the people shall have the right to block the interests of the majority.

Senator MULCAHY.—Not a section; the Government of a State.

Senator TRENWITH.—The Government of a section of the Commonwealth. We must remember that Australia is a Commonwealth composed of independent States. The sovereignty in connexion with certain matters has, by common consent, been handed over to the Commonwealth. This is one of such matters. But so careful were the framers of the Constitution, knowing that there would necessarily, from time to time, arise questions in connexion with which there might be honest and intense differences of opinion, that this Chamber was created, entirely out of accord with the general spirit of representation throughout the States. It was felt that the creation of this Chamber

would be a sufficient security, and I think it might reasonably be said that it should be. If the Federal Government, in a fit of thoughtlessness or recklessness, determine to take land, such, for instance, as the Centennial Park land, which, from the point of view of an observer, I have no hesitation in saying should never be taken from the people of Sydney without the very strongest possible justification, I should regard their action as improper. I say that as a representative of another State, and I should be prepared to say it in this Chamber if I were present when the Government proposed to take it, if it did not appear to be justified by the strongest possible reasons.

Senator KEATING.—Or the Botanical Gardens at Brisbane.

Senator TRENWITH.—Or the Botanical Gardens at Brisbane or at Melbourne, or in any other city in the Commonwealth. It is true that the matter would be dealt with ultimately by persons, the majority of whom had not that special interest which Senator Mulcahy conceives might exist in connexion with certain proposals. But they would all have interests of a similar character, and they would know that if they established a precedent by taking land of that kind recklessly, and without sufficient reason, it might be brought home to themselves immediately. They would feel the necessity of creating security against evil doing in this connexion, and that would make members of this Parliament as careful to see that a correct principle was followed in connexion with the acquisition of lands from another State, as they would be in connexion with the acquisition of lands from their own State. Even Senator Gould admits that in the ultimate the supreme power in this connexion must rest with the Commonwealth. But the honorable and learned senator suggested the adoption of the highly inconvenient method of passing a special Act of the Federal Parliament after a dispute between the Commonwealth and a State has arisen. It would be very difficult to carry such an Act in the face of strong excitement.

Senator MULCAHY.—No, it would be only local excitement.

Senator KEATING.—Which would find its reflex here.

Senator TRENWITH.—It would be local excitement, with a strong local representation in this Parliament.

Senator Lt.-Col. GOULD.—But not with an overwhelming representation here.

Senator TRENWITH.—Decidedly not; but I am not saying that it would be impossible, but that it would be difficult to pass such an Act. There have been many instances in which brute force has been adopted, and justifiably adopted, in Parliament to prevent the passage of important measures. There have been instances in which men have justifiably stood up and exhausted the possibilities of their endurance.

Senator Col. NEILD.—They did that not very far from here last session.

Senator TRENWITH.—They did it, but whether it was justified or not is another matter. It requires no very great effort to imagine conditions under which an extremely important and urgent measure of public interest might have to run the gauntlet of vigorous stone-walling in both Houses of this Parliament. I am pointing out that these are risks which we ought not to take. The risk of injury being done to a State is very remote indeed, though it may be said that what is possible will sometimes happen. Senator Gould has said that it is highly improbable that a State would resist the adoption of a reasonable course by the Commonwealth. But it is much more probable that the Parliament of a State, feeling that their direct, immediate, and cherished interests were being threatened, might determine to be unreasonable, than that the Commonwealth Parliament, without long prejudice to influence them in connexion with the matter, would do what was unreasonable in the acquisition of land in the public interest.

Senator MULCAHY.—The excitement would never exist throughout a State. It would be confined to a particular locality in every instance.

Senator TRENWITH.—It is quite possible. We know how these things are flogged in the press and on the platform.

Senator MILLEN.—Does not the honorable senator recognise the possibility of danger from the want of knowledge or the indifference of the other States?

Senator TRENWITH.—No. To start with, I think that the Commonwealth could not acquire a property about which there was such a strong feeling without some delay, and without a protest from those who conceived themselves to be injured. This Parliament, constituted as it is, will afford them

an ample opportunity of presenting their case with the fullest knowledge. My experience of Parliaments is that if they err at all they are more likely to err on the side of consideration for sentiment, for love of fair play, although it is possible sometimes, in the desire not to do anything harsh or unfair, to prejudice an important interest. But in the main, Parliament is more likely to err in that direction than in the direction of undue or hasty action.

Senator MULCAHY.—The honorable senator can only speak for Parliament as it is.

Senator TRENWITH. — We have no right to assume that Parliament will ever get worse than it is, because the experience of the world is that it is getting more humane and more kindly as it gets older and better educated, which, perhaps, is the greatest factor of all in inducing reasonableness. The important consideration is that all civilized countries lay down the principle, as I think properly and necessarily, that there may come a stage when the most cherished interest of the individual must give way to the interest of the whole community. Here we have a community of States, and while it is our duty, and I believe it will be our pleasure at all times, to give the greatest possible consideration to any unit, there may come a time when it will be necessary, in the interest of the community, to disregard the sentiment, and possibly, in a degree, the interest of a unit for the sake of the whole people. We must keep that power. To carry the amendment of Senator Mulcahy would be to give it away temporarily.

Senator MULCAHY.—We would always have the power.

Senator TRENWITH.—But the delay which would be necessary in order to assert that power might be of such a character as to be extremely disastrous to the whole community. Living as we do in a belligerent age, we always have in our mind the necessities which the requirements of defence entail upon us. We could not wait.

Senator Lt.-Col. GOULD.—In a case of emergency, the Government would act at once.

Senator TRENWITH. — Not if the amendment were carried. Perhaps in a great emergency they might move without definite legislative warrant, but in an ordinary emergency they would not dare to move in distinct opposition to a clearly defined law.

Senator Lt.-Col. GOULD.—If it became absolutely necessary for the safety and protection of the country, it would be their duty to move.

Senator TRENWITH.—It would be quite impossible for the Government to move. There is no authority in a British-speaking community, not even in the Crown itself, to act in opposition to a distinct law. There are prerogatives, both of them being nominal rather than real, but there is no power to act in opposition to a definite Statute. If we were to accept the amendment, we should have to wait, perhaps in the direst emergency, for an Act of Parliament to be passed. I do not think that there is any person more intensely Federal than I am. I believe that the accomplishment of Federation was a great event. I feel that in our every act and utterance, we should always endeavour to keep in view that Federal sentiment. If it were possible to take all the powers that are necessary, without in the slightest degree expressing in our legislation a sentiment which was un-Federal, I should be glad to do so. But if there are any who consider it un-Federal for the Parliament to take the strongest possible measures for national purposes, for the aggrandisement, or the protection, or the development of the whole Commonwealth, then I am afraid that in the interest of good government and perfect security, we must outrage their Federal spirit. I venture to suggest, however, that they start with an extremely un-Federal sentiment.

Senator Lt.-Col. GOULD (New South Wales) [5.34].—According to Senator Trenwith, in a general Bill of this character, this Parliament has the right to take powers which might be used to the great detriment of an individual State. If we get to a position when we want to use powers to the detriment of an individual State, it ought to be done, after receiving the fullest possible consideration, and under the authority of special legislation.

Senator TRENWITH.—It might in that case be done by an invader's Parliament.

Senator Lt.-Col. GOULD.—The honorable senator says that if a great emergency were to arise, no Government would act against the law even in order to protect the Commonwealth.

Senator TRENWITH.—The Government would not dare to do it; they would have no power.

Senator MILLEN.—They could utilize the land without legally acquiring a title, and adjust the compensation afterwards.

Senator TRENWITH.—That would be an act of internal war.

Senator Lt.-Col. GOULD.—Suppose the whole Commonwealth were in danger from an enemy. The Government would have the right to take every possible step for the protection of the community, irrespective of any law upon the statute-book. For far less reasons than those I mentioned, I have known Governments to do acts which were not legal, and then come down with a validating Bill. In each case the Parliament was so satisfied with the explanation of Ministers that it passed an Act of Indemnity.

Senator TRENWITH.—Can the honorable senator give an instance where, in the face of an existing law, that has been done? I admit that it has been done without the sanction of law, but I am not aware that it has ever been done in the face of an existing law.

Senator MILLEN.—In the case of war, the Government can commandeer everything for the time being.

Senator Lt.-Col. GOULD.—That is a position which a Government is entitled to take up. It is not reasonable, however, that the Government, upon the recommendation of the Military Department, should be able to take land for their purposes, against the interests of a State, unless it were shown to be absolutely necessary to do so for the protection of the whole community. We are told that this Parliament would act fairly and reasonably. I believe that it would as far as it possibly could, but there might be a large number of honorable senators who would not have that intimate knowledge of the circumstances which would enable them to exercise so sound a judgment as could a man representing the State concerned. I can very well imagine a case where a Minister might say, "We have received this recommendation from our military advisers—I am going to carry it out whether you like it or not." And when the matter came before the Senate, a great many honorable senators might say, "We have confidence in the Government; we believe that this act was done honestly, and in the best interest of the community. Perhaps it was rather a serious step to take, but, nevertheless, we intend to validate their act." The case of Sydney has been

cited, but let me put the case of Hobart. What special knowledge would the representatives of Western Australia or Queensland have in regard to the value of a place of recreation for Hobart?

Senator PEARCE.—We know the necessity of places of recreation for all cities.

Senator Lt.-Col. GOULD.—Yes; but my honorable friends might say, "The military authorities wanted this land, and it was well that they should get it. The people of Hobart can acquire some other land for the purposes of a recreation ground." The ground might have been in their possession for a long while. It might have been endeared to their memories, and eminently suitable for purposes of recreation; and not far away there might be other land which would have been just as suitable for military purposes. This afternoon, Senator Guthrie pointed out how valuable the Park Lands of Adelaide are, and how ruthlessly they have been interfered with at different times, and he entered a protest against this interference.

Senator MCGREGOR.—They never have been ruthlessly interfered with.

Senator GUTHRIE.—Yes; by the State Government when Senator Playford was in office.

Senator Lt.-Col. GOULD.—The State Parliament had power to deal with the Ministers, and if it did not exercise its power, the assumption is that a majority of its members thought that the resumption of the land was reasonable. Suppose that the Government of the Commonwealth thought fit to take a large area of this land for military purposes exclusively, when there was in the neighbourhood abundance of land which would suit just as well. Would that be a fair proceeding? Would it not be entirely to the injury and detriment of the people of Adelaide?

Senator TRENWITH.—It would not be fair, and, therefore, it would not be done. It is unreasonable to assume that it would be done.

Senator Lt.-Col. GOULD.—Then what necessity is there for this power of compulsory resumption?

Senator TRENWITH.—Because it is more in accordance with facts to assume that a State would be unreasonable than that the Commonwealth would be.

Senator Lt.-Col. GOULD.—If you can show to a State, from the reports of military officers, that a particular piece of

land ought to be resumed for military purposes, it will undoubtedly be granted. If the State itself had the control of the Military Forces within its own borders, it would adopt the same course. The position is that here we have one Parliament endowed with certain wide powers, and other Parliaments enjoying what are termed sovereign rights. We therefore have to be very careful that we do not trench upon the powers of the States, just as we are careful that the States do not trench on our powers. I do not think that any case can be quoted where the relative powers of two authorities are such as those possessed by the Commonwealth and States Governments in Australia. We have to be careful in laying down lines for our legislation to avoid a conflict between the Commonwealth and the States.

Senator TRENWITH. — This amendment would operate as a bid for friction.

Senator Lt.-Col. GOULD. — To my mind, it would operate in the contrary direction. It would be, in effect, a declaration that we recognise the rights of the States to the fullest possible extent, and will try by mutual agreement to arrive at a settlement whenever we think it necessary to make an incursion upon public land.

Senator PLAYFORD. — The States have no rights over dedicated lands.

Senator Lt.-Col. GOULD. — That introduces another question. The amendment of Senator Mulcahy will tend to prevent friction, because it recognises the great rights and interests of the States, and will compel the Commonwealth Government to do everything possible to come to an agreement. Of course, if it is found that a State is unreasonable, and that the Commonwealth must have a piece of land for public purposes, the Federal Parliament can step in and take it.

Senator TRENWITH. — And waste a session over it.

Senator Lt.-Col. GOULD. — We shall, perhaps, waste session after session if we cause friction between the Commonwealth and the States. Moreover, we shall be weakening that Federal sentiment which, I am sure, Senator Trenwith and other honorable senators desire to see extend in this Commonwealth.

Senator KEATING (Tasmania — Honorary Minister) [5.49]. — I hardly think that, in adopting the role of prophet, as Senator Gould did in his concluding remarks, he was justified by anything that has taken place within the last five years.

The Commonwealth has power under the Property for Public Purposes Acquisition Act to acquire lands, whether dedicated or not, either by agreement or compulsorily. So far as I know, there has been no case since the Commonwealth was instituted where friction has been caused, nor do I think there is any ground for apprehension as to the Commonwealth pursuing any different policy in the future. But we must have this reserve power.

Senator MULCAHY. — This is a power to acquire land at all times; it is not merely to apply to emergency occupation.

Senator KEATING. — We must have a reserve power for compulsory acquisition in respect of all land, whether belonging to an individual or to a State, or whether controlled by a Government, a municipality, or any other body. One reason which I think will appeal to Senator Mulcahy is that, if we have what may be termed a divided authority, it will be considerably to the disadvantage of the Commonwealth. We will assume the case of a park which has been dedicated to the public for recreation purposes. Suppose that the Commonwealth desires to acquire a portion of that land. Under existing circumstances, the Government would go to the persons who hold the title to the land, and negotiate with them for its acquisition. If the negotiation failed, we could exercise our compulsory powers. But if this amendment were carried the Commonwealth would have to go, in the first instance, to the State Government. The State Government would naturally consult the local governing body, or other authority, in which the land was vested. That authority would not unnaturally be inclined to say, "We have no power to part with this land; if you like, as a State Government, you can do it"; or the controlling authority might say that it was absolutely disinclined to dispose of any portion of the property. Then the State Government would be left in a most unenviable position. On the one hand, it would have the Commonwealth Government saying that it must have this land for public purposes, and on the other hand, it would have a local authority in conformity with a not uninfluential body of public opinion influencing it in an entirely different direction. Any State Government would rather that the local municipal council, or other body in whom the land was vested, should take the responsibility. I am certain that if Senator Mulcahy were a State Minister of

Lands, as he has been, and a question of this kind came before him, he would prefer that the case should be settled by the local authority.

Senator MULCAHY.—I should not care at all.

Senator KEATING. — I do not think that any State Government would be obliged to us for saddling it with such a responsibility.

Senator MULCAHY.—What is the State Government there for?

Senator KEATING.—It would not be a pleasant thing for the State Government to stand between the Commonwealth Government and the local authority in a case like this.

Senator MULCAHY.—It should take the responsibility and protect public rights.

Senator KEATING.—If we set up a divided authority we shall find that the Commonwealth will be unable in very many instances to come to a satisfactory arrangement with regard to the acquisition of land. Naturally a State Government will not like to run counter to the express wish of a local governing authority controlling land which has been dedicated for public recreation purposes. I do not for a moment wish it to be supposed that it would be the desire of the Commonwealth Government to resume dedicated land for public purposes whenever it was at all possible to obtain other land that was equally suitable. There exists in all the States of Australia a very strong respect for the rights of the citizens in the enjoyment of public lands. Naturally a Government would not desire to run counter to that feeling. On the contrary, the desire of Governments has always been, so far as I am aware, to try to avoid taking land of this character for public purposes. It will be remembered, for instance, that some years ago it was suggested in Sydney that a portion of Hyde Park should be appropriated for a railway station. Honorable senators probably recollect that the very suggestion evoked a storm of opposition. I doubt very much if such a course was ever seriously contemplated by any Government, or if it were, would be persevered with. The general spirit in every State of Australia is directly in favour of preserving such lands for the people. That is the feeling that I believe will always exist in this community, and every Government, Commonwealth or State, will be bound to pay the utmost respect to it.

Senator MCGREGOR (South Australia) [6.0].—I was very much impressed, in listening to the debate, with the idea that some honorable senators must come from a part of the world where it is said that every body is "agin the Government." Statements have been made that convey the idea that every Government should always be watched, with the suspicion that it is going to perpetrate a deed that will be abhorrent to almost every one in the country.

Senator MULCAHY.—Who said that?

Senator MCGREGOR.—Senator Gould has been saying all the time that we are trying to prevent the Government from doing something. If that be so, we must be under the impression that the Government is going to do something wrong. Senator Mulcahy's amendment is in the other direction. If an amendment of this description were carried, it would be the duty of the Government to drop the Bill, especially if there was any danger of its adoption in another place, seeing that all the authority that is required is provided in existing legislation. It has already been explained many times that the object of the Bill is to obviate the necessity of resorting in every instance to compulsory measures; and the Government always have the opportunity to negotiate with the States. Only when a State and the Commonwealth could not come to terms, would it be necessary, under the Bill, to put the compulsory provisions into operation.

Senator MULCAHY.—That strengthens my case.

Senator MCGREGOR.—Is it not sufficient that the States should have the opportunity to come to an agreement with the Commonwealth for the transfer of land, whether that land be dedicated or not? If a State would refuse to execute a transfer under existing conditions, I am sure it would refuse if negotiations were entered upon under the amendment proposed by Senator Mulcahy.

Senator TRENWITH.—The amendment invites the States to oppose the transfer of land.

Senator MCGREGOR.—That is so. Senator Trenwith referred to the fact that if the amendment were carried, a special Bill would be necessary in each case; but what might happen in a State Parliament? A minority in a State Parliament might prevent the State Government from agreeing to any transfer.

Senator MULCAHY.—The matter would not be referred to the State Government.

Senator MCGREGOR.—Of course, the matter would not be referred to the State Parliament if the State agreed to the transfer; but such a reference might have to be made. In negotiations between a State and the Commonwealth in regard to land, on which there are certain reservations, an arrangement might be arrived at by which the citizens could retain all the rights they possess at the present time; but if the Commonwealth were forced into compulsory acquisition no rights of the kind could be retained. Senator Mulcahy doubtless thinks he is protecting the rights of the people; and he is, I feel, acting in good faith. The honorable senator, however, appears to have a fear in his mind that something may happen; but I am sure that under the Bill nothing could occur which would prove objectionable to the people of Australia. Indeed, the people would not tolerate any transfers of an objectionable character; and, therefore, nothing could happen that would be detrimental to the interests of the community. Many honorable senators have contended that State interests ought to be paramount; and so they are, in reference to the State Parliament and the State Government; nevertheless, the interests of one State might not be the interests of the whole Commonwealth. We know the bitterness that arose between the States and the central authority in the United States at the time of the Civil War; and I ask whether there is any guarantee that similar bitterness may not arise in Australia? Under such circumstances a provision such as that proposed by Senator Mulcahy would have no effect. The Bill presents every opportunity for negotiations; and we ought to reserve to the Commonwealth the ultimate power to compulsorily acquire land.

Senator DE LARGIE (Western Australia) [6.7].—I cannot understand why it is that some honorable senators seem to assume that in any probable conflict between a State Government and the Commonwealth Government, the latter must of necessity always be in the wrong.

Senator Lt.-Col. GOULD.—No one yet has spoken on that assumption.

Senator DE LARGIE.—That was the whole tenor of Senator Gould's remarks. The honorable senator assumes that the

States Governments are the defenders of the public weal, and that the ruthless Commonwealth Government are always in the wrong.

Senator MILLEN.—There is a good deal of truth in the assumption.

Senator TRENWITH.—That means that six people are more likely to be wrong than is one person?

Senator MILLEN.—The six people do not have anything to do with the matter, because five stop outside, and only come in to vote.

Senator DE LARGIE.—The Commonwealth Government must of necessity have the welfare of the public as much at heart as have any State Government, and must be the best judges as to the necessity for acquiring a particular piece of land for Federal purposes. Any sensible man will agree that the public lands should be devoted to the most important purposes; and it must not be forgotten that, in any case, the land is not taken away from the people, though it may be turned to a different use. There ought to be some predominant authority, and the Constitution provides that wherever the States laws and the Commonwealth laws come into conflict the latter shall prevail. All this is provided for in the Bill, and the amendment is altogether wrong, seeing that it provides that the law of a State shall prevail.

Senator MULCAHY.—The law does not provide anything of the kind.

Senator DE LARGIE.—What I stated is, I take it, the real meaning of the amendment. If public necessity demands, the Commonwealth Government should have the power to take over any reserves and devote them to the more important service.

Senator GUTHRIE (South Australia) [6.11].—I cannot follow the argument of Senator de Largie. If I were a member of a State Parliament, and this question arose, I should oppose, just as strongly as I do now, any proposal to resume reserves which have been dedicated to the public for the purposes of recreation and amusement. We in Australia have left very little land for the benefit of the public generally, and there is a strong feeling against using for speculative purposes any land that has been dedicated to the use of the community.

Senator MCGREGOR.—“Speculative purposes”!

Senator GUTHRIE.—Senator McGregor knows that the present leader of the Senate,

when Commissioner of Crown Lands in South Australia, proposed to divide the National Park amongst a lot of fruit-growers.

Senator PLAYFORD.—The National Park was Crown land then.

Senator GUTHRIE.—The State Parliament, however, passed an Act which prevented the National Park being so used, and dedicated it for all time to the public. By the Bill we are attempting to undo what the South Australian Parliament did in 1893.

Senator MCGREGOR.—There is no comparison between the positions.

Senator GUTHRIE.—The positions are identical. By this Bill we say that what the South Australian Parliament did was wrong, and that there shall be power to take that land for some purpose other than that to which it was dedicated. We ought to provide that a dedication of land for public purposes shall be honoured.

Senator TRENWITH.—So it will be; there has always been the power to take such lands, but they have not been taken.

Senator GUTHRIE.—That is because circumstances have not arisen to make the acquisition of the lands desirable. We are now passing legislation which may find a place on the statute-book for hundreds of years.

Senator TRENWITH.—Legislation, with the same underlying principle, will occupy a place on the statute-book for thousands of years.

Senator GUTHRIE.—I hope it will never be provided that the rights of the people over the reserves must be surrendered, because those lands cannot be put to better purpose than the promotion of the health and the recreation of the people.

Senator TRENWITH.—We cannot possibly know what may happen in the future.

Senator GUTHRIE.—Day after day inroads are made on the public recreation grounds, and to such an extent has this been the case in South Australia, that a Park Lands League has been formed to protect the public interests.

Senator TRENWITH.—To protect the public interests from the State Government.

Senator GUTHRIE.—What is the difference? I have already pointed to the action of the leader of the Senate when he was Commissioner of Crown Lands in South Australia.

Senator PLAYFORD.—I never proposed to take any of the Park Lands.

Senator GUTHRIE.—The honorable senator, as Commissioner of Lands, proposed to take the National Park.

Senator PLAYFORD.—I never proposed to take the National Park—it was Crown land at the time.

Senator GUTHRIE.—The people of South Australia returned a Parliament which dedicated the land to the public, and thus prevented the Commissioner of Lands from dealing with it in the way he desired.

Senator PLAYFORD.—I did not object to the action of the Parliament. I desired to take only a portion of the land, in order to place working men on it.

Senator GUTHRIE.—Not working men, but apple growers. The position I take up now is that the people of South Australia have spoken with no uncertain voice regarding the preservation of lands dedicated for public purposes.

Senator PLAYFORD.—I have never proposed to take an acre of land dedicated for public purposes.

Senator GUTHRIE.—I should be a traitor to the people of the State that has sent me here if in this Bill I did not endeavour to provide for the protection of their public lands. A Select Committee of the Legislative Council of South Australia sat to investigate this matter some three or four years ago.

Senator MCGREGOR.—And they gave a slice of land to the Cricketing Association.

Senator GUTHRIE.—They did nothing of the sort.

Senator DE LARGIE.—If a piece of land at present held as a public recreation reserve were absolutely necessary for the construction of a fort for the defence of Adelaide, does the honorable senator think that the Commonwealth should not have the power to acquire that land?

Senator PLAYFORD.—Part of the Park Lands at Adelaide are used for racing purposes.

Senator GUTHRIE.—Because they have been absolutely filched from the people. That is the case not only with respect to the race-course, but also with respect to the cricketing oval. It was proposed a few years ago to enlarge the cricketing oval, and a special Bill was introduced into the State Parliament for the purpose. The House of Assembly voted against a proposal to add a few acres to the oval, as did also the Legislative Council, but then a Governor's message was sent down—a course which is almost unprecedented, even

in the House of Commons—and in the last days of the session an amendment recommended in the Governor's message was rushed through Parliament for the purpose of adding four acres to the area of the oval.

Senator TRENWITH.—That shows that we cannot trust the States Governments.

Senator GUTHRIE.—No; and we cannot trust the Commonwealth Government. We must have a provision in this Bill preventing the acquisition of lands dedicated to the public.

Senator BEST.—Then the honorable senator is not supporting the amendment.

Senator GUTHRIE.—I am not sure that I quite understand its scope; but I propose to support the amendment if I cannot get something better. I wish to put my position clearly. I desire that all lands dedicated to the public for recreation purposes shall be kept for all time.

Senator DE LARGIE. — Let the people have lands for recreation, and let our cities lack a means of defence?

Senator GUTHRIE. — If we are to enter into the question of defence, I think it will have to be admitted that what we require are not forts, but floating batteries.

Senator DE LARGIE.—Let us fiddle while Adelaide burns?

Senator GUTHRIE.—There is no fear that Adelaide will burn, and I do not believe that Senator de Largie could fiddle anything like a decent tune if he tried. I am surprised that honorable senators should be prepared to hand over public recreation reserves, even for defence purposes.

Senator PLAYFORD.—The land might be required for wireless telegraph stations.

Senator TRENWITH.—It might be required for hundreds of purposes other than defence.

Senator GUTHRIE.—It might be required for a race-course.

Senator BEST.—Not by the Commonwealth.

Senator GUTHRIE.—We do not know for what the Commonwealth might require land. Senator Trenwith says that it might be required for hundreds of purposes, but he has not enumerated them.

Senator TRENWITH.—Give me time.

Senator GUTHRIE.—I enter my protest against any proposition that lands dedicated for public purposes shall be made use of for any other purposes than those of providing for the recreation and conserving the health of the people.

Senator BEST (Victoria) [6.20].—Senator Guthrie proceeds upon the principle that once lands have been reserved, the reservation shall not be subject to revocation, and the honorable senator ignores the fact that in almost every session the States Parliaments are engaged in correcting some mistake made in the past which requires the revocation of previous reservations.

Senator MILLEN.—The honorable senator might put the other side, and say that almost as frequently where lands have been resumed, it is subsequently found that the resumption has been a mistake.

Senator TRENWITH. — We shall go on making such mistakes while the world lasts.

Senator BEST.—Precisely. The amendment is founded on what I believe to be an erroneous idea that the Commonwealth Parliament is likely to abuse its powers. Is it to be supposed for a moment that the Government of the Commonwealth will not have as high a regard for public rights and interests as any State Government will have?

Senator MULCAHY.—No one has implied that they will not.

Senator BEST.—This amendment necessarily implies that. It means that the Commonwealth Government cannot be trusted with the power of resuming land dedicated for purposes of recreation without the consent of a State Government. Under the Constitution we have the power absolutely to resume any land if the public rights and interests demand that we should do so. The only justification for our resumption of land in which public rights already exist would be that the greater public rights and interests of the Commonwealth demanded such resumption.

Senator MULCAHY.—In which case we should exercise our rights.

Senator BEST.—In which case we could not exercise them under the honorable senator's amendment without the consent of a State Government.

Senator MULCAHY.—The amendment does not take away our constitutional rights at all; though it might involve the delay of a month or two in carrying out the resumption.

Senator BEST.—In the terms of the Constitution we are at liberty to acquire property "on just terms from any State or person for any purpose in respect of which the Parliament has power to make laws." That is to say, we have an unqualified right to resume lands.

Senator MULCAHY.—This is merely a machinery Bill to give effect to that right.

Senator BEST.—Under the Constitution we are given an unqualified power to resume, and I ask Senator Mulcahy why, in the circumstances, we should take but a limited right of resumption? Does not that necessarily imply that we cannot trust ourselves? Our duty is to take all the power given us by the Constitution.

Senator MULCAHY.—Surely we have the right to restrict the Government to a certain extent, if we wish to do so?

Senator BEST.—I do not suggest that the amendment is *ultra vires*, but I say that when we have a complete right of resumption without qualification we mistrust ourselves if we do not exercise it. I contend that we are just as capable judges of the public rights and interests as are the authorities of the States, and we should only exercise our powers in this connexion where the greater public rights and interests of the Commonwealth demand its exercise. The amendment would not achieve all that the honorable senator who has moved it desires. It reads—

Provided that nothing in this Act shall authorize the acquisition by the Commonwealth otherwise than by agreement with the State of any Crown land of a State which is dedicated for the recreation or amusement of the public.

I remind Senator Mulcahy that surrounding Melbourne there are many beautiful reserves dedicated to the public for recreation purposes, but in many cases they are not Crown lands. Some are vested in municipalities, others in municipalities in conjunction with the Board of Land and Works, and others again in trustees. As the amendment stands, it would affect but a limited number of the areas reserved in Victoria for recreation purposes, and if it is to achieve what the honorable senator has in his mind, it must be substantially altered. I would seriously urge honorable senators not to limit the powers of the Commonwealth in the way proposed. Our present law provides for unqualified resumption, and the principles embodied in our present law, and proposed to be embodied in this Bill, have been in force throughout the British Dominions for something like 100 years. In the circumstances, it is very late now to bring about a limitation of the power of the Crown to resume lands in the public interest.

Senator KEATING.—I believe this will be the only instance of the kind.

Senator BEST.—It will be the only instance of any limitation of the kind, so far as the States Acts are concerned, and it should not find a place in a Commonwealth law.

Senator PEARCE (Western Australia) [6.26].—We have often to complain that the Federal Parliament is subjected to criticism of a parochial character by persons outside, but, in this instance, the arguments they use are being repeated in this Chamber. It is being contended that in these matters we can trust the States Parliaments, but that we cannot trust the Commonwealth Parliament.

Senator MILLEN.—There is no question of trusting this Parliament, because the alternative would be to bring down a special measure which this Parliament must approve.

Senator PEARCE.—Senator Millen is aware that in most cases that remedy would be found to be impracticable, and certainly by the time a measure would be passed the urgency of the action proposed might have passed away. The arguments which have been used by Senator Guthrie are destructive of the position he took up, because he showed that a State Parliament, which he desires should be arbiter in these matters, had abused its powers in a most unwarrantable manner. The Federal Parliament has possessed this power for some years, and the honorable senator brought forward no case in which there has been any abuse. Yet he proposes to transfer the power from this Parliament to the States Parliaments, which he says have repeatedly abused it. I remind honorable senators that the Commonwealth has only three Departments which are likely to require land for public purposes, whilst in the States there are many Government Departments requiring land. The States Governments are therefore very much more likely to trench upon the rights of private citizens than is the Commonwealth Government. The obligation to defend the Commonwealth is thrown upon the Federal Parliament, and in carrying out that obligation it may become necessary that we should take land which, in the opinion of people in the particular locality, might be usefully devoted to other purposes. The people of Australia have imposed upon us the obligation of carrying out the defence of the Commonwealth, and in doing so our power should not come in conflict with

that of a local authority in connexion with the acquisition of a piece of land. The amendment proposes that we should hand over the right to deal with that piece of land to a State Parliament, which has no obligation or responsibility in connexion with the defence of the Commonwealth. It is clear that the position taken up by Senator Guthrie is untenable, and I am surprised that any honorable senators should in this matter propose to put the States Parliament in a position superior to that of the Federal Parliament.

Senator MILLEN.—We do not propose to do so, but that, failing an agreement between a State authority and the Federal Government, we should legislate by a special Act.

Senator PEARCE.—Senator Trenwith pointed out that there might be influences at work which would make a State Government unwilling to move in these matters. Local influences might have considerable weight with a State Government, and whilst they might recognise the necessity for the acquisition by the Commonwealth of a certain piece of land, they might be loth to give their consent lest by doing so they should come into conflict with local interests. In some instances the States Governments delegate their powers, as in the management of railways, to Commissioners. I am not sure, but I believe that in such cases the Commissioners are given control over the lands on which the railways are constructed.

Senator TRENWITH.—They are practically the property of the Commissioners.

Senator STANFORTH SMITH.—There was great difficulty experienced in Kalgoorlie in getting land for a bonded store from the Railway Commissioner in Western Australia.

Senator PEARCE.—I know of another case of the kind at Fremantle. The Railways Commissioner was in possession of certain land eminently suitable for a Customs House, and though the land might not actually be put to any use, if the State Government in such a case were applied to, they would refer the Federal Government to the Railways Commissioner. He would look at the question from the point of view of the manager of the railways, and though the land might be required for purposes of defence, he would consider the possibility of its being required for railway purposes, probably at some far-distant time. Honorable senators must see that ulti-

mately in these instances the States Governments would not have the settlement of the question at all. All these objections can be urged to the amendment, and surely in this matter the Federal Parliament can be trusted to see that no injustice, which can be avoided, is done to local interests.

Sitting suspended from 6.34 to 7.45 p.m.

Senator MULCAHY (Tasmania) [7.45].—I ask leave to withdraw my amendment, for the purpose of moving another. I have to thank Senator Best for pointing out to me that it only applies to land which can be considered as Crown land, and that therefore, if carried, it would not effect the purpose I have in view.

Amendment, by leave, withdrawn.

Senator MULCAHY (Tasmania) [7.46].—I move—

That the following words be added:—"Provided that nothing in this Act shall authorize the acquisition by the Commonwealth otherwise than by agreement of any land which is reserved or dedicated for the recreation or amusement of the public, and which has been so reserved or dedicated for a period of at least seven years."

Throughout the debate, which has been very interesting to me, there seems to have been in the minds of some honorable senators a disproportion as to what the full effect of my proposal is. Under the Constitution, the Commonwealth Parliament has absolute power to acquire all the land which it may deem necessary for the purpose of carrying on the various Departments which have been handed over from the States.

Senator TRENWITH.—And this amendment would impose a restriction.

Senator MULCAHY.—We are now providing the machinery for the exercise of that power. Surely it is within our right not to stop the Commonwealth from acquiring certain lands, because that could not be done, but to restrain its action to some extent, and make it difficult to acquire lands which are used for public purposes, and which we are all agreed it is desirable should not be interfered with without strong reason. The reason why I spoke of a disproportion in the minds of some honorable senators is that the Commonwealth is taking power to acquire any portion of a huge territory of, I understand, about 3,000,000 square miles. What are we seeking to reserve from the operation of the Bill? Comparatively speaking, a few acres. We are only trying to reserve lands which are used particularly for the

purposes of recreation and public health. Unfortunately, in a great many Australian cities, when land was plentiful enough, there was an absence of foresight, and public reserves were rather too limited in area. That in itself is, I think, sufficient justification for trying to safeguard such areas as have been reserved. It is utterly wrong to suggest that we are in any way showing a want of confidence in the present or any future Government. There is no such idea in our mind. In the immense territory of the Commonwealth, it will be necessary, from time to time, to deal with locations of which, possibly, even the representatives of the State concerned may know nothing.

Senator PEARCE. — By the term "the State" does the honorable senator mean the Government, or the Parliament, or both?

Senator MULCAHY. — From time to time the Commonwealth Government will have to deal with the acquisition of certain areas in distant places, of which they will have no personal knowledge. In view of our immense territory, it is quite possible that even the representatives of the States concerned may have no knowledge of these locations, and in all good faith the Minister will accept the report of one of his officers, as being the best possible authority whom he can get to advise him. It is in regard to the acquisition of land for defence purposes that I particularly fear that, from time to time, some trespass may be made upon the public domain which is not really necessary. Very frequently there is a disposition on the part of Defence officers to try to suit their own convenience, and in doing that they may commit a very grievous public wrong. It must be borne in mind that all the time we shall have the power to acquire any land which may be needed. The only objection is that if the amendment were accepted, it might delay the acquisition of a certain piece of land. It might be that the Commonwealth would not be able to arrange by agreement for the acquisition of the land, and in every such case the Commonwealth Parliament would have the right to assert its power.

Senator PEARCE.—Is the agreement to be made with the Government or the Parliament of the State?

Senator MULCAHY.—With the owners, or the trustees.

Senator PEARCE.—In his amendment the honorable senator does not say that.

Senator BEST. — The first amendment has been withdrawn in favour of another.

Senator MULCAHY.—Under my amendment, if an agreement could not be come to between the Commonwealth Government and the State Government, or the trustees of any land, then, if it were really necessary, Parliament could always exercise its power of resumption.

Senator TRENWITH.—The trustees would always resist.

Senator MULCAHY. — The honorable senator is beginning to prophesy.

Senator TRENWITH.—We have a lot of experience to go upon. We know that trustees do not like to lose any land.

Senator MULCAHY.—I know that there is a tendency on the part of not only trustees, but everybody else, not to part with their land too readily, and to make the best bargain they can. In this case the application of the restriction would be comparatively limited. It would merely postpone for a time the acquisition of a piece of land. Senator Playford has reminded the Committee that if land is required for any emergent purpose of defence, it can be obtained by him immediately. But we are now dealing with a measure for the permanent acquisition of land. I believe that the amendment, if adopted, would do no harm, and that in many cases it would prevent the Departments from taking land which ought not to be taken.

Senator PEARCE (Western Australia) [7.51].—Certainly, Senator Mulcahy has limited the scope of his amendment, but I do not think that he has improved it. Under the previous amendment, State land could not be taken otherwise than by agreement with the State, but the amendment as altered says that it cannot be taken otherwise than by agreement. With whom the agreement is to be made is not stated.

Senator GUTHRIE. — This amendment does not deal only with Crown lands.

Senator PEARCE.—That does not matter. In the present amendment there is practically no direction as to whom the agreement is to be made with.

Senator MULCAHY.—There is no direction anywhere. The agreement is to be made with the owners of the land whoever they may be.

Senator PEARCE.—The honorable senator lays down the proposition that any land which has been dedicated for the purpose of public amusement or recreation shall not be taken without an agreement. Is it to be an agreement made with the State Government?

Senator MULCAHY.—The honorable senator is overlooking a previous clause.

Senator PEARCE.—If the agreement is not to be made with the State Government, then the honorable senator is seeking to bring in irresponsible bodies, and the Commonwealth would have to make an agreement with perhaps a racing club or a cricket club. Questions of national moment would have to be determined by an agreement between a cricket or football club and the Commonwealth Government. That would reduce our obligation to an absurdity, and it is the only construction which can be put on the amendment. I wish to see the agreement made with the State, but the honorable senator has omitted the words "with a State," and used the vague term "by agreement." In the circumstances, one can imagine what would happen if the amendment were carried. I am sure that it will not be accepted in its present form.

Senator MILLEN (New South Wales) [7.56].—Senator Pearce and others who have spoken in a similar strain, insist that if we were to adopt the amendment, we should necessarily cast overboard certain powers which are conferred upon the Parliament by the Constitution. We should do nothing of the kind. The Constitution gives the Commonwealth ample power to resume any land it may require for the purposes for which it was established. No Act of this Parliament could take away that power.

Senator PEARCE.—What becomes of the force of Senator Mulcahy's argument, then?

Senator MILLEN.—I am surprised that Senator Pearce has not observed that Senator Mulcahy does not say by his amendment that the Commonwealth is not to have the absolute right to take any piece of land which it may require. What he says is that land shall not be taken by an act of administration, but that the Government shall bring down a special Bill and ask for the sanction of Parliament in which Senator Pearce has so much confidence.

Senator PEARCE.—What a splendid proposition! If the Government should want to resume a piece of land they could not take any step until Parliament meets.

Senator MILLEN.—In this Bill we have been invited to place in the hands of the Government full administrative power to resume the particular lands which Senator Mulcahy seeks to exclude from its operation, and he proposes that such lands may only be compulsorily resumed by the Commonwealth under the authority of a special

Bill. What becomes, then, of the argument we have heard here not once, but a dozen times, that we are asked to throw overboard a power which the Constitution confers upon the Parliament, or that we are seeking in some way to place the States or other authorities in a higher position than that of the Commonwealth? So long as the Constitution remains unaltered, the Commonwealth must be paramount.

Senator PEARCE.—But the honorable senator admits that if the amendment were carried, a cricket club could stop any administrative action.

Senator TRENWITH.—Still, the honorable senator would put the Commonwealth in hobbles.

Senator MILLEN.—I would only put the Ministers in hobbles.

Senator PEARCE.—They represent the Commonwealth for the time being.

Senator MILLEN.—Has the honorable senator such ample confidence in the Administration as he appears to suggest? Let me remind the Committee of a few votes which have been cast here quite recently. Had the honorable senator ample confidence in the Administration with regard to bringing the Papua Act into force and appointing a Lieutenant-Governor?

Senator PEARCE.—During a recess we must all have confidence in the Government.

Senator MILLEN.—On that occasion the honorable senator voted in a way which showed that he had not an atom of the confidence about which he has talked so much to-day.

Senator PEARCE.—I have a discretionary confidence.

Senator MILLEN.—How did the honorable senator vote not long ago on a proposition relating to the appointment of a High Commissioner? Did he show his ample confidence in the Administration of the day then? No; he showed that he was not prepared to trust them to make a single appointment.

Senator PEARCE.—But the honorable senator did.

Senator MILLEN.—Of course I did. I voted against the proposition because I am a believer in the doctrine of responsible government. It is not a correct representation of the case for the honorable senator to say that if the amendment were carried, it would necessarily deprive the Parliament of any power which it now enjoys under the Constitution. It would still have that power to exercise whenever it liked. It

could authorize the resumption of land, whether the amendment were carried or not. So far as final power was concerned, it would be in exactly the same position as if the Bill were passed in its entirety. The objection which I take to the the proposal is this. It will be within the memory of honorable senators that when the second reading debate was in progress it was urged with considerable force, and at some length, by Senator Symon that it would have been very much better to make this a Bill simply providing machinery for the resumption of land for public purposes, but not giving the power to resume. He urged that the resumption power should be exercised in each particular case by means of a special Bill. I should have been very pleased if the Minister had seen fit to adopt that suggestion, and to recast the measure, bringing down a proposal containing machinery clauses only. When an act of resumption became necessary in any particular case a special Bill could have been introduced. But that suggestion has not been accepted. I understand that the Government does not intend to adopt it. Apparently the Senate does not desire it, because it was not supported, except by a few honorable senators on this side of the chamber. Therefore, having in one Bill both machinery for the resumption of land and power for resuming it, and the Senate having adopted the two principles by clauses which have been passed, it seems to me that it would not be wise to make a special exception in one particular case. And that is what we are now asked to do. Senator Mulcahy asks us to provide that when it is desired to resume a portion of a public reserve a special Act of Parliament shall be passed. That is my objection to his amendment. I believe that we are making a mistake in having the machinery and the powers provided for in one measure. But the Committee having accepted the proposal of the Government in this respect, it seems to me that we should be inconsistent in adopting an amendment which would differentiate between lands held by trustees—it may be the trustees of a cricket club or a national park—and lands held by any one else, or for any other purpose. If there is to be any difference at all in our treatment of owners of land, that difference ought to be with respect to Crown land and the land of individuals. But we do not propose to differentiate between the States and private owners. If we are going to treat a State

Government as we treat a private owner, there is no reason why we should make a difference with respect to trustees. If the amendment were on solid ground at all, it would provide that all States land should be dealt with by a separate measure. But Senator Mulcahy proposes to allow the Commonwealth to take any portion of the lands of a State. He accepts the principle that there should be no exception in that respect. But now he seeks to make an exception in the case of lands controlled by trustees for public purposes. It seems to me to be somewhat like straining at a gnat and swallowing a camel to give power to the Commonwealth to resume States land, and at the same time refuse power to the Commonwealth to take a cricket pitch.

Senator BEST.—That is not the point. Senator Mulcahy proposes to make an exception in the case of recreation reserves.

Senator MILLEN.—If the Commonwealth Government has power to take all the Crown land which it requires from New South Wales, why say that it shall not have the power to take an acre of the National Park? It seems to me that, having accepted the principle that machinery and power to resume should be included in the one measure, and having further agreed to give the Commonwealth Government full power to resume States lands, there is no logic in saying that the Commonwealth Government shall not have a similar power to take lands controlled by local bodies. For that reason I shall vote against the amendment.

Senator Lt.-Col. GOULD (New South Wales) [8.6].—It seems to me that Senator Millen has failed to realize the difference between the lands which are ordinarily denominated Crown lands and lands which are dedicated for a specific and special purpose in the interests of the people of a State. There is an immense difference, to my mind. While it is perfectly true that in this Bill we contemplate allowing the Commonwealth Government to resume, by compulsory appropriation, any Crown land that it sees fit, yet we know that the bulk of the Crown lands in every State are what are known as waste lands. That is to say, they are lands that are not being used for any specific purpose. This amendment is only intended to meet a case in which a State has set apart specific lands for the purpose of recreation or health for the

benefit of the people of a State. I cannot, for the life of me, see why the views expressed by Senator Millen in the early portion of his speech, should have caused so much disturbance in the mind of Senator Pearce, considering that he now tells us that he proposes to vote against the amendment. I contend that the case in favour of Senator Mulcahy's amendment is a very strong one. I admit at once that some difficulty may arise in connexion with the wording of the amendment. It is certainly open to exception as to the party with whom the Commonwealth is to make an agreement. Has the agreement to be made, say, with the trustees of a cricket pitch? Has the Commonwealth Government to say to the trustees, "We should like this land, and we know that we cannot obtain it without your consent?"

Senator BEST.—The Government has to do that with every other owner.

Senator Lt.-Col. GOULD.—With every other owner the Government has the right of compulsory resumption. It can say to the private owner, "We covet this vineyard of yours; cannot we make some arrangement about it?" The owner may say, "I am not going to part with it." Then the Commonwealth Government can say, "It does not matter whether you like to part with it or not, we are going to take it, and if we cannot get it by arrangement, we will take it compulsorily." I do not want the Government to be put in that position in negotiating for the acquisition of land which has been dedicated for public purposes. I think that it would be a fair thing to say in the amendment that nothing in the Bill shall authorize the acquisition by the Commonwealth otherwise than with the consent of the State, of any land which has been dedicated or reserved.

Senator MULCAHY.—I will accept that suggestion.

Senator Lt.-Col. GOULD.—Then it would be necessary to obtain the consent of the State. If the people concerned did not see fit to agree to the sale, the State Government would have power to resume compulsorily. But if the State Government said, "We will not give our consent" the Commonwealth Government would have to deal with the matter specially and specifically, by an Act of Parliament.

Senator TRENWITH.—Unless we embody in this measure power to compel a State

Government to abrogate a dedication, the Commonwealth will have to do it by Act of Parliament.

Senator Lt.-Col. GOULD.—Assuming that that contention is correct, the State Parliament might say, "We are satisfied that it would be a reasonable thing for the Commonwealth Government to acquire this land," and the Commonwealth would then be entitled, if it were necessary, to acquire it by compulsory resumption—that is to say, if the land were so dedicated that the State Parliament could not abrogate the dedication without an Act of Parliament.

Senator TRENWITH.—This amendment would necessitate an Act of the Federal Parliament.

Senator Lt.-Col. GOULD.—Yes; in certain extreme cases. Take a case in point. I believe that the Defence Department is very anxious to obtain a range for artillery practice. It will require, probably, six or eight miles of country to make the range safe. If a stretch of eight miles, together with a proportionate width, were taken out of the National Park, Sydney, it would deprive the public of an enormous slice of that territory. But we know that there is a great quantity of Crown land—it may be a little further away—which it might be more convenient for the people of New South Wales that the Commonwealth Government should acquire. I do not assume that the Commonwealth Government wishes to do anything that is unreasonable, but, at the same time, I do not propose to put it in the power of the Government to take land which it is undesirable it should take, having in view the interests of a State. I consider it to be wise to safeguard those interests as far as we can, having due regard to the welfare of the Commonwealth as a whole. I trust that the Committee will see that there is some merit in Senator Mulcahy's amendment, and will vote for it. If objection is taken to the drafting, it will be a very simple matter to recommit the clause afterwards, in order to put it into proper form. Personally, I think that the terms of the amendment are open to objection. But the principle is sound, and if a little consideration were given to it by the Parliamentary draftsman, he would be able to put it into proper shape. I ask honorable senators not to be led away by objections to the wording of the amendment, but to regard it as a matter of principle by means of which we can safeguard States interests

and prevent any possibility of friction and collision occurring between the States and the Commonwealth.

Senator TRENWITH (Victoria) [8.14].—It seems to me that the arguments of Senator Gould would apply against any power that it was proposed to take by Statute. It may be said with regard to any proposed power, "Oh, you may use it wrongly." That is the whole substance of the honorable senator's argument. He does not even assume that it is at all probable, but that it is possible, that the power will be wrongly used. There is no power that may not be abused.

Senator Lt.-Col. GOULD.—I ask the Minister of Defence whether, as a matter of fact, there has not been a recommendation to take a portion of the Centennial Park Sydney, for military purposes?

Senator PLAYFORD.—Not that I know of.

Senator TRENWITH.—If there were such a proposal, and it was undesirable, I do not think that this Parliament would permit the Minister to do it.

Senator MACFARLANE.—We could not stop it.

Senator TRENWITH.—I venture to say that we could.

Senator BEST.—On the principle that the Government is responsible to Parliament.

Senator TRENWITH.—Decidedly. If the Minister of Defence actually consummated the administrative act of taking land and issuing the *Gazette* notice, this Parliament could still prevent the actual acquisition, or restore the land if it could be shown that there was an equally useful piece of land available elsewhere.

Senator MILLEN.—The honorable senator is ignoring party considerations altogether.

Senator TRENWITH.—I have never known party considerations enter into a national question of this character.

Senator MILLEN.—I have never known party considerations absent in any vote.

Senator TRENWITH.—I have no hesitation in saying that Parliament would not submit to the cherished sentiments of any of the States being needlessly outraged. There is no danger whatever of public reserves being taken away by the Commonwealth unless, under some peculiar circumstances, they are proved to be an absolute necessity in the public interest. Whenever those peculiar circumstances do arise, the interests of the particular locality must take second place. If we carry this amendment we shall certainly entail on Parlia-

ment the necessity of carrying, not one, but innumerable Acts of Parliament for the acquisition of public property.

Senator DRAKE.—Is it proposed to take so many reserves as that?

Senator TRENWITH.—No; but, as will be readily seen, there are many cases in which it could be represented that it was in contemplation to reserve the land, and so forth, and thus innumerable difficulties could be created. With the development of governmental control, Parliaments everywhere find the time at their disposal insufficient for their legitimate work.

Senator STEWART.—We sit only half the year.

Senator TRENWITH.—Any Parliament which sat all the year would do less than we do, who sit only half the year. We do our work much more efficiently and expeditiously because we have some time to devote to it, apart from the actual sittings. As a matter of fact, in every session of every Parliament of which we have any knowledge, many measures, admitted to be of importance, have to be deferred owing to want of time; and yet this amendment proposes to burden Parliament with the consideration of innumerable Bills for the acquisition of land.

Senator MILLEN.—If there are to be innumerable Bills, there must be innumerable resumptions.

Senator TRENWITH.—The Commonwealth Government administers three very important Departments, in connexion with which—and I speak of the Post and Telegraph Department particularly—there must be innumerable acquisitions of land for the purpose of providing accommodation for public servants.

Senator MILLEN.—Is all the accommodation to be provided by the acquisition of public reserves?

Senator TRENWITH.—Anything we do to render it imperative to pass Acts of Parliament, except grave necessity compels, is unwise. While we have a responsible Government, and an Executive completely under our control, it is much more expeditious and convenient to permit the Government to move and act until they do so contrary to the will of Parliament, rather than to put the cumbersome machinery of Parliament into operation on each occasion. The amendment creates a condition which would practically invite objections to proposed resumptions. I cannot help using the term introduced by

Senator Millen, and saying that it is fantastic to conceive of the Commonwealth Government going out of its way to look for some means by which it might injure some of the States. Surely the Federal Executive, living, as it does, upon the will of the representatives of the States—

Senator MILLEN.—On what?

Senator TRENWITH.—On the will of the representatives of the States.

Senator MILLEN.—Does the honorable senator not mean the will of the representatives of the constituencies of the Commonwealth? The representatives of the States in the Senate can rarely affect the Executive. That is no reason why this power should be given.

Senator TRENWITH.—There is no reason why the Senate should place hobbles on the Executive.

Senator MILLEN.—Unless on the honorable senator's own showing, he having contended that we have power to deal with the Executive if it does wrong. My intervention was in correction of that statement.

Senator TRENWITH.—I spoke of Parliament, which has the control of the Executive. Although the Senate has not the control of the Executive, in the sense that we can displace the latter, we have considerable control, which gives the States, as States, greater power than their numerical strength would warrant. Our duty is to see that no Act of Parliament prejudices the interests of the States. This Chamber was created as the bulwark of States interests and rights, and therefore we ought not to pass this amendment, which, if it were carried, would outrage the Constitution. Subject to the conditions being just, the Constitution provides that the Commonwealth may acquire land for public purposes; and this amendment proposes that, by our own act, we shall restrict our powers. The amendment is extremely unwise in itself, and it is injudicious from the point of view that it creates more legislation for Parliament, which already has little enough time for its own work.

Senator BEST (Victoria) [8.24].—I desire to say only a few words, because I spoke on the original amendment, the principle of which is practically the same as that of the proposal now before us. The amendment which the honorable senator has now submitted really carries him no further, except in a limited number of cases. No doubt this is the more comprehensive amendment; and

the intention of the honorable senator now is that there shall be a direct dealing with trustees or other owners of parks or reserves dedicated to public purposes, and an agreement entered into with them. Taking Victoria as an illustration, I may say that the Crown grants of the various reserves are dedicated, in some cases, to the municipalities, and in others to municipalities and the Board of Land and Works, while lands have also been acquired by purchase or gift. The powers of the trustees are contained for the most part within the four corners of the grant, though, in other cases, they are assisted to some extent by Act of Parliament. But I do not suppose there is a grant in existence in Victoria of public lands for recreation purposes which permits the trustees to enter into any such agreement as is proposed.

Senator DAWSON.—With the consent of the State.

Senator BEST.—The consent of the State is quite immaterial. Of course, if a State chooses to put that consent into an Act of Parliament, it is another matter; but it is absurd to suppose such a contingency.

Senator Lt.-Col. GOULD.—The matter could be dealt with by the State Executive.

Senator BEST.—No.

Senator MILLEN.—I take the honorable senator's point to be that, under the terms of the grant, the trustees in such cases would not be empowered to enter into an agreement for the sale or disposal of the land. But surely the Bill would give the Commonwealth power to take the land; and, to that extent, would empower the trustees to make an agreement?

Senator BEST.—It is proposed to put a distinct curb and limit on the powers of the Commonwealth; and that is what I protest against.

Senator MULCAHY.—We have passed clause 6.

Senator BEST.—That clause does not affect the amendment, but simply provides that the Governor of a State may enter into agreement with the Governor-General with regard to the grant of Crown land. As I say, it is proposed to put a distinct limit on our powers. If the amendment be carried, there will be no power for the compulsory resumption of recreation reserves. We have now to see what power there would be to make an agreement for handing over a recreation reserve to the Commonwealth Government. As a matter of fact, any power would be

within the four corners of the Crown grant, or, at most, there might be some assisting power in the Land Act of the particular State. But there would be no power which would permit what is proposed; and, consequently, Senator Mulcahy will see that by carrying his amendment, he would not be one small step forward towards the object he has in view. Of course, it is unfair to apply destructive criticism to a rapidly-conceived amendment. All we can do in fairness to Senator Mulcahy is to suggest that if we desire to vote on the principle we might do so in reference to some preliminary words, and not on the actual amendment itself. The result of the vote could then be taken as an instruction to the Ministry to see that the intention of the majority of honorable senators was expressed in proper verbiage, and the necessary machinery provided for carrying it into effect.

Senator TRENWITH.—All the arguments have been directed against the principle.

Senator BEST.—I have already dealt with the principle, which I oppose as altogether wrong, and in derogation of the terms of the Constitution. I am now pointing out that, even if the amendment were carried by both Houses, Senator Mulcahy would not be one step forward, because the provision would have no validity, and the proposal is quite impracticable.

Senator DRAKE (Queensland) [8.28].—I think I liked best the amendment first submitted by Senator Mulcahy; but, as has been suggested, if we agree as to the principle, there should be no difficulty in putting the amendment into the right shape. We should never forget that it is impossible for this Parliament to divest itself of any power conferred on it by the Constitution; and I look on this proposal as in the nature of a self-denying ordinance. Presuming the amendment to be carried, the Commonwealth Executive will have no power to acquire lands that have been dedicated to the public for health or recreation except by agreement. This is not a matter, as some honorable senators seem to think, of a conflict between the Commonwealth powers and the States powers; it is not a case in which the Commonwealth seeks to take certain powers in order to diminish the powers of the States, or *vice versa*. The power of a State is derived from its Constitution, and will not be altered by any action we may take. Under the State

Constitution, a State Government has power to resume any land dedicated to the use of the public. In the case of ordinary reserves, it has the power to do that by Executive action. In other cases, and even in the case of private property, it exercises that power under an Act of Parliament. In one way or another a State Government has always the power to resume lands in the State dedicated for public purposes. Our Constitution gives us the same right, and the proposal now made is that, until this measure is repealed by this Parliament, we shall not authorize the Commonwealth Executive to resume such land.

Senator TRENWITH.—It is a limitation.

Senator MILLEN.—It is not a limitation of our power, but of the power proposed to be conferred on our Executive.

Senator DRAKE.—That is so. The power always remains in this Parliament to act up to the limit defined by the Constitution, but what is proposed is that we shall say that until this measure is repealed we will not authorize the Executive of the Commonwealth to resume land dedicated to the public for purposes of health and recreation. The reason why I am inclined to favour that is that in the State of Queensland—and I suppose the same thing holds good in other States—there has been a continual tendency to appropriate these reserves. We have one reserve—Victoria Park, close to Brisbane—which has been pecked at all round.

Senator TRENWITH. —'By the Federal Parliament?

Senator DRAKE. —No; by the State Government. Portions of the park have been appropriated for various purposes, until there is comparatively little of it left.

Senator TRENWITH.—That is a reason why we should not give the States any power in this matter at all.

Senator DRAKE.—It is not a question of giving to or withholding from the States any power whatever. No matter what we do, we shall leave the States, in this connexion, exactly in the same position, and they will be able under their Constitutions to resume the whole or any portion of these parks for their own purposes. I am desirous that we shall not give the Commonwealth Government the power to do the same thing. If we do it will lead to the quicker resumption of these lands, because, if the Commonwealth Government takes a

portion of a public reserve for public purposes, the State Government will be encouraged to do the same thing. They will say, "If the Commonwealth Government can take five acres of our park for one purpose, why should we not take ten acres for some other purpose?" By agreeing to the amendment we shall be protecting lands dedicated to the public by putting two bars instead of one in the way of their resumption. Senator Mulcahy proposes that, if the Commonwealth requires a piece of land that has been dedicated, they must ask the State Government to resume it for them. They must make terms with the State for it. If the State Government is not agreeable, and the resumption of the land is absolutely necessary, the Commonwealth Government is then thrown back upon the powers vested in it under the Constitution.

Senator BEST. — That was not Senator Mulcahy's original amendment, which related only to Crown lands.

Senator DRAKE. — At all events, Senator Mulcahy's intention is to deal with reserves dedicated to the public for health and recreation.

Senator BEST. — That is the last amendment.

Senator DRAKE. — The last amendment speaks of an agreement being made with trustees. It is suggested that, if the land is held by trustees, it may be necessary that an agreement should be made with them. That, I think, would be almost impossible. I feel somewhat strongly on this question of the preservation of public reserves, because I have known them to be encroached upon to such an extent that I should be prepared to support almost any provision which would throw additional difficulties in the way. I think it was Senator Pearce who referred to the advantage which it might be to the Commonwealth to be able to resume these lands for defence purposes. Surely section 69 of the Defence Act is sufficient in the circumstances. It provides that—

The Governor-General may give a general or particular authority to the Defence Force, or any part thereof, to enter upon and use any Crown lands of the Commonwealth or of any State for drill, training, manœuvres, or other naval or military purposes.

Senator PEARCE. — Would that override this provision?

Senator DRAKE. — Certainly.

Senator KEATING. — That is only for temporary occupation. It would not enable

us to acquire a site for a fort or a magazine.

Senator DRAKE. — Certainly not; but we are dealing with a matter of urgency, and is it possible to imagine that the acquisition of land for the purpose of a fort would be so urgent a matter that it could not wait until the Federal Parliament had assembled?

Senator KEATING. — Undoubtedly it is.

Senator DRAKE. — Honorable senators must see that a work of that kind is an undertaking which might take years to complete.

Senator TRENWITH. — It might be all the more necessary that we should secure the land at once.

Senator DRAKE. — The Defence Act gives all the necessary authority for acquiring or using Crown lands for purposes of defence. If land is required for a permanent purpose, such as the erection of a fort, surely the Government would submit the matter to Parliament; that is to say, if the ordinary means of arrangement with the State Government concerned for its acquisition should fail.

Senator FRASER. — Would the State Government ever refuse?

Senator KEATING. — It is not a question of the State.

Senator DRAKE. — I do not see what other question there is. A State Government undoubtedly has power under the State Constitution to resume any land, even though it should be in private hands. I should be inclined to think that the only purpose we might seriously consider to-night is the acquisition of land for rifle ranges. I think that the interest of the public to whom these spaces have been dedicated should be the first consideration. I am strongly of the opinion that in these matters the State Government should be assumed to know more than does the Commonwealth Government about the requirements of the public and the desirability of resuming public land in any particular place. The Minister of Defence is aware that a little time ago in Queensland some question arose with regard to the resumption of land for a rifle range, and there were conflicting interests connected with the proposal.

Senator PLAYFORD. — That was not dedicated land nor Crown land.

Senator DRAKE. — A similar instance might occur in the case of lands dedicated to the public. I think that the Commonwealth Executive might be glad to be rid

of the responsibility of having to resume land dedicated to the public, and might consider themselves fortunate in being able to throw the responsibility for these resumptions upon the States Governments.

Senator TRENWITH.—It is not a question of what Ministers would like, but of what is best for the Commonwealth.

Senator DRAKE.—It is certainly best for the Commonwealth that the Commonwealth Government should continue to live in peace and harmony with the Governments of the States.

Senator STEWART (Queensland) [8.40].—I agree with very much that has fallen from Senator Drake on this subject, because I have found in every one of the States a disposition to encroach upon public recreation reserves. I hold the opinion that a recreation reserve in a large, or even a small, city should be held to be absolutely sacred, and should not be invaded except under the most severe stress of circumstances.

Senator TRENWITH.—It would not.

Senator STEWART.—I am supporting the amendment, because my experience justifies me in saying that it would. My experience in Queensland has been that whenever a piece of land has been required for any purpose, public or private, it has almost invariably been sought for in a public reserve. I believe that the same course is likely to be followed by the Commonwealth Government unless this Parliament speaks out clearly on the subject. I believe that these reserves should be held sacred because they have been established for the purpose of conserving the health of the people. As our population increases our cities will grow, and the necessity for these reserves will every year become greater. If the Commonwealth requires a piece of land for any specific purpose, in nine cases out of ten it will be easier for us to find suitable land that is not a reserve than it will be for the local community to find another reserve, or to part with a portion of any of their existing reserves. The only Commonwealth Department which I think might be compelled to encroach seriously on these reserves is the Defence Department. I do not think there will be the slightest difficulty in finding suitable areas of land for the Customs and Post and Telegraph Departments without touching any of these reserves. If the Commonwealth Government can make out a clear case for the resumption of any reserve,

or portion of a reserve, for defence purposes, I am sure that no State will stand in the way. I look upon the amendment as a sort of hurdle, over which the Commonwealth Executive must jump before it can take any of these reserves. I trust that the Committee will approve of the principle embodied in the amendment.

Senator HENDERSON (Western Australia) [8.44].—I had little intention of speaking on this question, but as so many honorable senators appear to desire to express their feelings on the subject of the preservation of public parks, I should like to add my testimony, and say that I am with those who believe that everything possible should be done to preserve the sacred rights of the people to their public parks. But we find a most pitiable condition of things related by Senators Drake and Guthrie. Senator Guthrie certainly made out a very good case why the Federal Parliament should take all necessary steps to save the people of Adelaide from the Parliament of South Australia.

Senator GUTHRIE.—And the Commonwealth.

Senator HENDERSON.—No, from the State Parliament. The Commonwealth has not yet interfered with the park lands of the people of Adelaide.

Senator GUTHRIE.—The rifle ranges on the Port Adelaide recreation grounds.

Senator PLAYFORD.—We took them over from the State.

Senator HENDERSON.—In the case which Senator Drake put, he reiterated the fact that the Queensland Government are pillaging as fast as they can the whole of the public lands. He says that that is ample reason why we should go beyond the power granted to us by the Constitution, and prevent this Parliament, by what he calls an ordinance of sacrifice, from ever taking possession of any of those lands. Be the reason ever so strong, and be the importance of the case ever so great, the Commonwealth, he says, must not lay hands upon such land at any cost. He would allow the State Government to go on taking the land at their own sweet will, and at the same time prevent the Federal Government from using a certain area for a very necessary purpose. I sympathize with every one who wishes to preserve the public lands, and am quite prepared to do everything possible to help in that direction.

I should be one of the last to support either a Government or a Parliament which would wantonly interfere with any public rights in park lands for recreative purposes. On that ground I must oppose the amendment, believing that this Parliament will always be quite as anxious to express the sentiment and the will of the people of Australia in respect of these sacred lands that we are speaking of as will any State Parliament.

Senator STYLES (Victoria) [8.50].—In common with other honorable senators, I should like to see reserves preserved to the people. Those who are in favour of the amendment seem to distrust the Federal authority, while those who are supporting the Bill do not. It has been argued that the State authority would not object if it saw that it was absolutely necessary that a certain area should be acquired by the Commonwealth. Might we not just as reasonably assume that the Commonwealth authority has sufficient sound judgment not to ask for land unless it be absolutely indispensable! That is how the matter presents itself to my mind. Honorable senators are contrasting the Federal and States authorities in point of capacity and honesty. There is no necessity to do anything of that kind. Surely we may trust those whom we have placed in power. According to the amendment, the two parties are to come together, and if the State Government should object to hand over a certain area which the Federal Government desired to acquire, then the matter is to be at an end. Surely we have sufficient confidence in the Federal Government for the time being to trust them not to ask for any portion of a recreation reserve, unless they are fully satisfied upon expert advice that it is absolutely necessary to the welfare of the Commonwealth.

Senator KEATING (Tasmania—Honorary Minister) [8.52].—I have listened with a good deal of interest and attention to the different speakers. There is one thing to which it seems to me no supporter of the amendment has directed his attention. At the present time we have the power of resuming compulsorily, if necessary, any properties such as those which are referred to in the amendment. That power has been in existence ever since the Property for Public Purposes Acquisition Act was passed in 1901. I do not know that a single case has been given, or even hinted

at, where it has been exercised unjustly or abused. Then, again, each State has the absolute right to resume property for public purposes, whether it be dedicated to such uses as those indicated in this amendment or not. The amendment seeks to differentiate the Commonwealth as a sovereign power from exercising corresponding rights to those of the States. In other words, although each State can within its own sphere resume property compulsorily for public purposes, whether it be dedicated for the health or recreation of its citizens in any part or not, it is now sought to impose an express statutory limit upon the Commonwealth. I ask honorable senators who support the amendment, why they draw this glaring distinction between the States and the Commonwealth. Not a single reason has been advanced to support the proposal.

Senator DRAKE.—We do not draw a distinction!

Senator KEATING.—Undoubtedly, my honorable friends do. Most decidedly this power exists in all the States in Great Britain and in all civilized communities.

Senator FRASER.—By an Act of Parliament only we can repeal many dedications.

Senator KEATING.—My honorable friend knows that the Commonwealth possesses the power to resume these lands compulsorily, and that if we were to exercise the power, all the dedications and reservations applicable to any areas would cease to have any effect. Has that power been abused so far? If a single instance of that kind had been cited, I admit that there might be some weight of argument behind the amendment. Or, if there had been advanced a single reason why we should take up a totally different position from that taken up by any of the States, there might be some weight behind the argument. But everything points, not to the possibility, but to the probability, remote even in the minds of those who suggest it, that the power might be wantonly used to the prejudice of persons in different parts of the Commonwealth who are at present enjoying the benefit of recreation and health reserves.

Senator MULCAHY.—It might not be wantonly used by the Government, but they might be misled by their officers.

Senator TRENWITH.—The same objection would apply in every instance to the action of a State Government.

Senator KEATING.—Experience has shown it to be a remote contingency so far as the Commonwealth is concerned.

Senator MULCAHY.—My experience has shown the very opposite.

Senator KEATING.—Not so far as the Commonwealth is concerned.

Senator MULCAHY.—Yes; so far as military officers are concerned.

Senator KEATING.—In order to provide against that remote contingency, we are asked to exempt one class of land from the exercise of the power of the Commonwealth to resume property for public purposes. This is a serious amendment. It is a most radical departure from the principles of similar legislation in all the States and in the United Kingdom. I ask why honorable senators should single out the Commonwealth and the Government in power to-day.

Senator DRAKE.—Oh, no.

Senator KEATING.—My honorable friend was Vice-President of the Executive Council when the present Act was being considered here, and if I remember aright, he did not suggest for a moment that it was desirable to impose any limitation upon the power of the Commonwealth to resume dedicated land. Why should there be this change of front on his part? Why should a limitation be sought to be placed upon the Commonwealth when the present Government are in power? Is the amendment proposed in relation to the present Government? I hope not.

Senator FRASER.—Because the Commonwealth cannot be so well posted as is a State in regard to State land.

Senator KEATING.—The Commonwealth would take every precaution that it did not interfere with the lands of a State unnecessarily.

Question.—That the words proposed to be added be so added—put. The Committee divided.

Ayes	...	...	12
Noes	...	...	14
Majority	...	...	2

AYES.

Baker, Sir R. C.	Neild, J. C.
Dobson, H.	Pulsford, E.
Drake, J. G.	Stewart, J. C.
Fraser, S.	Walker, J. T.
Gould, A. J.	
Guthrie, R. S.	
Macfarlane, J.	

Teller:

Mulcahy, E.

NOES.

Best, R. W.	Pearce, G. F.
Clemons, J. S.	Playford, T.
Dawson, A.	Styles, J.
de Largie, H.	Trenwith, W. A.
Findley, E.	Turley, H.
Keating, J. H.	
McGregor, G.	
Millen, E. D.	

Teller:

Henderson, G.

PAIRS.

O'Keefe, D. J.	Croft, J. W.
Story, W. H.	Smith, M. S. C.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 15—

1. The Governor-General may approve of the acquisition by the Commonwealth of any land by agreement with the owner.

2. The Attorney-General may thereupon, for and on behalf of the Commonwealth, execute or accept any conveyance or document, or enter into any covenant or agreement, and do anything necessary, for the purpose of effecting the acquisition of the land.

Senator KEATING (Tasmania—Honorary Minister) [9].—I move—

That the following new sub-clause be inserted:—

"1A. The Minister may, in any case where the interest proposed to be acquired is a lease for a term not exceeding three years, at a rental not exceeding Fifty pounds per annum, approve of the acquisition by the Commonwealth of the lease of the land by agreement with the owner."

The object of the amendment is this: In many instances it happens that small interests have to be acquired by a Commonwealth Department. They are of such small consequences that it is like using a steam hammer to crack a nut to bring the powers of this Bill into operation. The question then arises as to the exact line of limitation between a case that should be dealt with directly by the Minister and cases which should be reserved for the Governor-General in Council. Honorable senators will notice that a corresponding provision is proposed to be inserted in a subsequent clause, which will deal with cases where the Minister is letting property of the Commonwealth for a period not exceeding three years, and at a rental of not more than £50. I may, perhaps, best illustrate this class of case by giving an illustration to which the last-mentioned provision will apply. There are some instances in which a Commonwealth Department is in occupation of property which it is not actually using. Some person or body in the locality asks whether he or they may be allowed to rent that property.

A valuation being agreed upon, which sometimes amounts to 5s. or 6s. a week, the applicant is allowed to rent the property for, say, fifteen months or two years. It is obvious that cases like that should not be the subject of action by the Governor-General in Council, but that the Minister should be empowered in all these minor instances to act directly. We, therefore, shall ask for that power for the Minister in cases where he is going to lease property belonging to the Commonwealth that is not being used for departmental purposes. We now ask that he shall have a corresponding power in connexion with acquiring lands. It is provided that in such cases the term is not to be longer than three years and the annual rental not more than £50. If the term is over three years or the annual rent over £50 the matter has to go through the ordinary procedure.

Senator CLEMONS (Tasmania) [9.5].—Before the amendment is put I should like to draw attention to the fact that the question whether we should have a separate Bill, or a clear division in this Bill, dealing with the acquisition of land from a State, may very properly be considered to arise here. This is the first clause in which I have noticed that the word "owner" is used. The use of that word at once brings before us the question whether we ought not to have a separate Bill dealing with the acquisition of the land of a State. It is my intention to move in that direction; but as the word "owner" is here used, and as that word expressly includes a State, I think it would be appropriate for the Minister to say what he intends to do. While I do not wish to embarrass him in dealing with this measure, I think that even now an attempt should be made to divide it into two parts, even if it is determined to deal with the whole matter in one Bill. We should have one part dealing separately and distinctly with the case of land to be acquired from a State. I cannot help repeating that, in common courtesy, the very least we can do to a State from which we take land is to make it perfectly clear what the provisions of our law are, and that we do not treat a State as an ordinary private individual. I should like the Minister to express his view as to whether he thinks it advisable to divide the Bill into two parts. I should prefer to have two Bills, and I think we ought to have them. But if that cannot be done, we should, at

any rate, devote one part of the Bill entirely and exclusively to the acquisition of land from the States.

Senator KEATING (Tasmania—Honorary Minister) [9.7].—Since last Friday the matter mentioned by Senator Clemons has been considered, and it is thought to be inadvisable to depart from the form in which the Bill has been submitted to Parliament. As a matter of fact, the present arrangement of the Bill offers many advantages to the Commonwealth, and imposes no disadvantages upon any State. It is not intended to convey, nor do I think that the Bill would be taken by any State as conveying, any discourtesy. We provide in the definition clause that the word "owner" shall include a State where the State in question happens to be the owner of Crown land. We are, of course, legislating for the right to resume land for public purposes—that is to say, for the purposes of the people of the Commonwealth. In Great Britain, to which reference was made last Thursday, the position is very different.

Senator CLEMONS.—There cannot be a parallel with Great Britain, which is not a Federation having to do with State lands.

Senator KEATING.—It was said that the legislation of Great Britain upon this subject was incorporated in more than one measure—that one Act gave authority to resume and another provided machinery for resumption. In the case of the people of the Commonwealth, we are indicating power to resume, and, at the same time, we are prescribing the method which shall be adopted in resumption. In Great Britain, on the other hand, the system is mostly applicable to the acquisition of land for the benefit of private persons. Consideration has been given to the suggestion, and it is thought that, in the interests of all concerned, the present form of the Bill is better.

Senator MILLEN (New South Wales) [9.10].—The Minister's argument will not suggest itself to those honorable senators who have had parliamentary experience as being very convincing. I never heard of any Bill as to which we did not have the assurance of the Minister in charge that the whole of the drafting talents of the State had been engrossed in its construction, that it was as perfect as it could possibly be, and that nothing could be done to improve it. But, as a rule, it is not very long after such declarations are made

before we find the Minister himself coming down with amendments, thereby showing that although so much attention has been devoted to the measure nevertheless something else is desirable. We are told that after conferring with some unnamed authorities, the Minister has come to the conclusion that the perfection of form has been reached in this Bill, and that nothing more need be done except to pass it. But we have already had the Minister proposing an amendment. We have only dealt with fifteen clauses, and we have been engaged upon the measure for less than a week. Yet the Minister, dealing with a Bill red-hot from the hands of the draftsman, comes down with amendments, which really suggest that the mere fact that he and his draftsman have drawn this measure in its present form, and have paid a great deal of attention to it, are not sufficient reasons why we should pass it in this form. I have heard no argument against adopting the course suggested by Senator Clemons, except that the Minister and his draftsman have come to the decision that this is the best form. There is no man who has had parliamentary experience who has not heard the same argument in connexion with every Bill upon which he has been engaged. But the Committee is entitled to something more tangible than the assurance that, in the opinion of the Minister, and in the opinion of the draftsman, this is the best possible Bill that human ingenuity can construct. I do not accept that argument. It is part of the stock-in-trade of every Minister in charge of a Bill. The Committee is entitled to a serious reply to the argument of Senator Clemons.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 16—

1. The Governor-General may direct that any land may be acquired by the Commonwealth from the owner by compulsory process.

Senator MILLEN (New South Wales) [9.12].—I should like to remind the Minister in charge of the Bill that, during the second-reading discussion, an assurance was given, either by himself or his colleague, that there would be no objection to insert certain words, making it absolutely clear that it was not intended to use this Bill for the purpose of acquiring land for the Federal Capital. I remind the Minister of that assurance.

Senator KEATING.—I did not give any assurance, although I said that it was not

intended to use the Bill for Federal Capital purposes.

Senator MILLEN.—It was Senator Playford who gave the assurance.

Senator KEATING.—I think he merely made a suggestion.

Senator MILLEN.—He gave an assurance that something should be inserted to make the point abundantly clear. I am perfectly certain that that is so.

Senator KEATING.—I understood him to suggest, when Senator Symon rose, that what ought to be done was to put a few words in the Bill, and Senator Symon said that that was a practical suggestion.

Senator MILLEN.—No; Senator Symon made the suggestion, and I understood that Senator Playford agreed to it. Am I to understand that the Minister does not intend to carry out that assurance? It is open to him to appeal to his colleague as to whether it was given. I have a distinct recollection of it. Senator Keating admits having himself given an assurance that it is not intended to use the Bill for that purpose. He should have no objection, therefore, to put words in the Bill to make that abundantly clear.

Senator KEATING (Tasmania—Honorary Minister) [9.14].—I have no recollection of an assurance being given that words would be inserted to make it clear that this Bill would not be used for the purpose of acquiring land for the Federal Capital. I myself pointed out that I did not think there was any necessity for the insertion of such words—that in the case of the Federal Capital we should own the territory, whereas, so far as land taken under this Bill was concerned, we should be acquiring an estate or interest in it, as described by the measure. I suggested for the consideration of Senator Symon the difference between an estate or interest which we should acquire in land obtained for ordinary purposes under this Bill, and the territory which we shall hold by virtue of the provisions of the Constitution for the Seat of Government. I think that my colleague, Senator Playford, indicated by way of whisper or suggestion—perhaps by a very audible whisper—that the whole difficulty could be overcome by inserting words to that effect. But I do not know that he gave the Senate an assurance that the Government would be agreeable to insert such words.

Senator PLAYFORD.—I made a suggestion to Senator Keating, not to the Senate.

Senator KEATING.—That is what I understood. The words were audible to all, though they were intended for me, and should not be taken as an assurance on the part of my colleague, who has had many more years' experience than I have, and would have intimated that the assurance should have come from me or would have made it with my concurrence. As I have already said a similar assurance was given a few years ago by the representatives of a former Government at this table, and with that assurance the Senate was satisfied. Why should honorable senators not accept a similar assurance now? This clause can apply only to land acquired under the provisions of this Bill, and such land would not, properly speaking, become Federal territory as prescribed by the Constitution.

Senator MILLEN.—It might, improperly.

Senator KEATING.—I do not think the land would become Federal territory within which the Seat of Government should be situated.

Senator WALKER (New South Wales) [9.17].—I have a distinct recollection that in the earlier part of this discussion, Senator Playford, in answer to Senator Symon, gave utterance to words which meant that this Bill would not affect the territory within which the Seat of Government would be situated. I have here a memorandum to that effect. I am under the impression that Senator Playford said he would see that it was made clear that the Bill did not affect the Federal territory.

Senator CLEMONS (Tasmania) [9.18].—I am not much concerned with what Senator Playford said, but I should like to point out the position at which we have arrived. We have heard from the Ministers that the Government have no intention to apply this measure to the acquirement of lands for a Federal Capital. But the life of the present Ministry and the life of the Act will not be co-terminous; the Act may be repealed, and the Ministry remain in existence; or the Ministry may disappear, leaving the Act still operative. If it is not desirable that the measure should be applied for the purpose of acquiring the Capital Site, why not say so in clear terms? The other day Senator Playford practically said what I am saying now, namely, that if the Bill is not going to apply, what harm is there in saying so; and Senator Keating's answer is by no means conclusive. I repeat,

in order to emphasize, the statement that the present Government have no desire or intention to apply the measure to that purpose; but such an assurance ought not to satisfy us in every instance. We shall be placed in a perfectly ridiculous position if, every time Ministers declare that while they are in office a Bill under discussion shall not be applied in a certain direction, we leave out words which are thought desirable as making the intention quite clear. I believe the majority of the Committee desire that the Bill shall not apply to the acquisition of land for the Federal Capital Site, and surely we should say so. For the sake of lucidity, and in order to test the question, I move—

That after the word "process," line 3, the words, "except land required for the Federal Capital Site," be inserted.

Senator PLAYFORD. — Say "Crown land."

Senator CLEMONS.—Very well; but I thought we were dealing with Crown land only.

Senator KEATING.—I think it would be better if the honorable senator submitted his proposal as a separate clause.

Senator CLEMONS.—I do not think so; but if Senator Keating can suggest words that are clearer, I shall have no objection to accept them. In any case, the draftsman may make any verbal alterations that are necessary.

Senator KEATING (Tasmania—Honorary Minister) [9.22].—I think it would, perhaps, be better to adopt as far as possible, in the proposed amendment the wording of section 125 of the Constitution, which deals with the determination of the Seat of Government by the Parliament. I suggest that Senator Clemons, instead of saying, "Except Crown lands required for the Federal Capital site," might use words to the following effect, "Except the territory for the Seat of Government of the Commonwealth." As I said, I think that this proposal ought to be submitted in a new clause, or, at any rate, in a new paragraph of this clause.

Senator CLEMONS.—I have no desire to interfere in this matter; and, therefore, I suggest that the clause be postponed in order that the Parliamentary Draftsman may have an opportunity to express what is our intention.

Senator KEATING.—I have no objection.

Senator Lt.-Col. GOULD (New South Wales) [9.25].—I do not think that this Bill ought to deal in any way with the acquisition of land for the Federal Capital site. If it were considered desirable by the Parliament to establish the Seat of Government on private lands, the Government would be enabled by means of the Bill to fix on the site for the Federal territory. The land thus selected might be the very best; but a matter of such paramount importance should be determined by a separate Bill, and not left to Executive action, even though the latter had to be subsequently confirmed by Parliament. A Bill of this character is intended to provide for the resumption of land for the purpose of post-offices, custom-houses, light-houses, defence buildings, and so forth, and not to acquire or deal in any way with land appertaining to the Federal Capital site. If Parliament determined to fix the Capital on land already alienated, surely it would never be said that it was proper to come to the determination by virtue of the Bill before us. If the territory selected consisted partly of Crown lands, and partly of private lands, the Commonwealth would be placed in the position that, while under the Bill they could resume the whole of the private lands, they could not, by virtue of the same measure, resume the Crown lands, and there would have to be a separate Act of Parliament in regard to the latter. If Parliament declined to take up the Crown lands, then we should be in the absurd position of having acquired a large area of private land, and not being in possession of the Crown land. I am sure that Senator Keating himself, when he introduced the Bill, never dreamt that it would be made applicable in any respect to the Federal Capital. Under the Bill, an attempt might be made to do in an indirect way what ought to be done in a direct and straightforward way. If the clause be postponed, I suggest that it be submitted with amendments which will show clearly that the Bill is not intended to deal in any way with the important question of the Capital site. I offer this suggestion in perfect good faith, and I am sure that Ministers will see sound reason why the suggestion I have made should be acted upon.

Senator FRASER (Victoria) [9.28].—I indorse every word which has fallen from Senator Gould. It ought to be made clear, as I have no doubt the Ministry in-

tended, that the Bill does not apply in any way to the acquirement of land for the purpose of the Federal Capital site. It was always intended that the Federal Capital should be created by a Bill passed through both Houses, and I hope the Ministers will give attention to the suggestion that has been made.

Amendment, by leave, withdrawn.

Senator PULSFORD (New South Wales) [9.20].—According to the original Act the notification of the acquisition of land has to be published not only in the *Gazette*, but in a newspaper circulating in that part of the Commonwealth where the land is situated. Clause 16, however, merely provides that the notification shall be published in the *Gazette*, and I should like to know why the alteration has been made.

Senator KEATING.—There is no advantage in publishing the notification in a newspaper.

Clause postponed.

Clauses 17, 18, and 19 agreed to.

Clause 20—

Except in the following cases:—

- (a) where moneys have been appropriated out of the Consolidated Revenue Fund for or towards the purpose for which the land was acquired; or
- (b) where the Governor-General has sanctioned the construction or carrying out of the work or undertaking in respect of which the land was acquired, and public funds are legally available for the purpose; or
- (c) where the Minister certifies under his hand that the estimated value of the land does not exceed One hundred pounds,

either House of the Parliament may, within thirty days after a copy of the notification has been laid before it, pass a resolution that the notification shall be void and of no effect, and thereupon the notification shall be void and of no effect, and the land shall be deemed not to have been vested in the Commonwealth.

Senator MILLEN (New South Wales) [9.31].—Comparing clause 20 with the existing Act, it seems to me that there is an omission from this clause which is not provided for elsewhere in the Bill. It is provided here that where the Government, by notification in the *Gazette*, has resumed a portion of land, and Parliament subsequently refuses to ratify the resumption, the notification becomes void and of no effect, and the land reverts to the owner from whom it has been temporarily taken. Under the existing law, the owner, in such a case, is entitled to compensation for the temporary dispossession of his land, but,

in this clause, there is no provision for such compensation. By an Executive act, the Commonwealth Government might resume a piece of farming land. The owner, seeing the notification of the resumption, might cease his farming operations, and by the time Parliament had disallowed the resumption, it might be too late for the farmer to make provision for the season's crop. Under the existing law he would be compensated in such circumstances, but there is no such provision in clause 20 of this Bill. I ask the Minister whether there is any other portion of the Bill which I may have overlooked, in which the omission is remedied, or whether it is intended that in circumstances such as I have indicated the owner of the land shall be deprived of the compensation to which I think he is legitimately entitled?

Senator KEATING (Tasmania—Honorary Minister) [9.32].—I think the compensation in such a case is provided for in clause 25, sub-clause 3 of which provides that—

Nothing in this section shall take away the right of any person to compensation for damage sustained by reason of the exercise of any power under this Part of this Act.

Senator MILLEN.—That is in the case of actual occupation, but clause 20 deals with resumption without occupation.

Senator KEATING.—Where there is actual occupation we make provision that rent shall be paid. I take it that the honorable senator is referring to a case where a resumption takes place simply by notification, and there is no actual occupation. I do not know that there is any provision for the compensation of the owner in such a case.

Senator MILLEN.—There is under the existing law.

Senator KEATING.—I believe that if a person is in any way prejudiced or damaged he can recover compensation from the authorities. But if the resumption of land is purely formal, as indicated by notification in the *Gazette*, and there is no entry upon the land, the owner does not in every instance, as of right, acquire the right to compensation. Although it is evident that he does under the existing law, I see no reason why he should.

Senator Lt.-Col. GOULD.—He might be prevented by the notification from making any use of or disposing of his land to advantage.

Senator KEATING.—I think that, if he were prevented from cultivating his land—

Senator Lt.-Col. GOULD.—Or building upon it.

Senator KEATING.—Or building upon it, or disposing of it, and could bring forward proof of damage, he would be entitled to compensation under sub-clause 3 of clause 25.

Senator MILLEN.—No. That sub-clause deals with Part III, whilst clause 20 is in Part II. of the Bill.

Senator KEATING.—I do not think that the owner would be prevented from recovering damages if he could actually prove that he had sustained any.

Senator Lt.-Col. GOULD.—If he made any claim, the Executive would be in a position to say that they had acted under the law, and he would have no remedy.

Senator KEATING.—It is all a question of the actual facts as to the damage sustained. I see no objection to the addition of the words contained in the existing law, because the onus would be thrown upon the owner of showing actual damage. I was under the impression, I must say, that the provision in sub-clause 3 of clause 25 was of more general application than it is.

Amendment (by Senator MILLEN) agreed to—

That the following words be added :—“ And the owner of the land shall be entitled to compensation for any damage which he may have suffered by reason of the notification or of the exercise of the powers of the Minister consequent thereupon.”

Senator BEST (Victoria) [9.39].—Senator Mulcahy has made the suggestion with regard to recreation reserves that the sanction of Parliament should be obtained for their acquisition. I suggest to the honorable senator that an amendment to give effect to what he desires might be appropriately introduced in this clause. It will be observed that, according to sub-clause 3 of clause 16, when land has been acquired—

A copy of the notification shall be laid before both Houses of the Parliament within fourteen days after its publication in the *Gazette* if the Parliament is then sitting, and, if not, then within fourteen days after the next meeting of the Parliament.

In this clause 20 it is provided that, except in certain cases, which are set out—

either House of the Parliament may, within thirty days after a copy of the notification has been laid before it, pass a resolution that the

notification shall be void and of no effect, thereupon the notification shall be void and of no effect, and the land shall be deemed not to have been vested in the Commonwealth.

I suggest that we might here insert an amendment that, in the event of the compulsory resumption of a reserve, or portion of a reserve, it should appear on the face of the notification that it is a reserve, or portion of a reserve, that is being resumed in order that it might be specifically brought under the notice of Parliament.

Senator PLAYFORD.—It is competent for Parliament to pass a resolution with regard to any land.

Senator BEST.—No, it is not. There are three exceptions set out in this clause. The point I am making is that, where a recreation reserve, or portion of such a reserve, is resumed, it should be competent for Parliament to pass a resolution as provided in clause 20, and something should appear in the notification to direct the attention of Parliament to the fact that a recreation reserve, or part of such a reserve, is being resumed.

Senator KEATING.—If any flagrant injustice were proposed, some members of this Parliament might be trusted to direct attention to it.

Senator BEST.—I think that there was a great deal of sympathy expressed with Senator Mulcahy's contention that Parliament should have some control where it is proposed to resume any part of a recreation reserve. I suggest to the Minister, with Senator Mulcahy's permission, that some provision might be inserted in clause 20, enabling Parliament to pass a resolution negating a resumption of a reserve or part of a reserve and requiring that the notification should show in such a case that it is a recreation reserve, or part of such a reserve, that is resumed. I agree that it is not an amendment which can be framed at the table, but I have no doubt, from what has been said by honorable senators, that the Minister will undertake to frame an amendment on the lines I have suggested.

Senator KEATING (Tasmania — Honorary Minister) [9.43].—I have no objection to the insertion of some such amendment as has been suggested. I may say that I had intended, as one argument against Senator Mulcahy's amendment, to quote this clause, but on looking at it I ascertained that it did not apply in the cases enumerated in paragraphs *a*, *b*, and *c*, where the funds have been appropriated, where the work

has been authorized, or where the Minister certifies that the estimated value of the land does not exceed £100. Although the vote was against Senator Mulcahy's amendment, I believe that it is the wish of honorable senators that the Commonwealth shall not acquire these lands in any way, so to speak, behind the backs or against the wishes of the people. In respect of these particular lands, we might reserve to the Parliament the right of revoking or annulling these acquisitions. Clause 20 provides that—

Except in the following cases :—

- (*a*) where moneys have been appropriated out of the Consolidated Revenue Fund or towards the purpose for which the land was acquired; or
- (*b*) where the Governor-General has sanctioned the construction or carrying out of the work or undertaking in respect of which the land was acquired, and public funds are legally available for the purpose; or
- (*c*) where the Minister certifies under his hand that the estimated value of the land does not exceed One hundred pounds,

either House of the Parliament may pass a resolution that the notification shall be void, and of no effect.

Senator MILLEN.—Those are the exceptions, and the provision applies in all other cases.

Senator BEST.—The amendment should provide for action by Parliament in the case of the resumption of a recreation reserve, or part of such a reserve.

Senator KEATING.—I see no objection, so long as we can secure a correct form of words in which to express the amendment. I think that that would reserve to both Houses the opportunity of discussing the policy and the wisdom of the Executive act, which would result in the acquisition of any dedicated land. There is nothing at all undesirable in having such a provision. It would still preserve intact the complete power of the Commonwealth as expressed in the Bill, and it would give to each House the right, on motion, to criticise any action which might take place in the exercise of power, so far as dedicated land was concerned.

Senator BEST.—Will the Minister undertake to give an opportunity to insert a drafting amendment for the purpose of giving effect to Senator Mulcahy's view?

Senator KEATING.—I shall have no objection when the clause is recommitted.

Clause agreed to.

Clause 21—

If a copy of the notification in the *Gazette*, certified under the hand of the Attorney-General, is lodged with the Registrar-General or Registrar of Titles or other proper officer of the State or part of the Commonwealth in which the land is situated, he shall register it in the register and in the manner as nearly as may be in which dealings with land are registered, and shall deal with and give effect to the notification as if it were a grant or conveyance or memorandum or instrument of transfer of the land to the Commonwealth duly executed under the laws in force in that State or part of the Commonwealth.

Senator Lt.-Col. GOULD (New South Wales) [9.47].—I wish to draw the attention of the Minister to the wording of the clause, and the effect which it would apparently have. I believe it is contemplated that where land is resumed by the Government they shall take the minerals, the metals, and everything else, in order to prevent any source of conflict arising between the States and the Commonwealth. It will be noticed that in the majority of cases a conveyance has to be obtained. The object of the registration is set forth in the latter portion of the clause, to which I ask honorable senators to refer. It might happen that the laws in force in the State reserved the whole of the minerals to the Crown.

Senator KEATING.—This clause would not have any application to that, but would apply purely to registration. Without reference to its legal effect, the officer would deal with the conveyance, so far as registration and recording were concerned, in the same way as he would deal with an ordinary conveyance executed under the laws of the State.

Senator Lt.-Col. GOULD.—If the Minister is satisfied that the clause would not interfere with the right to the minerals, I am not prepared to contest his opinion, as I have not sufficiently examined the Bill.

Clause agreed to.

Progress reported.

JUDICIARY BILL.

Bill received from the House of Representatives, and (on motion by Senator KEATING) read a first time.

ADJOURNMENT.

USE OF ROOM.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator MACFARLANE (Tasmania) [9.52].—I understand that, in this building to-morrow, a dinner is to be given to certain persons from the United Kingdom, and I wish to ask the Minister of Defence if it is to be of an official character in any shape or form?

Senator PLAYFORD.—Not in the slightest degree. I never heard of the matter until I received a notice stating that there was to be a dinner given.

The PRESIDENT.—I may mention that a request was made by certain honorable senators for the use of a room in which to give a dinner, and that it was granted.

Senator CLEMONS.—To whom?

Senator MILLEN.—A private dinner?

Senator MULCAHY.—A dinner to some members of the House of Commons by members of Parliament who choose to entertain them.

The PRESIDENT.—The use of the room has never been refused to any member of Parliament in order to give a public entertainment, whether in the way of a dinner or not.

Senator CLEMONS (Tasmania) [9.54].—I had not the slightest objection, sir, to what you said. I only wanted to know whether the custom is to ask leave to use the room, and, if so, of whom?

The PRESIDENT.—Of me.

Senator CLEMONS.—Is it at your disposal according to custom, or has the House Committee any voice in the matter?

The PRESIDENT.—The House Committee has nothing to do with the matter.

Question resolved in the affirmative.

Senate adjourned at 9.55 p.m.

House of Representatives.

Wednesday, 25 July, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

TELEPHONE CONNEXIONS.

Mr. POYNTON.—Some time ago a deputation waited on the Deputy Postmaster-General of South Australia, and asked for telephone connexions between Lake Wangary, Warroa, and Shiringa. I have since spoken to the Postmaster-General about the matter, but, having received no definite reply, I wish to draw his attention to the

following passage in a letter which I have just received from one of my constituents:—

There was a lady fearfully injured here last Sunday through a bolt, and had to be carted all the way to Elliston for medical aid, whereas if the telephone was here the doctor could have been easily rung up.

If the Postmaster-General cannot give a definite reply now, will he see that the matter is expedited, and that the connexions asked for are made as soon as possible?

Mr. AUSTIN CHAPMAN.—I shall be glad to make inquiries as to what can be done, and to give a prompt reply to the honorable member's request for information.

OBSOLETE TELEPHONE INSTRUMENTS.

Sir JOHN QUICK.—Has the attention of the Postmaster-General been directed to the complaints which have been made recently about the defective telephone instruments in use in Bendigo and other important centres? Mr. Hesketh, in his report, says that the instruments known as the Berthon Ader telephones are obsolete, and that the best instruments are those known as the Ericsson. Will the honorable gentleman take steps to have placed on the Estimates a vote which will provide for the substitution of new and up-to-date instruments for those which are defective and obsolete, not only in Bendigo, but in other important cities?

Mr. AUSTIN CHAPMAN.—The matter has been under my attention for some time past. The Department is endeavouring to meet the calls for Ericsson instruments, but it is impossible to at once replace all the old instruments with new ones. I shall take into consideration the representations of the honorable and learned member, and see whether the defects he complains of can receive immediate attention.

BRANCH TELEGRAPH OFFICES.

Mr. DUGALD THOMSON.—Is the Postmaster-General in a position to reply to the questions which I put to him some time ago, as to the removal of instruments from branch telegraph offices in the cities of Sydney and Melbourne?

Mr. AUSTIN CHAPMAN.—I gave an answer to the question in the honorable member's absence. Although the instruments have been removed from the offices to which he refers, no inconvenience is

thereby inflicted upon the public, because telegrams handed in for transmission are despatched even more quickly than was formerly the case. At the Sydney Exchange, one of the offices referred to, I am endeavouring to arrange for the laying down of a tube whereby messages can be forwarded to the central office for despatch more quickly than is possible either by telegraphing them or by sending them by messenger. Immediately a telegram is handed in, it will be sent through the tube to the head office, and despatched from there without delay. Yesterday a temporary arrangement was made which, if accepted by the Exchange authorities, will have the support of the Government, and will meet the difficulty pointed out by the honorable member. I shall be glad to let him know within the next three or four days what is to be done. We are endeavouring to treat all cases of the kind in the same way. There is a tube from the Melbourne Exchange to the head office, and there is no reason why a similar arrangement should not be made in other places where it would be suitable. When a branch office is situated at no great distance from the head office, and it is found that messages can be sent to the latter for despatch more quickly by messenger boys than by telegraphing, we have, in the interests of expedition, substituted a staff of messengers.

Mr. DUGALD THOMSON.—May I ask the Postmaster-General to obtain a comparative statement of the receipts from hotels in which there are telegraph offices and those from the branch offices to which my question referred? For instance, can he let me know what is the revenue obtained from the telegraph office at Menzies' Hotel, and that obtained from the Sydney Exchange telegraph office?

Mr. AUSTIN CHAPMAN.—I shall be glad to furnish the information.

UNIFORM POSTAGE STAMPS.

Mr. BAMFORD.—I wish to know from the Postmaster-General if anything is being done towards bringing about the use of uniform postage stamps. It is a year since the matter was brought before the House, and a promise was made to look into it.

Mr. AUSTIN CHAPMAN.—The subject is under consideration, and I hope to shortly make a statement about it.

£400,000 each, we should incur a capital outlay of £3,600,000. The honorable member for Barrier estimates the cost of the steamers at £375,000 each, but I do not care to name any amount below £400,000. I think that it will be found that since Mr. Coghlan furnished his estimate, the cost of steamers has, owing to the higher price of metals, rather increased than otherwise.

Mr. WATSON.—Mr. Coghlan's estimate, which I suppose came from some ship-builders, is a very recent one.

Mr. DUGALD THOMSON.—Yes, but still the cost of metals has increased in the interval.

Mr. THOMAS.—I received Mr. Coghlan's reply after Mr. Kenneth Anderson had given his evidence.

Mr. DUGALD THOMSON.—Mr. Coghlan's information is dated 12th April. I would point out that the furnishing of the steamers would probably involve the outlay of a larger sum than the honorable member has estimated. It must be remembered that provision would have to be made for 1,300 or 1,400 people, and that the bedding and duplicate bedding, towelling, and pantry furnishing, table ware, and so on, would entail a large expenditure. Then provision should be made for the payment of interest on capital during the time that the steamers are in course of construction. The money would have to be borrowed before contracts were entered into, in order that progress payments might be made to the contractors from time to time. Then, in addition, there would be the cost of supervision, architects' fees, and so on. Mr. Coghlan recommends that plans and specifications should be prepared, and that tenders should be called for the construction of the steamers. If this course were pursued, we should have to pay architects' fees, and also employ experienced officers to supervise the construction of the vessels. These items have not been allowed for by the honorable member for Barrier, and therefore I think that we may fairly assume that, adopting Mr. Coghlan's figures as a basis, the steamers would cost £400,000 each,

Mr. THOMAS.—There is a difference of only £25,000 between us.

Mr. DUGALD THOMSON.—Quite so. The honorable member will recognise that I am not endeavouring to treat his proposals with undue severity, or to use figures that cannot to some degree be supported. I have already dealt with the capital cost of

the steamers, and I shall now direct attention to the question of earnings. The Commission, in their report, estimate that the earnings from the passenger traffic would amount to £701,900. If we analyze the figures, I think we shall come to the conclusion that nothing like that result would be obtained. It will be noticed that it is estimated that £540,000 would be paid in respect to the conveyance of first and second class passengers, and that the balance of £162,000 would be paid for practically an equal number of third class passengers. The steamers would require to carry 146 first class, 71 second class, and 208 third class each way on every trip, in order to yield the figures estimated in the report. Such expectations would not be borne out if the returns of the Peninsular and Oriental and Orient Companies were carefully examined. We should have to look to the Orient Company's figures in order to make an absolute comparison, because the Peninsular and Oriental Company do not carry third class passengers. Nothing like the average indicated is maintained by the best of the steamers of that company throughout the year. For this reason I consider that the estimate should be considerably reduced. Then, again, I would point out that credit has been taken for full rates for all the passengers carried.

Mr. THOMAS.—Return rates?

Mr. DUGALD THOMSON.—Yes, but the honorable member has made no allowance for brokers' commission, which forms a considerable item; nor has any deduction been made in respect of those passengers who may land at Brindisi, and whose railway fare may have to be partly provided for out of the £112 paid by them. It is well known that passengers who land at Marseilles, for instance, are conveyed to London free of charge, so far as they are concerned.

Mr. THOMAS.—We have taken no credit for the coastal trade.

Mr. DUGALD THOMSON.—Even including any revenue that might be derived from that source, I do not think that the estimate would be realized. Another reduction would have to be made in respect to combination tickets issued in conjunction with other steamship companies trading in other parts of the world. It is usual for steamship lines to carry passengers at reduced rates when they take out tickets for an all-round trip, in which other lines of

steamers have to be employed. Under these circumstances I think I am justified, and in fact very reasonable, in reducing the estimate of £701,900 to £600,000. Now, with regard to the cargo traffic. It is estimated that the proposed steamers would carry 4000 tons of cargo each way on every trip. We shall see what relation these figures bear to the total carrying capacity of the steamers. At page 1451 of *Hansard* the honorable member for Barrier said—

The steamers we suggest would be capable of carrying 5,600 tons of cargo. Space, however, must be allowed for the accommodation of refrigerators, passengers' luggage, &c., so we allow only for 4,000 tons.

That means that the steamers are expected to have full holds as regards their cargo carrying capacity every fortnight of the year, homeward and outward. No steamer at present running maintains any such average. It is quite true that at times more cargo offers than can be carried by a given steamer, but credit cannot be taken for that in working out an average between the full cargo carried on some voyages and that carried on trips in which the vessel has space to spare.

Mr. THOMAS.—We calculate on receiving less than the average freight.

Mr. DUGALD THOMSON.—I shall deal with that aspect of the question presently. In order to carry 4,000 tons each trip, the steamers would require always to have full holds outwards and homewards. Such a condition of things would be out of the question, and I think that I am acting liberally, when I reduce the estimate to 3,000 tons per trip. Now, as to the rates. The honorable member for Barrier states that the calculations of the Commission have been based on a rate of freight lower than the average. In my opinion, however, they have been based upon a higher rate than the average. A great deal of the cargo carried by the mail steamers, such as ore or bullion, from Australia, or ironwork from England, is conveyed at ballast rates. The vessels must have stiffening in the form of a considerable quantity of dead weight cargo. That is the reason why bullion, for instance, is brought round from South Australia to Sydney and shipped there rather than taken on by the steamer when she calls at Adelaide. If the steamers can obtain such cargo to put in the bottom of the hold, they can carry it at such rates that it pays the shippers to send it round to Sydney. In

calculating the rates, the members of the Commission have looked only at the higher paying cargo, and even as regards this they have made an error in their estimate. The honorable member for Barrier has spoken of butter as yielding a rate of £3 10s. per ton. No doubt butter is a very important item in the cargo of the mail steamers, but, as a matter of fact, a ton weight of butter—and it is at per ton weight that freight is charged—measures $1\frac{3}{4}$ tons of 40 cubic feet measurement. The cargo-carrying capacity of the steamers has been estimated upon the basis of 40 cubic feet per ton. Therefore, if a vessel were loaded entirely with butter, instead of carrying 4,000 tons, as estimated by the Commission, she could carry only 2,300 tons. Honorable members will see that that would make a tremendous difference. Nearly all the goods, except metals, upon which freight is paid by weight, occupy more than 40 cubic feet per ton. That must reduce the estimated earnings, and also the carrying capacity of the steamers. Instead of butter yielding £3 10s. per ton, as estimated by the honorable member for Barrier, it will yield only about £2 per ton of forty cubic feet measurement. That being so, he has over-estimated the probable revenue from this source, and has certainly failed to give sufficient consideration to the dead weight cargo—such as iron ore and minerals—which is carried for ballasting at very low rates. I take the average earnings, which the Commission estimate at £2 per ton outwards and inwards—

Mr. THOMAS.—We estimated an average of £2 10s. per ton on the home voyage, and of £2 per ton on the return voyage, or an average of £2 5s. per ton per round trip.

Mr. DUGALD THOMSON.—Quite so; the average is £2 5s. Allowing for the fact that goods charged by weight occupy more than forty cubic feet per ton, I take the average earnings at 35s. per ton, and allow 3,000 tons as the average cargo outwards and homewards.

Mr. FRAZER.—Where did the honorable member obtain his information? Has he the particulars of the actual freights now charged by the shipping companies?

Mr. DUGALD THOMSON.—I wish to be absolutely fair in dealing with this question, and except in regard to the measurement of butter, I am taking the

figures from the report of the Commission. Any honorable member, by measuring a box of butter for himself, will ascertain that my statement in regard to the space occupied by a ton weight is correct. With the exception of such things as ingots and bars of metal, almost all goods that are carried at so much per ton occupy considerably more than the forty cubic feet which represent a ton measurement.

Mr. THOMAS. — We are wondering how the private companies manage to pay.

Mr. DUGALD THOMSON.—I am not questioning the rates cited in the report of the Commission, but I say that allowance has not been made for certain necessary deductions which would greatly reduce the estimated revenue. With an average of 3,000 tons per trip, at 35s. per ton—and I feel sure that that is a full estimate outwards and homewards—we have a total of £273,000 in respect of freights. Then the Commission allow for a subsidy of £150,000 per annum, although I do not think that their calculation as to the cost per trip includes the journey from Sydney to Brisbane, in respect of which the Orient Steam Navigation Company now receive an additional subsidy of £26,000 per annum. I am prepared to give the Commission the benefit of that additional sum; but I do not think that there is the slightest warrant for their assumption that we should be able to obtain a loan necessary to provide for the construction of these steamers at 3 per cent.; 3½ per cent. represents the very best terms that we should be able to obtain, especially for a loan required for trading purposes.

Mr. THOMAS.—What difference would it make whether the loan was or was not to be devoted to trading purposes?

Mr. DUGALD THOMSON.—It would make a very material difference. Investors are naturally cautious, and are inclined to look at the object for which a loan is required. When they ascertained that it was proposed to devote the projected loan to a speculative object—to the building of steamers to compete with those of the large steam-ship companies—they would be far more cautious—

Mr. WILKS.—Do they lend money for war purposes at the usual rates?

Mr. DUGALD THOMSON.—A higher rate of interest has always to be paid in respect of war loans. Apart from that, however, I do not think that a loan could be obtained for any purpose at less than

3½ per cent. That would represent £126,000 per annum in respect of £3,600,000.

Mr. FRAZER.—Does the honorable member anticipate that Sir James Laing and Sons Limited will be able to obtain a loan at a lower rate of interest than the Government of the Commonwealth would be able to do?

Mr. DUGALD THOMSON.—That is a consideration with which I have nothing to do. If the company chooses to enter into a losing contract—and they have not yet entered into the contract—

Mr. BAMFORD.—It is worth bearing in mind that they have not yet done so.

Mr. DUGALD THOMSON.—If they choose to enter into a contract, I am not going to try to impress upon them the view that it will be a losing one. I am dealing with a proposed investment of Commonwealth funds, and I repeat that in the opinion of most people 3½ per cent. is the lowest rate at which we would be able to obtain a loan for this purpose. The Commission estimate the cost of running a Commonwealth mail steamer at £29,500 per voyage. It is true that in the report itself the estimate is set down at £35,000, but from that we have to make a deduction of £5,500 in respect of the insurance per trip, since that amount is included in the gross insurance charge. According to the report, the Commission, after full inquiry, accepted Mr. Kenneth Anderson's evidence as to the cost per round trip. Other witnesses were examined, and apparently their evidence substantiated the statement made by Mr. Anderson. We must not forget, however, that Mr. Anderson's estimate was in respect of the running of smaller steamers. In a letter to the press, he explains that the cost of running the larger steamers would be considerably greater. He says:—

But, whereas my estimate was for a ship of about 9,000 tons, with a transit of 662 hours, the report contemplates ships of 12,000 tons, travelling at 16 knots. To the shipowner the distinction is rather more than appreciable.

Accepting Mr. Coghlan's data as to the consumption of extra coal, that alone will account for about £3,500 per voyage, and, what with more firemen, a larger portage bill, more food, more housing room, and consequently reduced cargo space, increased canal, port, and pilotage dues, together with conditions as to repairs, wages, &c., laid down in report, I should be much surprised if the average round voyage did not eat up £10,000.

The additional wages required in respect of a vessel of 12,000 tons at Australian rates

would just about make up the difference between Mr. Kenneth Anderson's estimated cost of running a steamer of 9,000 tons and the estimated cost of £35,000 per round trip, including insurance, given by the Commission itself.

Mr. LIDDELL.—What is the difference in regard to the extra coal consumed on the larger steamers?

Mr. DUGALD THOMSON.—It would make a difference of about £3,500 per voyage. Then we have to allow for the extra cargo to be handled, and the provision to be made for the additional passengers which one of these larger steamers would be able to carry. The additional expenditure in respect of every £100 increase in the railway returns may amount to £60 or £70.

Mr. FISHER.—But in the shipping trade the proportion is not the same.

Mr. DUGALD THOMSON.—It is, but there is an additional expenditure. In these circumstances, I think it will be evident to honorable members that an addition of £5,500 to Mr. Anderson's estimate is not more than sufficient to provide for the extra cost in respect of coal, &c., and the additional cost of the increased trade of the largest steamers.

Mr. THOMAS.—Some of the smaller steamers are using more coal than they ought to do, because they have to travel at what is above the economical speed. We had evidence to that effect by Mr. Anderson.

Mr. DUGALD THOMSON.—My experience in travelling leads me to believe that if the honorable member expects that economy in respect to coal consumption will be secured by the substitution of turbines for reciprocating engines on steamers having to run at 16 knots per hour, he is greatly mistaken. The owners of the *Maheno*—a 16-knot turbine steamer—will tell him that she is one of the largest consumers of coal in the Union Company's fleet.

Mr. McWILLIAMS.—She is described as a "coal eater."

Mr. DUGALD THOMSON.—That is so. The theory is that the consumption of coal by reciprocating and turbine engines is the same when the rate per hour does not exceed 16 knots, but that when that speed is increased the turbine engine shows to greater advantage. The experience of the owners of a turbine steamer running 16 knots per hour in our own waters is that the coal used in running the turbine en-

gines is considerably more than would be the case if reciprocating engines of equal power were employed. Of course, everything depends on the nature of the voyage.

Mr. BAMFORD.—And also on the furnaces. Some steamers will consume twice as much coal as others do.

Mr. DUGALD THOMSON.—But that steamer is fitted with up-to-date machinery. I am not taking into account any increased cost in respect of any failure of the turbine steamers to effect the anticipated economy in regard to coal consumption, but on these figures I do not think an estimate of £34,500 per round trip in respect of the cost of running is an excessive one. The honorable member for Barrier will recognise that I am not seeking to deal unfairly with his case. I do not base my calculation on the £10,000 estimate which Mr. Anderson thinks may represent the increased cost per trip of the larger steamers. I add only one-half of what he estimates as the difference. That makes £34,500 per round trip, or £897,000 per annum. Insurance I set down at the same rate as the honorable member himself, namely, at £187,000 upon a capital of £3,600,000. For depreciation and a sinking fund I allow £180,000 as he does. The honorable member for Barrier thinks that he might effect a saving upon insurance. He might, if he were lucky, but I do not think that he would make any saving upon the item of "depreciation and sinking fund." It would take sixteen or seventeen years to accumulate the cost of a vessel, and before that period had expired we might witness an entire revolution which would render those vessels quite out of date. Then I accept the honorable member's figures regarding managerial expenses, which he estimates at £57,000. Of course, we must recognise that at every port at which the vessels called there would be expenses of this description. The items which I have enumerated make a total expenditure of £1,440,000 per annum as against a revenue of £1,023,000—a deficiency of £417,000. If we accept the honorable member's estimate of the capital required for the establishment of a national fleet, namely, £3,000,000, that deficit would be reduced to £336,000. I am thoroughly satisfied that nine vessels would be required for the service, and I believe that they

would cost £400,000 each. But even if eight steamers were sufficient for the purpose—assuming that they cost £375,000 each—there would be a loss of £336,000 per annum. I now wish briefly to allude to one or two other matters which were dealt with by the honorable member in the course of his speech. In one instance I did not think he was quite fair to Mr. Kenneth Anderson, the local manager of the Orient Steam Navigation Company, but I do not propose to say anything about that matter, because I think that the honorable member subsequently made his position right by his letter to that gentleman. I think that the Commission of which the honorable member was Chairman acted very unwisely in declining to inspect the balance-sheet of the Orient Steam Navigation Company when the chance to do so was afforded them.

Mr. THOMAS.—Of what use would it have been to us?

Mr. DUGALD THOMSON.—After having examined that document with any substantiating figures which Mr. Kenneth Anderson was willing to provide, the Commission might have been more assured of the correctness of their own estimates concerning the cost of running these steamers than they otherwise could be. I think that it would have been a good thing for them to have inspected the balance-sheet—if only for their own information—and to have formed their conclusions upon it. Either it would have strengthened their opinions, or it would have modified them. In correcting Mr. Kenneth Anderson's letter, I think that the honorable member for Barrier unwittingly did that gentleman an injustice. Upon page 1449 of *Hansard*, the honorable member criticises Mr. Anderson's statement that not much more than half the freight and passenger fares quoted in the report had been realized by the Orient Steam Navigation Company's steamers. He then proceeds to show that if that were the case, the Orient Steam Navigation Company must have incurred a very heavy loss indeed. He says—

That company having only averaged £540,000 per annum from passengers, fares, and freights—

Mr. THOMAS.—I was basing my statement upon the *Age* report.

Mr. DUGALD THOMSON.—The honorable member was replying to Mr. Kenneth Anderson's statement, I take it.

Mr. THOMAS.—My criticism was based upon the *Age* newspaper article.

Mr. DUGALD THOMSON.—If the honorable member's assertion was based upon the statement contained in the *Age* newspaper that statement was wrong. Mr. Kenneth Anderson says that the receipts of the Orient Steam Navigation Company, by way of freight and passenger fares, were not much more than half the amount estimated by the Commission. But I would point out that £540,000 is not one-half.

Mr. THOMAS.—I was simply dealing with the figures which were presented in an article which appeared in the *Age*.

Mr. DUGALD THOMSON.—Then I am not replying to the honorable member. I am merely showing that the figures contained in the *Age* article are wrong.

Mr. THOMAS.—If I did not make myself clear it was my own fault.

Mr. DUGALD THOMSON.—I quite recognise the force of what the honorable member says. I merely desire to point out that £585,000 would be one-half the revenue which is derived from passengers and freight—not £540,000. Of course the subsidy has to be added to that amount. Then the honorable member for Barrier went on to say—

Therefore the Orient Steam Navigation Company—

Of course he was basing his statement upon the wrong figures published in the *Age* newspaper article—

have apparently been going back to the extent of £400,000 per annum for the last twenty years.

Mr. KING O'MALLEY.—They must be bankrupt now.

Mr. DUGALD THOMSON.—They do not refer to the past twenty years, but only to the last four years.

Mr. THOMAS.—I was simply dealing with the *Age* article.

Mr. DUGALD THOMSON.—I do not hold the honorable member responsible. In his evidence before the Commission the manager of the Orient Steam Navigation Company distinctly stated that that company and the Pacific Company had each lost £200,000 in fifteen years, namely, from 1888 to 1903. The testimony of Mr. Kenneth Anderson was that the revenue from freight and passenger fares during the last four years was not much more than half the amount estimated by the Commission. It will thus be seen that it might have been £650,000, which

amount, added to the subsidy and the receipts of the Orient Steam Navigation Company from trips to Norway and other places, with which the director says they have had to supplement their Australian earnings, would make a very different net loss from that set out by the honorable member, quoting from the *Age* newspaper.

Mr. FRAZER.—In travelling to Western Australia it is very noticeable that the Orient Steam Navigation Company is not doing one-half the passenger trade. It is not doing as much as is being done by the Peninsular and Oriental Company.

Mr. DUGALD THOMSON.—I do not doubt that. The Orient Steam Navigation Company state that during the past four years they have experienced a very bad time indeed. Freights—especially freights from Colombo to Australia—have declined very considerably. The company are now obliged to carry for 14s. or 15s. per ton goods for which they formerly received £3 per ton. From their own statement I anticipate that the company's annual loss during the past four years has been considerably more than the annual loss sustained during the fifteen years to which I have already referred.

Mr. THOMAS.—I am glad that the honorable member has mentioned that fact.

Mr. DUGALD THOMSON.—I merely wanted to explain the position. My statements are based upon Mr. Kenneth Anderson's letter to the press. That gentleman deserves fair treatment, because of the way in which he tendered his evidence.

Mr. THOMAS.—I have already expressed that view.

Mr. DUGALD THOMSON.—Exactly. Mr. Anderson will see that his statement has been misrepresented, not by the honorable member, but by those who prepared the figures which appeared in the *Age* newspaper. In another portion of his speech, the honorable member for Barrier speaks of the inflexibility of its freight rates as a reason for the establishment of a national fleet of mail steamers. I am quite aware that shippers often say they would rather have steady freights regulated even by a combination than be subjected to freights which fluctuate from day to day and week to week. But that statement always requires to be qualified by the proviso, "Assuming that those freights are reasonably low." No persons engaged in trade which depends on transit advocate inflexible freights, if they are high freights, and

there are none who will not take advantage of any flexibility in freights—even if it amounts to only 1d. or 3d. per ton.

Mr. THOMAS.—The importers admitted that it made very little difference to them, because they pass on the freight.

Mr. DUGALD THOMSON. — They must do so. Their objection to fluctuating freights is that they are never certain that some neighbour will not reap an advantage. The rate does not matter a rap to them, if not too high, so long as their competitors are paying the same freight, because that freight is passed on to the consumer. In every merchant's office, cost-sheets are made up with every shipment of goods, and the freight paid is included in those sheets. The consumer has to pay that freight unless a neighbouring importer, as the result of securing a lower freight, can undersell his competitors. Unless the Commonwealth intended to enter the shipping ring, no inflexibility could be maintained. It is idle to think of it. The honorable member for Barrier also alluded to the shipping ring. In speaking of the firm of successful contractors, he said—

"If it is not to be a member of that Conference, then heaven help it. It will need all the assistance that a kind Providence can give it to save it from ruin. On the other hand, if it is to be a member of the Conference, the position will be rather serious, so far as the people of Australia are concerned.

The very same remark would be applicable to a Commonwealth fleet of steamers. If it is to be a member of the Conference, it would be injurious to the interests of Australia, and if it is not to be a member, then Heaven help it!

Mr. THOMAS.—I went on to say that behind the Commonwealth Government there are the resources of civilization.

Mr. DUGALD THOMSON. — There are the resources of law—of legislation.

Mr. THOMAS.—I said, "of civilization."

Mr. DUGALD THOMSON. — Really, the honorable member should have said, "of legislation." He meant that whenever a Commonwealth concern was being pinched too hard, a Bill could be submitted similar to the Australian Industries Preservation Bill, under which the people would be compelled to pay, by reason of the State refusing to allow competition which would have the effect of reducing freights.

Mr. FISHER.—The Government have not done that in connexion with the cable rates.

Mr. DUGALD THOMSON. — They have done it already in the Australian Industries Preservation Bill.

Mr. FISHER.—They could do it in the case of the telegraph rates, but they have not done it.

Mr. DUGALD THOMSON. — Because they are already losing as much as they care to lose.

Mr. THOMAS. — And the commercial classes are gaining.

Mr. DUGALD THOMSON. — At a later period, I will deal with the statement that the commercial classes alone benefit by the payment of the mail subsidy. Let us suppose that a Commonwealth fleet of steamers charged inflexible freights. Does the honorable member know what would be done immediately? Does he not recognise that the position upon the open sea is quite different from that which obtains upon our railways? If inflexible rates were introduced, a "cut" would be made by opponents upon all the best classes of freight. That would take the business—unless the Commonwealth were to imitate the worst practices of the shipping ring, and introduce the boycott—and only the less paying lines would be left. That is what inflexible rates would mean. Although the honorable member makes the fixing of such rates one of the great recommendations for a Commonwealth line, it would be found absolutely impossible to carry them into effect in connexion with an ocean service. The Commonwealth line would have to compete, as other lines do, for the freight offered. I have not allowed for that competition in the credit which I have given for what is to be earned. I have taken the present rates, existing under ordinary competition, not what would be the rates under the extraordinary and exceedingly keen competition which would be created by the entrance into the freight market of Australia of a new line of steamships owned by the Government. I may allude now to certain remarks made by honorable members yesterday on the subject generally. The honorable member for Hindmarsh made the extraordinary statement that, if there were a loss in the carriage of goods or mails to Australia, the Government should bear it—that it would not be just to ask the private steam-ship companies to bear it. That was a most extraordinary statement. It is set out in the report, and the honorable member adopted the statement, that the subsidies are now

paid out of Customs duties and are borne chiefly by the poorer members of the community, yet he expressed the opinion that, if there were a loss in running the vessels of the Commonwealth line, that loss should fall on the Commonwealth—which means, under our system of raising revenue, chiefly on the poorer members of the community—and not on private firms. I would let the private shipping companies look after their own interests, and have the Commonwealth look after its interests. It is on those lines that I am dealing with the Commission's figures. Under our system of raising revenue through the Customs, undoubtedly the poorer members of the community must bear the greater share of any loss. That is one of my strong objections to heavy Customs duties.

Mr. FISHER. — The honorable member means that they must pay an undue proportion.

Mr. DUGALD THOMSON.—Yes.

Mr. THOMAS.—The honorable member is not opposed to revenue duties?

Mr. DUGALD THOMSON.—I would raise as little revenue as I could by means of heavy Customs duties. The honorable member for Hindmarsh also spoke of a Commonwealth line as affording a splendid means for the importation of immigrants. Put, as will be seen by the figures given in the report, the third-class rates of passage money aid the shipping companies very little in making their operations payable. Out of an estimated revenue of £701,000, only £162,000 would be obtained from third-class passengers, although it is supposed that half of those carried would be third-class passengers. Therefore, any reduction in third-class passenger rates might mean a very considerable loss. Would it not be better, instead of making such a loss by running Commonwealth vessels, to apply a sum equal to the estimated loss to the importation of immigrants, if that is considered desirable. It has been said that the management of railways by the Governments of the States affords an example of the way in which a Commonwealth steam-ship line could be run. The circumstances, however, are entirely different. As I have already pointed out, you can have competition on the ocean; but there cannot in our case be much competition on land, by means of railways, especially when our

country is sparsely populated. If our railways were privately owned, we should not get the competition necessary to bring about low rates of freight. But it must be remembered that the Government railways tend to develop and add to the value of Crown lands, and also, in many cases, save heavy expenditure upon the making of roads. Therefore, while the balance-sheet of the earnings and expenditure of a Government railway system may not show a surplus, the lines may indirectly be profitable. On the ocean, however, there can be the freest competition. It is extraordinary that a proposition of this kind should be put forward at a time when competition is having more effect than it has had in previous years in the reduction of freights. The reduction of freights which has taken place of late years shows that competition has had play, notwithstanding the existence of the shipping ring. I entirely disapprove of some of the actions of the shipping ring, and am prepared to take steps to put an end to them. In my opinion, the honorable member for Barrier is wrong in saying in the report that we cannot deal with these evils, because the arrangements are made abroad. I think I know of means whereby they could be dealt with. But the operations of the shipping ring have not shut out competition, and goods are being carried to-day at rates much lower than were previously charged. The companies are finding that lower rates encourage an increased business, and I do not anticipate a return to high rates. It has been claimed that the railways of the States have been well managed, and that there is no reason why a line of steamships could not be equally well managed by the Commonwealth. But the railways of the States have been well managed only to a certain extent. There have been times when the management has been absolutely bad. There has been a tendency to drift and drift into worse conditions year by year, until drastic action has had to be taken to place the finances on a better footing.

Mr. WEBSTER.—Is not that a chronic condition, as a rule, under each incoming Commissioner?

Mr. DUGALD THOMSON. — The state of affairs of which I speak has been almost chronic. The honorable member for Kennedy said last night that if a man like the late Mr. Eddy could be obtained

to manage a State system of railways effectively, an equally good man could be obtained for the management of a Commonwealth line of steamers. He forgot that Mr. Eddy had one of the greatest struggles that a man could have, not with those under his control, but with the Parliament which had previously controlled the railways.

Mr. WEBSTER.—Mr. Eddy had the greatest chance ever given to a Commissioner.

Mr. DUGALD THOMSON.—He had to fight for his position, and was not supported by certain members of Parliament who should have been behind him.

Mr. WEBSTER.—Parliament voted for him enormous sums of money which had been refused to his predecessor.

Mr. DUGALD THOMSON.—That has nothing to do with my argument. The voting of those sums was necessary, because the lines had not been properly maintained. However, I am not dealing with that aspect of the question. The honorable member for Kennedy, when speaking in praise of Mr. Eddy, and of what he did, forgot the struggle that that gentleman had to accomplish his ends, and forgot that those who opposed him were members of the party to which he belongs. I do not refer to the honorable member for Bland as one of these members. He was not, I think, at that time in the Parliament of New South Wales, and my experience of him in subsequent Parliaments leads me to think that he supported the Commissioners generally.

Mr. WEBSTER.—The two chief offenders were not members of the New South Wales Labour Party.

Mr. DUGALD THOMSON.—Members of the Labour Party tried to break down Mr. Eddy's control.

Mr. WEBSTER.—Neither Mr. Schey nor Mr. Hoyle belonged to the Labour Party.

Mr. DUGALD THOMSON. — They were not the only persons concerned; there were others. Certain members of Parliament tried to break down Mr. Eddy's control, and to re-establish political management.

Mr. WILKS.—The present New South Wales Commissioners have failed to administer the railways successfully.

Mr. DUGALD THOMSON.—Nothing like what has happened in connexion with

the relations of the New South Wales Commissioners could have continued so long under private control.

Mr. WILKS.—Men receiving 30s. a week would have been dismissed if they had quarrelled in the way that the three New South Wales Commissioners have quarrelled.

Mr. DUGALD THOMSON.—This is an instance in which a State-owned property has not been as well managed as a private concern would have been.

Mr. WEBSTER.—Does the honorable member admit that in the New South Wales railway service social influence has become as pernicious as political influence?

Mr. DUGALD THOMSON.—I do not know whether it has or has not, but, if it has, the fact helps my argument. The Commonwealth Government would be in a far worse position in trying to manage a line of steamers, not only trading in the States, but to England, the Continent of Europe, the East, and other parts of the world, than that of any one State in managing its railways. Furthermore, as State enterprises grow, political influence increases. Why? Because the employes engaged in those enterprises increase in number, and, being electors, are capable of bringing pressure upon members of Parliament. What happened the other day in Sydney? I am not going into the merits of the case. The Government tramway employes there may be suffering grievances which should be redressed. But we find one of the tramway officials doing what would never have been permitted in private service, and subsequently being dismissed.

Mr. WATSON.—Similar notices are posted in private establishments all over Australia.

Mr. DUGALD THOMSON.—But there were other things as well.

Mr. FISHER.—What other things?

Mr. DUGALD THOMSON.—I am not going into that question, because it has nothing to do with the case. Even if such action would have been permissible in a private firm, it is clear that the man in question was discharged. What did he do immediately afterwards? He submitted himself as a candidate for Parliament.

Mr. FISHER.—Quite right.

Mr. DUGALD THOMSON.—There is nothing to prevent a man from doing that. I am not objecting to his action so far as that is concerned; but I am showing the natural tendency—a tendency that will increase the more that we bring public enterprises under State control. The honorable member for Bland was on the platform assisting the candidate, who stated deliberately that when he got into Parliament he would go for the Commissioners.

Mr. WATSON.—No. He said that he would endeavour to remedy that particular abuse.

Mr. DUGALD THOMSON.—I say that that is a direct attempt to bring parliamentary influence to bear in connexion with the administration of an important State enterprise.

Mr. FISHER.—The general experience is that a man who has a grievance cannot easily get into Parliament.

Mr. DUGALD THOMSON.—I am not saying whether or not the man had a grievance. I do not know what his grievance was. Some men are very anxious to get into the service which has those grievances, and anxious not to get out of it.

Mr. WEBSTER.—The same principle applies all round.

Mr. DUGALD THOMSON.—I do not know anything about this particular grievance. I am merely indicating the tendency to introduce political control into State-owned services. It is perfectly natural, and I am not blaming the men, because, possibly, if I were in the service, and had a grievance, I should adopt a similar course. I am pointing out that the growth of political influence is the natural corollary of the increase of State-owned services.

Mr. WATSON.—After all, public opinion will keep us straight.

Mr. DUGALD THOMSON.—Public opinion did not keep our railways straight.

Mr. WATSON.—It effected an improvement upon private administration.

Mr. WILKS.—It did not prevent the lands scandals occurring.

Mr. DUGALD THOMSON.—The tendency to which I have referred is inevitable, and that is the reason why State undertakings, especially those that are subjected to heavy competition, are not conducted so well as are private enterprises.

Mr. FISHER.—What about the Newport workshops?

Mr. DUGALD THOMSON.—That is an enterprise within a State. I am speaking of those beyond the State, which are subjected to outside competition. The Newport workshops are practically independent of competition.

Mr. WATSON.—They make locomotives in successful competition with private companies.

Mr. DUGALD THOMSON.—I do not know anything about that. I should first have to look into the figures.

Mr. WATSON.—A Royal Commission that did not include any Labour members found that they had effected a big saving.

Mr. DUGALD THOMSON.—That does not affect my argument that, if more services are brought under the State control, and the number of public servants is added to, the tendency must be to increase the scope of political influence. Now I wish briefly to deal with the proposed mail contract. I think that, speaking generally, Ministers have every reason to be satisfied. It is rather surprising to me that they have managed to obtain such liberal terms in the contract, and it will surprise me still more if the service is carried out. There are many features in connexion with the contract that cause me to be extremely doubtful upon this point. It has been stated that the firm of Sir James Laing and Sons are behind the contract; but they are not. £27,500 is behind it, and nothing more. That is the amount that has to be forfeited if the contract is not carried out. I am not quite certain that even that amount is yet behind the contract, because one of the conditions states that it shall not be binding until confirmed by Parliament. It is, therefore, doubtful whether the £27,500 could be forfeited at the present time.

Mr. FISHER.—It would not be fair to forfeit the deposit if Parliament did not ratify the preliminary agreement.

Mr. DUGALD THOMSON.—No; but I am not satisfied that the amount would be forfeitable at the present time in the event of the withdrawal of the contractors. I am rather inclined to think that, until Parliament ratifies the contract, the contractors would be free to withdraw their deposits. Therefore, if they desired to speculate with the contract, they would have a longer period than would be available to them under other conditions. In any case, £27,500 represents the whole of the binding element in the contract. If the arrangement is carried out, it will be a most

excellent one for the Government. My criticism of the proposal for the establishment of a Commonwealth mail service will show that I do not think that the contractors have very rosy prospects before them. However, I have nothing to do with that. I am willing that we should take their money for the development of Australia if they are ready to put it down. I think that greater care should have been exercised in the drafting of the conditions of contract, because the agreement seems to me to contain some curious provisions, and to be marked by strange drafting. For instance, clause 5 provides that a request can be made for a reduction of the period of transit, and that, if the reduction is effected, the reimbursement of the contractors is not to exceed £25,000 per annum. No provision, however, is made for enforcing the request for an increase of speed.

Mr. AUSTIN CHAPMAN.—It will not be difficult to remove any ambiguity of that kind.

Mr. DUGALD THOMSON.—But is it an ambiguity?

Mr. AUSTIN CHAPMAN.—The honorable member contends that it is.

Mr. DUGALD THOMSON.—Is it intended that power should be given to insist upon a reduction of the period of transit?

Mr. AUSTIN CHAPMAN.—Yes.

Mr. DUGALD THOMSON.—The contract does not so provide at present, and therefore the Minister will have to amend it. The 6th clause provides—

That if during the sixth year of the fixed period of ten years mentioned in Clause 2 hereof any competing line of mail ships shall then provide an improved and accelerated service from Europe to Australia, the contractors shall, if so required by the Postmaster-General, provide a service equivalent to such improved and accelerated service.

I do not see why the provision should be made to relate specially to the sixth year of the contract. Should it not also apply to the succeeding years, seeing that an extension of the contract may be granted if a higher speed is provided? Then there was a great deal of difficulty in arriving at an understanding as to what was meant by vessels of 11,000 tons register. The Prime Minister stated that the matter had been put in that way intentionally. In shipping matters "registered tonnage" usually means net tonnage.

Mr. WATSON. — No. The Peninsular and Oriental and Orient Steam Navigation Companies advertise the gross tonnage as the registered tonnage.

Mr. DUGALD THOMSON. — I am speaking of the practice adopted in legal documents. Of course, the shipping companies advertise the gross tonnage of their ships because of the larger figures. The registered tonnage of a steamer as referred to in legal documents generally means the net tonnage unless it is specifically stated to the contrary. The Prime Minister stated that the provision in the contract had been purposely left in a vague form.

Mr. WATSON.—He did not say that it was left in a vague form, but that the terms employed were intentionally adopted.

Mr. DUGALD THOMSON.—I asked whether it was intended to mean net or gross tonnage. If it had been intended to mean one or the other, the Minister should have given me a straight answer. He would not say anything definite, but merely told me that it had been purposely put in that way. If his reply was not vague I do not know what it was. If net tonnage is meant, steamers of the size indicated could not pass through the Suez Canal, nor could they enter Brindisi. And yet the Prime Minister would not tell me what was meant. Either he did not know, or for some reason he was keeping the matter dark—perhaps in order to delude the contractor.

Mr. WATSON.—It is contrary to the rules of the profession to give an opinion without a fee.

Mr. DUGALD THOMSON.—But when asked a question in Parliament, a Minister ought to be able to give a straight answer.

Mr. FISHER.—He should be able to do so in respect of every business matter.

Mr. DUGALD THOMSON.—We ought to receive a straight answer to a simple question respecting a business matter of this kind. The Prime Minister says that this provision was intentionally left vague; but in my opinion the intention should have been distinctly set forth. If the vagueness was unintentional, then the clause is another illustration of the careless drawing of the contract. I need not discuss the difference between net and gross tonnage, but I would point out that very few vessels of 11,000 tons net are afloat. In clause 34 of the conditions we have a provision—for which, I think, the

Minister claimed credit—that is designed, I suppose, to prevent the preferential carriage of foreign goods. The clause provides that—

The contractor shall not give or agree to give any undue preference to any company or person outside the British Dominions in relation to the conveyance of or rates to be charged for persons or goods by any mail ships employed under the contract as compared with persons resident within the British Dominions.

I understand that this provision is designed to abolish the practice of the shipping ring in England, for instance, which is prepared to carry goods at a certain rate from Great Britain, and, notwithstanding transshipment expenses, will carry goods at a lower, or, at all events, the same rate, from Antwerp or Hamburg. But the clause as framed will not do away with that system. Goods imported from Germany and Belgium are often bought by the British agents of Australian firms. Those agents can buy in Belgium or Germany, and even under this condition it will be open to them to ship goods so purchased at preferential rates. All that this clause provides is that the contractor shall not give, or agree to give, undue preference to a company or person outside the British Dominions. As a rule, such preferences are given to persons, not outside, but within the British Dominions in respect of goods purchased abroad, and that practice can still be carried on under these conditions. There are one or two other matters with which I shall not deal, but, taking the contract as a whole, I think that the terms are decidedly advantageous, and that if it be carried out, and the conditions observed, it will give Australia an improved mail and steam service that ought to be beneficial to our shippers and producers. It has been stated during the debate that mail subsidies are designed solely for the benefit of the commercial classes. That is not so. As a matter of fact, defective means of communication with the country whence they import suits the importing classes. They can make far more money in the absence of cables and speedy mail services than they can where the means of communication are good, and information can be disseminated by cable among the smaller buyers.

Mr. DAVID THOMSON.—Then whom does the mail subsidy benefit?

Mr. DUGALD THOMSON.—The community.

Mr. DAVID THOMSON.—What section of the community?

Mr. DUGALD THOMSON.—It benefits the honorable member, among others. Is he not aware of that?

Mr. DAVID THOMSON.—No; and I do not think that the honorable member will be able to show me that it does.

Mr. DUGALD THOMSON.—One of the great difficulties under which we labour arises from our remoteness from the markets of the old world. If we were in closer touch with them, Australia would soon be teeming with people.

Mr. FISHER. — And there would be a financial saving in respect of bills of exchange.

Mr. DUGALD THOMSON.—I shall deal with that point presently. Anything which tends to reduce our remoteness from the markets of the old world is beneficial to our people. If the time of transit be cut down by days it makes a great difference to us, whilst a difference of a week is of still greater importance. Such a saving of time has a great effect on the carriage of perishable products, for even when they are kept in cool chambers they are liable to deteriorate. Then again, a great saving in interest is effected by the shortening of the time occupied. If honorable members were to reckon up the larger return secured by our exporters as the result of that saving of interest, they would find that even if it does not altogether cover the subsidy of £125,000 per annum, it goes a long way towards it. Another consideration is the saving to the merchant who sends drafts to Great Britain; the shorter the time the less the interest to be paid. That saving, in one sense, goes into the pockets of the merchant, but in another sense it does not. In these days of competition, except in relation to the product of a monopoly, all mercantile business is conducted on the basis of adding to the price of merchandise all charges in respect of it, and securing over and above those charges a profit sufficient to compensate those engaged in the trade. The trader gets more than is sufficient to compensate him if he can do so, but he will not continue in the business if there is no profit. The exchange on drafts constitutes one of the charges so added to the cost of goods. Any increase in charges means an increased cost, and the exchange on drafts appears as regularly in the cost-sheets as does freight or any other expense incurred. If a merchant finds that his goods including these charges cost him a certain

sum, and that he can afford to sell them at an advance of 5 per cent., he adds that as being sufficient to cover his profit.

Mr. FISHER.—Four per cent. or 5 per cent. is a good return.

Mr. DUGALD THOMSON. — That shows how little the honorable member knows about business matters. I do not wish to introduce personal matters, but the firm with which I was connected for a number of years never, during that time, made more than 5 per cent. on its import overturn. Nevertheless, it did very well, because it turned over its capital three or four times a year. Five per cent. on an overturn would mean not 5 per cent. on capital, but something more. Honorable members, however, in discussing these matters, often make a mistake in this regard. Five per cent. is not an unusual profit for an importer to make; but, as a rule, it would be too high an estimate. One per cent., 2 per cent., or even $\frac{1}{2}$ per cent. on very large lines will thoroughly satisfy most importers.

Mr. WATSON.—That is not the difference between the landed cost and the cost to the retailer.

Mr. DUGALD THOMSON.—Often it is not; but as a rule a man will not secure 5 per cent. on imported goods.

Mr. KING O'MALLEY.—A profit of more than 5 per cent. is secured in respect of imported spirits.

Mr. DUGALD THOMSON.—That is a special line of business. On some lines a return of 100 per cent. is gained, but I am speaking of ordinary trading. In such cases a return of 5 per cent. pays remarkably well. If the honorable member for Wide Bay were an importer with a capital of £40,000—and I am dealing with this matter because it affects the question of the mail service—and could turn over that capital four times a year, making a profit of 5 per cent., he would secure 20 per cent. on his capital, so that he would have an excellent return. The cost of a State-owned mail service such as is proposed by the Commission would be considerably more than the honorable member for Barrier has suggested, and, even assuming that the management was as good as that of a private company, and that there was no political interference, the earnings would be considerably less than is estimated by the Commission. In these circumstances, therefore, I cannot vote for the amendment. I am not going to say that under

certain conditions there might not be justification for a State-owned service. If we found persons taking advantage of a monopoly which they had established, and making it absolutely injurious to the interests of Australia, some action might have to be taken, but I do say that nothing of that kind has arisen, nor is it likely to arise with the free competition of the ocean. As we shall do much better under this contract than I believe we could possibly do with a State-owned line of steamers, I shall vote against the amendment.

Mr. McLEAN (Gippsland) [4.15].—So far as the mail service is concerned, I think that the Government have made a very good bargain, but I regret that under this contract no provision is made with regard to the carriage of perishable produce during the next ten years. That is one of the most regrettable features of the agreement. We all know what the export trade has done for New Zealand. It has lifted it from a state of depression, and made it one of the most prosperous, if not the most prosperous, colony in Australasia. We are aware also of the possibilities of our export trade. The future prosperity of Australia will depend very largely upon the volume and the quality of our exports. It seems to me that we have missed a very great opportunity to make favorable arrangements for the carriage of these perishable products. We know that any company which enters into a contract—irrespective of whether it be for the conveyance of our mails or of perishable products—must believe that it will make a profit out of the undertaking. If it can make a profit upon both lines, it can afford to make a much less profit upon each. If it makes an equal profit upon both lines, it necessarily follows that it can charge a lower freight upon each than would be possible if it were confined to one line only. I do not know whether it is too late for the Government to reconsider this matter, but in my opinion it constitutes a very serious omission. I think that a favorable arrangement for the future conveyance of our perishable products is of quite as much importance to the people of the Commonwealth as is a favorable arrangement for the carriage of our mails.

Mr. KING O'MALLEY.—It is of far more importance.

Mr. McLEAN.—There is no doubt that our export trade has a great deal more to do with the prosperity of the country than has a favorable mail service.

Mr. FRAZER.—Does the honorable member think that a fleet of steamers engaged upon the run from Great Britain to Australia would have any chance of succeeding unless they made that provision?

Mr. McLEAN.—At any rate, they are not compelled to make any such provision for the carriage of our perishable products. The contractors are not under any obligation to carry those commodities at a particular rate. Any arrangement that we may now make will be of a one-sided character, because we cannot give the mail contract to any other line of steamers which may enter into competition with them. When once this contract has been ratified, the opportunity to make favorable arrangements for the carriage of our perishable products to the markets of the world will have passed for a period of ten years. I do hope that the Postmaster-General will look into this matter, with a view to seeing if it is not possible, even at this late hour, to do something in the direction suggested. I can assure him that it would make the contract very much more acceptable than it is to the people of Australia, and very much more profitable. There is another matter upon which I should like to say a word or two. Although I am aware that nothing can be done at the present time, I cannot allow this opportunity to pass without expressing my regret that we have made it impossible for Australia to enter into a joint contract with the mother country for the carriage of our mails. When we were jointly interested with the old country in the carriage of our mails, the subsidy which we were called upon to pay was very much smaller than it is now. When the honorable member for Bland was in office, he was informed by the manager of the Orient Steam Navigation Company that the maintenance of our White Ocean policy had nothing whatever to do with the increased subsidy demanded by that company. But I know perfectly well that when the Ministry of which I was a member was in office some time later, that very question cropped up upon every occasion, and it was made very manifest to us that that policy had a very great deal to do with the increased subsidy which was demanded. We cannot get away from the fact that we have been paying a very much higher subsidy from the moment we passed the legislation in question. I am as strong a supporter of a White Australia as is any honorable member. I think that it is a policy for the maintenance of which we are warranted in

making sacrifices, because the purity of the race is involved. But the question of the maintenance of a White Ocean does not affect our people in any way. We may rest assured that if we prevent any colored aliens from being employed upon our mail steamers, their places will not be filled by Australians. The latter, I am pleased to say, can earn much better wages than those which are paid to persons of the former class. But, to my mind, the most serious aspect of the matter is that it causes a great deal of embarrassment to the mother country. Probably one of the greatest problems of the present age is the manner in which Great Britain governs some 300,000,000 of naturally brave people by means of a handful of Britishers.

Mr. SPEAKER.—Does the honorable member think that his remarks have any relevance to the proposed mail contract?

Mr. McLEAN.—I think that they are very intimately connected with it. My remarks have a great deal to do with the price that we are asked to pay in connexion with that contract. I do not think that I am out of order in referring to the different aspects of the question, and in showing why we should take some steps to repeal that section in our Postal Act to which I have directed attention.

Mr. SPEAKER.—The honorable member will be perfectly in order in doing that, but I understood that he was dealing with another point.

Mr. McLEAN.—My remarks have a direct bearing upon that question, as I think I shall be able to show. I was pointing out the difficulty which Great Britain must experience in governing those people whom we are excluding from employment upon mail steamers subsidized by the Government—people who are British subjects. It is only by satisfying them that they are being fairly treated by the mother country that she can hope to govern them with a mere handful of white men. If any number of them feel that they are being deprived of their employment by reason of our interference, they will regard our action in the light of a vindictive persecution. We know that the great Indian Mutiny had for its origin much less provocation than is afforded by our action in depriving these people of the means of earning their livelihood.

Mr. CARPENTER.—What nonsense!

Mr. McLEAN.—Will the honorable member say that the incident of the greased cartridges constituted as serious a matter?

Mr. CARPENTER.—Yes.

Mr. McLEAN.—The honorable member is welcome to his opinion, but it seems to me that to deprive men of the means of earning their livelihood is one of the most serious offences of which we can be guilty.

Mr. MAUGER.—We have not deprived anybody of his means of earning a living. All that we say is that we will not subsidize vessels which employ coloured labour.

Mr. FRAZER.—When that provision in the Postal Act was passed the Orient Company was not employing black labour.

Mr. McLEAN.—The Orient Company was not in the combine. I am pointing out that the Postal Act prevents us from joining with Great Britain in providing a service for the carriage of our mails and of our perishable products. The war in South Africa was the result of withholding the franchise from our countrymen there, and that, I contend, was not nearly so serious an offence as is that of depriving men of their means of livelihood. We should not endeavour, by any wanton act, to embarrass the mother country, upon which we depend for our defence. I draw attention to this matter, because it is as well that those who are opposed to that clause in our mail contract should be reminded of it. So far as the provision which has been made by the Government for the carriage of our mails is concerned, I regard it as most satisfactory. The amount of the bond is very small, considering the magnitude of the interests involved, and the great cost that would accrue to Australia if by any chance the contractors failed to carry out the undertaking. It appears to me that, if the firm in question entertains no doubt of its *bona fides*, it could just as well give a bond for £100,000 as for £25,000. No money deposit is demanded; only a bond is required, and that bond should have been large enough to put the matter beyond the possibility of doubt. However, I suppose that the Government have satisfied themselves upon that point, and I do not wish to labour it. With regard to the amendment of the honorable member for Barrier, I can only say that he made the very most of his case. He delivered a very able speech, and I certainly think

that he made the best use of the material at his disposal. But to-day the honorable member for North Sydney has shown how very flimsy that material was.

Mr. FRAZER.—He merely quoted one opinion against another.

Mr. McLEAN.—The honorable member for North Sydney brought his own experience to bear, and placed before us figures which absolutely discounted the value of those quoted in the Commission's report. The honorable member for Barrier himself did not attach much importance to the figures upon which his estimates were based. He admitted that they were not capable of any proof.

Mr. FRAZER.—The honorable member for North Sydney said that he disagreed with them, and that about represents the position.

Mr. McLEAN.—Before we enter into a contract which will involve an expenditure of over a million sterling, we should have something more than admittedly faulty estimates to go upon.

Mr. FRAZER.—Where shall we get them from?

Mr. McLEAN.—It is not for me to determine the means by which they shall be obtained at the present moment; but the fact remains that they are obtainable. For instance, the honorable member for North Sydney gave us some very excellent information to-day. I venture to say that, if it is analyzed, it will be found much nearer the actual figures than is the estimate submitted to us the other day. It has been argued with some force that it is as reasonable for the Government to control transport by sea as to control land transport. I have no objection to the principle of the proposition, if it could be justified on its merits. I do not oppose it on political grounds. But it must be admitted that the Government railways have a monopoly, whereas a Commonwealth steam-ship line would not have a monopoly, but would have to face the keenest competition. Besides, the Governments of the States did not undertake the construction of railways with a view to obtaining profits upon the carriage of goods and passengers. Their lines were made chiefly with a view to open up the country and develop its resources.

Mr. WILKINSON.—Does not the giving of communication with countries oversea help to do that?

Mr. McLEAN.—Yes; but we have **s** communication now. If there had **b** private railways in existence, opening the country, and giving the producers **a**cc to markets, I doubt if the Governments the States would have constructed **o**tl lines in competition with them. The **S**t. Governments were compelled to build **r**a ways, because of the absence of **p**riva lines.

Mr. WILKINSON. — The first Victorian railway—the Hobson's Bay Company's li—was a private concern.

Mr. McLEAN.—That was only a **s** urban railway, and the population of **t**l suburbs being dense, the suburban **l**ine have paid handsomely, although for **m**an years the country lines were losing **£**1,00 a day. I do not think that honorable **m**em bers who are supporting the amendmen have paid due regard to the fact that **o**u needs in the matter of ocean transport **a**n already served by private enterprise. **I**f we had no means for sending our **p**roduct to the markets of the world, I would **b**e as much in favour of a State-owned steam-ship service as I am in favour of State-owned railways. I join issue with my honorable friends of the Labour Party **o**nly when they propose to take from private individuals the enterprises which they have built up by their industry. I do not object to State enterprise in legitimate directions. However, I do not think that the honorable member for Barrier intended his amendment to be taken seriously. His object was, apparently, to ventilate the question.

Mr. FRAZER.—In making that statement, the honorable member does an injustice to the honorable member for Barrier, who is serious about this matter.

Mr. McLEAN.—I think that if he had been serious he would have been better prepared with data.

Mr. FRAZER. — The honorable member has just congratulated the honorable member for Barrier on his speech.

Mr. McLEAN. — I congratulated the honorable member for Barrier upon the manner in which his speech was made. No doubt he did the best he could with the material at his disposal, but that material was defective.

Mr. WILKS.—His material was defective, although a Royal Commission spent a good many months in inquiring into the whole subject.

Mr. McLEAN.—I rose to draw attention to the need for making arrangements

in the contract for the conveyance of perishable produce, and I hope that, even at this late stage, the Postmaster-General will consider the possibility of opening up negotiations with a view to making such provision.

Mr. WILKINSON.—For the conveyance of perishable produce from Brisbane as well as from other ports.

Mr. McLEAN.—From the whole Commonwealth. I do not advocate the interests of one place in opposition to those of another. I attach very great importance to this matter, and regard the omission as a very serious one. I know that it will be so regarded by all interested in rural enterprises throughout Australia, and it is generally admitted that rural industries constitute the foundation upon which our prosperity must rest.

Mr. FRAZER (Kalgoorlie) [4.34].—I wish to congratulate the honorable member for Barrier on the speech which he made in moving the amendment, and to say that I also listened with considerable interest to the able address of the honorable member for North Sydney. I think that it is generally recognised that, whenever the honorable member for North Sydney speaks, he imparts to honorable members a great deal of information in regard to the subject under discussion. But before dealing with his remarks, I wish to devote a few words to the position which has been reached in connexion with the conveyance of mails from Australia to Great Britain. The Postmaster-General, when moving the ratification of the contract which has been entered into with Messrs. Sir James Laing and Company, told us that in 1897 we paid a subsidy of £72,000 for a service of 696 hours, under an arrangement to which the States, the British Government, and the Orient and Peninsular and Oriental Steam Navigation Companies were parties. The possibilities of trade then, however, were not equal to what they are now. There has been a considerable increase in the Australian trade of late years, but that fact has not had the effect of reducing the amount asked as a subsidy for the conveyance of mails between this country and Great Britain, and it is now proposed to pay a still higher subsidy. Owing to the action of the shipping ring, the Commonwealth was forced to pay a subsidy of £120,000 per annum to the Orient Steam Navigation Company for the conveyance of mails under the contract now

in existence, and we are asked to increase the subsidy by £5,000 under the terms of the contract now under discussion.

Mr. McCAY.—What subsidy is asked for in connexion with the proposed Commonwealth line?

Mr. FRAZER.—The Commission estimates the receipt of £150,000 from the Postal Department, which is only £4,000 more than the total amount now received by the Orient Steam Navigation Company from the Commonwealth and Queensland Governments.

Mr. McCAY.—But the amount estimated for is more, not less, than that asked for under the contract.

Mr. FRAZER.—The money would be put into a Government undertaking. I ask the honorable and learned member whether he would not rather vote to expend £5,000 on a Government undertaking than to expend it on a private undertaking?

Mr. McCAY.—That is too vague a question for me to answer.

Mr. FRAZER.—The honorable and learned member does not answer it because he does not wish to commit himself definitely to either private or Government enterprise.

Mr. McCAY.—Before answering the question, I should wish to know the reason for the expenditure.

Mr. FRAZER.—In my opinion, a subsidy of £125,000 for a mail service to Europe is excessive. It is true that under this contract, the mail steamers will occupy sixty hours less on their trips than was stipulated for by the contract under which a subsidy of £72,000 was paid.

Mr. King O'MALLEY.—What difference does that make to the people generally?

Mr. FRAZER.—The taxpayers of Australia are being asked to pay £50,000 or about £1,000 an hour, for that acceleration of service.

Mr. HARPER.—The gain is sixty hours each trip, not on the aggregate number of trips.

Mr. FRAZER.—In my opinion, the number of those in communication with other parts of the world, to whom quickness of transit is of great importance, is very small, putting out of consideration those connected with banking institutions, and the commercial classes of the community. The proposed subsidy is to be paid to benefit the banking and commercial institutions of Australia.

Mr. McCAY.—Would the honorable member advocate the abolition of subsidies?

Mr. FRAZER.—I would substitute the poundage system referred to in the Commission's report.

Mr. McCAY.—Then the honorable member is opposed to the establishment of a Commonwealth line?

Mr. FRAZER.—No, not necessarily. I am dealing now with the question of subsidy, and will explain my position in regard to the amendment in my own good time. The Secretary to the Postal Department, in giving evidence before the Commission, pointed out that, under the poundage system, the cost of an oversea mail service would be about £40,000 per annum, so that a saving of £85,000 per annum could be effected upon the proposed subsidy. The possibility of so large a saving is deserving of consideration. It may be argued that, if a poundage system were adopted, the service would not be so regular as that secured by the payment of a subsidy. No doubt it is quite possible that the steamers would not start punctually, as they do now from Adelaide, at 2 o'clock every Thursday afternoon. They might, indeed, leave as late as 6 o'clock on the days specified for their departure. But no line of steamers trading between England and Australia could successfully carry on its operations in the face of the competition which it would have to meet if it did not advertise months beforehand the date and hour of the departure of its vessels from the various ports of call. If it omitted to do so, or departed to any great extent from the time-table laid down, the travelling public would cease to patronize it. But, even if we did not secure quite so regular a service as we now get, the saving which would be made by the adoption of a poundage system is worthy of consideration, and would justify us in facing the difficulties which are anticipated in connexion with such a system. The Postmaster-General tried to make a good deal of capital out of the fact that the vessels of the company which it is proposed shall, for the next ten years, carry our mails, will fly the Australian flag. No doubt, we may congratulate ourselves upon the probability of having a fleet of vessels trading between Australia and England which will fly that flag; but the honorable gentleman might also have made provision for the manning of the ships with Australians or Britishers, to be paid Australian rates of wages. The honor-

able member for Kennedy last night showed what extraordinary changes have taken place of late years in the character of the British mercantile marine. He said that, while in 1860 the foreigners employed on British ships were 9 per cent. of the total, in 1900 they numbered 47 per cent.

Mr. HARPER.—But there has been an enormous increase in our mercantile marine during that period.

Mr. FRAZER.—That does not affect the percentages with which I am dealing.

Mr. HARPER.—The quotation of percentages is very misleading, unless all surrounding facts are given.

Mr. FRAZER.—Even the honorable member for Mernda cannot dispute the statement that, if 40 per cent. of those employed on British ships are foreigners, it means that nearly half the total number of men there employed are foreigners.

Mr. FOWLER.—Even the British Conservatives are becoming alarmed at the increasing number of foreign seamen employed in the mercantile marine.

Mr. FRAZER.—Yes; and they ought to be alarmed. Yet we hear the honorable member for Gippsland deploring the fact that we will not subsidize ships upon which black labour is employed. It seems to me that any one who takes that view must be entirely out of sympathy with the object that we have in view, namely, to increase the number of white British subjects employed in our mercantile marine. I would infinitely prefer to see Danes, Germans, or Swedes, rather than lascars, employed upon British ships.

Mr. McCAY.—What proportion of the 48 per cent. of foreign seamen employed in the British mercantile marine are coloured men?

Mr. FRAZER.—According to the return handed to me by the honorable member for Kennedy, there were, in 1860, 334 lascars employed on British ships, whereas in 1900 the number had increased to 36,000.

Mr. THOMAS.—There are more than that now.

Mr. FRAZER.—I think that indicates a position sufficiently alarming to induce us to seriously consider whether we should not insist that none but Britishers should be employed upon any steamers subsidized by us.

Mr. McLEAN.—Does the honorable member think that Great Britain should deny means of employment to her coloured subjects?

Mr. FRAZER.—I think that her duty to her white subjects should come uppermost, particularly in connexion with the mercantile marine, upon which she may have to depend at some critical period of her history. We should all feel much safer if we knew that our mercantile marine was manned by Britishers instead of by lascars, who can have no sympathy with our aspirations.

Mr. WILKS.—Should we, not be in an equally weak position if we substituted Scandinavians for lascars in our ships—would not the Scandinavians fight against us in time of war?

Mr. FRAZER.—I should prefer to depend upon Scandinavians rather than lascars. The least we could expect would be that any foreigners working upon vessels flying the Australian flag would become naturalized citizens of the Commonwealth.

Mr. JOSEPH COOK.—If we were at war with Germany, the honorable member would prefer our ships to be manned by Germans rather than lascars.

Mr. FRAZER.—The honorable member is suggesting an extreme case. At present, we are at peace with all the great powers, and I should prefer to see white foreigners rather than black British subjects on our ships. We could get over the difficulty so far as foreigners are concerned by insisting that they should become naturalized subjects, which throws on them the obligation of having to defend our country. I do not see any insurmountable difficulties in the way of adopting the amendment of the honorable member for Barrier. It has been admitted by those who should be in a position to know, that there is no reason why the Commonwealth should not successfully run a line of State-owned steamers. Mr. Kenneth Anderson stated that it would be as easy for the Commonwealth as for a private company to obtain the services of expert and experienced men to manage their enterprise. It has always been urged by those who are opposed to the Government taking over paying concerns, that Government control and supervision is not satisfactory, except where a monopoly can be brought about. I would point out, however, that more than one case could be quoted to prove the contrary. For many

years politicians in Victoria held the view that the Government railway workshops could not successfully compete with the Phoenix Foundry Company, at Ballarat, in the manufacture of locomotives. Experience showed, however, that under capable management and strict supervision the Government workshops could hold their own against all the manufacturers of locomotives in Australia. It was demonstrated that they could turn out as good an article as could private manufacturers, and at less cost. Further, at the Government railway shops, at Eveleigh, the officials have shown that they can carry on their work more economically than it can be performed in private establishments. The experience gained in these establishments seems to me to furnish an effective reply to the remarks of the honorable member for North Sydney. The honorable member was not successful in his attempt to show that the estimates put forward by the Shipping Service Commission are unreliable. He disagreed with them, but was not in a position to give us facts and figures in support of the position he assumed, and, therefore, all his protestations were useless. The honorable member for Barrier has devoted close attention to the subject for many months, and has had the advantage of listening to the evidence given by many of the most highly-qualified men in Australia. After close study and investigation, he has prepared a report based upon the best available testimony, and has produced estimates which we are justified in accepting until they can be shown to be unreliable. To my mind, he has made out a very strong case in favour of the establishment of a State-owned line of steamers, and, therefore, I shall vote for his amendment. I think it will be preferable for us to pay £125,000 per annum by way of subsidy to a Commonwealth undertaking, in the profits of which the general public would share, rather than to a private concern. The proposed new contract, although no doubt, in many ways, better than that now being carried out by the Orient Company, appears to call for an altogether exorbitant subsidy. I believe that a service equal in many respects, and inferior in very few, to that proposed could be obtained by paying for the carriage of the mails upon the poundage system, at the rate of, say, £40,000 per annum. Therefore, I do not think we should be justified in ratifying the agreement.

Mr. KING O'MALLEY (Darwin) [4.58].—I see very serious objections to the ratification of the proposed contract. It is intended to enter into an agreement for ten years. Within a decade, millions of persons are born and die, and wonderful improvements are effected in the industrial arts, and in the means of transit, and so on. We may reasonably expect that, before the next ten years are past, we shall have steamers running between Australia and Europe within very much less time than is now occupied in the carriage of our mails. Only lately the steamers employed on the large lakes in America have been able, by the use of oil as fuel, and other means, to accelerate their speed to such an extent that they can make as good time as the railway trains. We are proposing to enter into a contract under which we should be denied the advantages of any improvements such as I have indicated. The Postmaster-General, who ought to be the guardian of the people's rights and interests, has entered into an agreement which will not bind the company to give special rates for the carriage of Australian products to the markets of Europe. Brindisi is to be the European terminus, whilst Adelaide is to be the Australian stopping point. We guarantee to pay the company a subsidy of £125,000 a year, so that at the end of ten years we shall have paid away £1,525,000, inclusive of interest at the rate of 4 per cent. We have no guarantee, however, that the company will in any way improve the condition of the producers of Australia by giving them better facilities for the carriage of their exports than they have hitherto enjoyed. This is a serious matter. The farmers, manufacturers, and business men of Australia generally cannot enter into direct agreements with the company, and the Postmaster-General, as the representative of the whole of the people, should have inserted in the contract a clause requiring the company to give our producers reasonable terms. It should have been stipulated that in the event of the company and the Government finding it impossible to make satisfactory arrangements in this regard, the whole matter should be submitted to arbitration. A subsidy of £125,000 per annum should be a bait, enabling the Commonwealth to make a splendid contract from the stand-point of the producers, and yet nothing is to be done for them under this agreement, which will extend over ten

years. Where shall we be at the end of that period? It is all very well to say that the vessels of the company must call at Melbourne and Sydney, in order to secure the cargo necessary to enable the company to create a profit, but the fact remains that no such condition has been made. As the *Age* points out this morning, the company might prevent other steam-ship companies entering the Australian trade, and, having once destroyed opposition, they would be able to charge whatever rates they pleased. I should infinitely prefer to devote the subsidy to the establishment of a State-owned line of steamers as proposed by the honorable member for Barrier.

Mr. SALMON.—We shall have some control over the company.

Mr. KING O'MALLEY.—The control we shall have will be something like that which this Parliament is supposed to exercise over three-fourths of the revenue of the Commonwealth. We may talk a lot, but talk is cheap. I think that the contractors have outgeneralled the Government. It will be open to them to determine the contract in the event of this Parliament passing legislation which in their opinion diminishes their income—

Mr. HIGGINS.—They will have to prove that it has diminished their income.

Mr. KING O'MALLEY.—What constitutes a diminution of income? If a member of the Labour Party moved that an improvement be made in regard to the carriage of produce, or if some other proposal relating to shipping were carried, the company would be able to say, "This is a violation of the spirit of our contract; the course proposed is detrimental to us," and it is impossible to say what the Commonwealth would have to pay in order to recoup the company the resulting losses. The agreement provides that if, as the result of legislation passed by the Commonwealth, the company loses at least £5,000 a year, they are to be recouped. What is £5,000 to a big steam-ship company. It would represent produce that could be stowed away in so small a space that one would need a microscope to find it. And yet this concession was made as an inducement to the company to enter into the contract. This is one of the most dangerous provisions that has ever come before this House. We shall find that it is something like the solicitor's bill of costs in connexion with the

Butter Commission. Five thousand pounds seems a very small sum, but when the time comes for us to fight over the question of losses, it will certainly grow. If we ratify this contract, and subsequently pass a Navigation Bill in accordance with the recommendations of the Navigation Commission, the company will be in a position to demand from us an increased payment.

Mr. McWILLIAMS. — If the Bill interfered with the contract they would be able to do so.

Mr. KING O'MALLEY. — And no doubt it would interfere with the contract. If, as the result of the passing of the Australian Industries Preservation Bill, a stop were put to dumping, and the volume of our imports was in that way reduced, the company might claim that it had suffered a loss which the Commonwealth should recoup. I believe that this contract is a trap for the Labour Party. I can see dangers throughout its provisions, and yet the Government smilingly ask us to accept it as a good thing.

Mr. SALMON. — The Chamber of Commerce also says it is a good thing.

Mr. KNOX. — If carried out it certainly will be.

Mr. KING O'MALLEY. — I am not quite sure, but I believe that a number of gentlemen connected with the Chamber of Commerce were rather sweet on the "butter business."

Mr. KNOX. — I do not think the honorable member has a right to make that statement.

Mr. KING O'MALLEY. — We have shipping rings, and industrial and banking rings, all over Australia, as well as in other countries. I believe there is only one company to tender for the mail service between Tasmania and the mainland, and all the shipping companies are members of rings. When the honorable member for North Sydney asserts that it would cost the Government more than it costs a private company to run a mail service, I feel constrained to ask how private companies manage to carry on? According to the honorable member, the Orient Steam Navigation Company has been losing money ever since it started, and yet it is not bankrupt. It is like a book-maker. When one speaks to such a man, one is always assured that he is losing money, and yet, although he produces nothing, he invariably lives in a fine house. And so with Melbourne merchants. If

these private companies are constantly falling behind, is it not time for the Government to come to their rescue and to take the whole business out of their hands, in order to save them from complete bankruptcy?

Mr. McWILLIAMS. — That is not a good argument.

Mr. KING O'MALLEY. — I put it from a philanthropic stand-point. Perhaps my socialistic tendencies will not permit me to go far enough. It is said that we have a duty to perform. We should say to those gentlemen who have been operating these private corporations for years, "While you have grown fat, and lived in palaces, your companies have been losing money, and before we allow you to become absolutely bankrupt we will take over the mail service in which they are engaged." It would be far better for the Commonwealth to face this problem now, and to establish its own fleet without delay. Our banks are paying from 10 to 15 per cent. by way of dividends. Their coffers are full, and the country is prosperous.

Mr. KNOX. — What banks are paying from 10 to 15 per cent. in dividends?

Mr. KING O'MALLEY. — Occasionally I pick up the balance-sheets issued by the banks, and see what they are paying. The *Australasian Insurance and Banking Record* declares that those dividends are being paid, and shows that the banks have millions sterling in their vaults. All this money is lying idle. Surely they cannot have a better investment than would be afforded by the opportunity to sink that capital in Commonwealth stock at 3 per cent.? I can borrow money at 4 per cent., and surely the Commonwealth ought to be able to get it at 3 per cent.

Mr. HIGGINS. — The honorable member wishes us to incur our first loan for the purpose of establishing a national fleet of mail steamers?

Mr. KING O'MALLEY. — No. I am opposed to loans; but I can tell the honorable and learned member how this difficulty can be overcome. A national fleet of steamers could be constructed if the Commonwealth adopted the example of the United States, when they fought the War of Secession.

Mr. McWILLIAMS. — By means of "greenbacks"?

Mr. KING O'MALLEY. — By issuing as legal tender Commonwealth notes based upon the products, the properties, and the revenues of the Commonwealth. We should

not then have to depend upon the money-mongers, pawnbrokers, and Stock Exchange gamblers of Europe. The project can be financed in such a way that Australia will prosper. I shall vote with the honorable member for Barrier, and if the Government is not high enough to be seen across its own wife's kitchen, let it step out. I am willing to conduct the show. I believe that the Postmaster-General has the courage to support the establishment of a Commonwealth line of mail steamers. He sees that this country is rich enough and strong enough to own, not only steamers running to Europe, but vessels trading all round Australia. We should then be able to prevent the continuance of the cursed system of granting rebates and of making discriminations. Under present conditions, the little man has almost been dispensed with. Nowadays nobody wants him. There is no room for him in Australia. We want a system which will help the little producer, the little distributor, and the little trader—a system which will pick up the people who are cast out by the big institutions. Unless the Postmaster-General consents to the insertion in the contract of a clause which will make it impossible for the contractors to recover damages from the Commonwealth in case we enact legislation which is unacceptable to them, it should be rejected. It is very easy to get oneself into trouble, and very difficult to get oneself out of it. I do not want to see lawsuits entered upon after this contract has been ratified. Under the terms of the agreement, if we demand an improvement in the service during the currency of the contract, the contractors may demand an extension of their contract at an advanced rate.

Mr. WILKS.—The honorable member should vote against the agreement.

Mr. KING O'MALLEY.—I shall have to do so unless the Postmaster-General can give me an emphatic assurance.

Mr. AUSTIN CHAPMAN.—Do not vote against it.

Mr. KING O'MALLEY.—I shall be guided by what the honorable gentleman has to say regarding the manner in which he proposes to deal with this matter.

Mr. WILKS.—Does not the honorable member think that five years is a sufficiently long period for the contract to cover?

Mr. KING O'MALLEY.—I think that three years is long enough. If a similar contract had been entered into before the dis-

covery of steam, and if the application of steam power to locomotion had been introduced immediately after it had been ratified, we should have had our mails carried by stage coaches for nine years, whilst the trains were running alongside of them. I want the Government to recognise that they must do something for the producers. They must endeavour to obtain conditions which will insure that the contractors shall charge the producers reasonable prices for carrying their produce to the markets of Europe, and the Australian people reasonable prices for the conveyance of their goods from Europe. After the next election I hope to see a Tariff Bill introduced into this House which will discriminate between Australia and the cheap labour countries of the world. If such a Bill were submitted, as a protectionist I should feel bound to support it. If by means of such legislation we enabled the Australian people to manufacture all that is necessary for their own requirements, would not our action diminish the income that would otherwise be derived by the mail contractors, in which event they would be able to terminate the contract or demand an increased subsidy from the Commonwealth, or take legal action. I wish to say that the Court which gave judgment in the *Taff Vale* case would not have much hesitation in giving a verdict against the Commonwealth.

Mr. WILKS.—No provision is made in the contract for the conveyance of perishable products.

Mr. KING O'MALLEY.—Exactly. It really seems to me that there is something wrong with the Government. I confess that during the past year I have been sitting back like a well-saddled back. I have remained silent, and have always been prepared to vote. The Government have not always been able to depend upon themselves, but they have had the knowledge that the Labour Party was like a rock of ages behind them. Yet what has the Postmaster-General done for the potato-growers on the West Coast of Tasmania or for the fruit-growers of Franklin? We are asked to pay a subsidy to a private company which may at any time join a great combination and so bring about our destruction. If we paid that subsidy to the Commonwealth it would be sufficient to cover the interest upon the money required for the construction of a national fleet of steamers, and to provide a sinking fund, so that eventually the fleet would become our

own. The estimates put forward by the Shipping Commission are reasonable from every stand-point. Why should the Government be required to insure its property with private institutions? The honorable member for Barrier has estimated insurance at £150,000 per annum, and he has allowed a similar amount for a sinking fund. I think that his calculations all round are splendid, and by establishing a national line of mail steamers we should be acting far more wisely than we shall be by throwing away £1,525,000 upon the proposed contract. Under the Government proposal our last condition will be worse than our first. I intend to vote for the amendment of the honorable member for Barrier, and, if it be defeated, I shall endeavour to reduce the term of the contract to a period of five years. I shall give notice of an amendment with that object. I may say that this is not intended as an expression of want of confidence in the Government, because I do not want the job of Minister for the next three months, since it would not be worth while to accept it for that period.

Mr. WATSON (Bland) [5.30].—I do not agree with those who argue that only a small class of the community benefits by rapid mail communication, or that the payment of a subsidy, or the incurring of loss in some other way, is not justified to secure that end. I agree with the honorable member for North Sydney that rapid communication with other parts of the world for the conveyance of our mails, passengers, and produce, is of advantage to the whole Commonwealth, although the direct benefit may appear to be confined to a comparatively small section of the population. I think it worth while for this community to make some effort to insure rapid and regular communication, with a view to cheapening commercial transactions, and am content that that should involve a loss, such as in most cases is sure to be involved where communities are as isolated, and as distant from the markets of the world, as we are. Of course, we may pay too great a price for the benefits of rapid communication.

Mr. WILKS.—Would the honorable member make a contract for a period of ten years?

Mr. WATSON.—I will deal with that matter in a moment. I am not in favour of paying an exorbitant mail subsidy such as, in relation to the benefits received, we have paid in the past. But, assuming

that it is a right thing to make some sacrifice to secure a rapid and regular mail service, I am bound, in contrasting the terms of the present contract with the conditions which have previously obtained, to say that, while some of these terms are ambiguous, and should, before the completion of the arrangement, be made more exact and clearer, the contract seems to be a vast improvement on all that have preceded it. It is claimed that the Orient Steam Navigation Company has done good work for Australia, and I should be the last to deny that claim. It entered into the trade when there was comparatively little encouragement to competition, and has served the community reasonably well. But we cannot ignore the fact that most of its boats are now comparatively obsolete, their speed being low, and the facilities they offer not being such as the trade and position of Australia justify us in demanding. The steamers to be employed under the new contract are to be of a minimum tonnage of 11,000 tons register, which I take to mean gross register, because, as the honorable member for North Sydney has pointed out, vessels of 11,000 tons net register are very few.

Mr. WILKS.—A vessel of 11,000 tons net register would be about 17,000 tons gross register.

Mr. WATSON.—I think that it would be even larger than that. Vessels of a tonnage of 11,000 gross register would be of about the size of the White Star steamers or the largest Norddeutscher-Lloyd steamers which now visit our ports.

Mr. DEAKIN.—They will be larger than any of the Peninsular and Oriental Steam Navigation Company's steamers which come here.

Mr. WATSON.—They will be larger and a little faster than the largest of the Peninsular and Oriental Steam Navigation Company's steamers which come here, and may, therefore, be expected to afford greater facilities for the carriage of produce, while the saving of two and a half days on the journey will be of considerable moment, and an advantage which it is worth while to make some little sacrifice to secure. The honorable member for Dalley asked whether I favour the making of a contract for a period of ten years. In my view, it would be idle to ask a syndicate or company to construct vessels for a service of this kind without offering at least a ten years' contract, because it must be remembered that these vessels will be of a special class. They must be constructed to carry

a larger quantity of coal than is carried by the steamers crossing the Atlantic, because of the longer distances which they will have to travel at a comparatively high rate of speed.

Mr. DEAKIN.—And because they will have to pass through the Suez Canal.

Mr. WATSON.—Even if they came by way of the Cape of Good Hope, and maintained the speed which we ask for, they would have to be given special bunker space to enable them to carry the coal necessary for the voyage.

Mr. TUDOR.—The vessels trading between Australia and England coal at various ports along the route.

Mr. WATSON.—Yes; but they cannot coal as frequently as do the vessels crossing the Atlantic.

Mr. JOHNSON.—The proposed vessels must not draw more than 30 feet of water.

Mr. WATSON.—I think that the depth of water at Brindisi, and even at Sydney, does not exceed 30 feet.

Mr. MCWILLIAMS.—The other day a vessel drawing only 28 feet had to leave Sydney, and finish her coaling at Hobart.

Mr. WATSON.—I am glad to be able to say that the shallow patches in Port Jackson can be deepened at a comparatively small cost, and I am under the impression that the Sydney Harbor Trust is now taking steps to get rid of the small difficulties to navigation which now exist there. For all these reasons, it will be necessary to build boats of a special class, and it would be idle to ask any firm to do that, and to enter into competition with the companies already in the trade, without offering something like reasonable security of tenure. Therefore, under the circumstances, I do not regard a period of ten years as too long.

Mr. WILKS.—Assuming that the boats have to be built.

Mr. WATSON.—Yes. Even if the Orient Steam Navigation Company had tendered on similar terms regarding size and speed, it would have had to get boats specially built. In any case, we must contemplate the construction of new vessels, and be prepared to offer reasonable inducements for the use of the right class of vessels. In my opinion, the proposed new service will give conveniences to the Commonwealth far greater than we have hitherto obtained. The only question which remains, therefore, is whether its terms are likely to be fulfilled. A great deal has

been said about the possibility of the tenderers being merely a speculative syndicate, which has obtained the concession with a view to hawking it through the financial world, London, and is willing to risk a certain amount because of the probability of success. I do not know sufficient of the firm of Sir James Laing and Sons to be able to express an opinion on the subject.

Mr. JOHNSON.—A good many of us feel doubtful upon the point.

Mr. WATSON.—Those of us who are not members of the Cabinet must necessarily be at a disadvantage in trying to arrive at a conclusion on this head. If the Government have not assured themselves of the likelihood of the contract being carried out, they have no right to ask us to indorse it, because it would be an exceedingly serious matter if we approved of the contract, losing the chance of securing other tenders, only to find that it was not to be carried out. In that case, we should have to make hurried arrangements at the last moment, and might find ourselves cornered. Therefore, it is important that the Government should know that the tenderers are men of substance, and not men of straw; and they must be held responsible for the stability of those with whom they have contracted. Private members have not access to the sources of information which are available to the Government, but it is only reasonable to suppose that they have taken all possible steps to satisfy themselves that the contract, if approved by Parliament, will be carried out.

Mr. HIGGINS.—If it is not, we can still fall back on the poundage system.

Mr. WATSON.—I regard the poundage system as likely to be unsatisfactory.

Mr. HIGGINS.—Still, we are not likely to be cornered.

Mr. WATSON.—No; but the probability is that, a few months later, we shall be in a worse position to make a satisfactory contract than we are in now, when the present contract has yet some time to run. As I have said, several of the clauses in the contract appear rather ambiguous. That which relates to the making of an extra payment to the company, should the Commonwealth pass laws relating to shipping, might be made much clearer. I have no doubt as to the intention, and I believe that the contract with the Orient Company contains a similar provision; but we must look to the possibility of litigation arising,

and of claims being made, under this provision. I do not anticipate that laws will be passed which will materially affect the position of oversea companies; but there is that contingency, and the provision to meet it should be clearly expressed. It should be stated that the laws referred to in the contract are laws directly relating to shipping. Two or three other points with which I shall not deal have been brought forward by the honorable member for North Sydney and others, and the Government will do well to give them attention before the contract is finally ratified. There is before the House an amendment moved by the honorable member for Barrier, consequent, I assume, to some extent upon the information which he has gathered as Chairman of the Royal Commission which recently took evidence throughout Australia on this subject. The Commission did excellent work in making public information which was either not generally known, or imperfectly understood, by the great body of the people. It seems to me the appointment of the Commission has been abundantly justified by the results of its investigations into the methods of the coastal steam-ship companies, which interfere with legitimate trade. In its inquiries as to the action of the Shipping Conference in England, and its effects upon Australian trade, and into the conditions of the rebate system, and in various other directions, the Commission has also done excellent work, and I am glad to join other honorable members in complimenting its members on their report, and the information contained in it.

Mr. JOHNSON.—I do not think honorable members complimented the Commission on their report, but rather congratulated the Chairman upon having delivered an excellent speech based upon such flimsy material.

Mr. WATSON.—Honorable members have certainly referred to the valuable information contained in the report itself, and I think that a great deal of it will prove useful, even to honorable members who may not agree with the conclusions arrived at by the Commission. With regard to the amendment, I do not sympathize with some of the objections put forward by honorable members opposite. I have no fear whatever of Government ownership. Honorable members in their references to our railway management, appear to me to have shot very wide of the mark.

The railways of Australia, although they may not always have been managed with the best results, have on the whole proved of incalculably greater benefit to the people of Australia than would have been the case if they had been in private hands. The honorable member for Parramatta not very long ago, when addressing a public meeting, spoke about the losses that had been incurred in carrying on our railways, and in running our Post and Telegraph Department. When speaking of the losses involved in connexion with the Post Office, for instance, one has to look at the whole of the surrounding circumstances. It would be an easy matter to wipe off the loss to-morrow—and no one knows that better than does the honorable member for Parramatta—by cutting out the unproductive and expensive services that are now maintained upon the outskirts of civilization. But who would deliberately advocate that these conveniences, such as they are, should be withdrawn from those who are performing pioneering work in the interior of the country? So it is also with the railways.

Mr. JOSEPH COOK.—As a matter of fact, we have imported railway managers who have cut down the outliving services in order to produce a good balance-sheet.

Mr. WATSON.—I was speaking of the Post and Telegraph Department.

Mr. JOSEPH COOK.—I say that the Post and Telegraph Department could be made to pay.

Mr. WATSON.—Of course it could, but who would wish to make it pay by adopting the most obvious means of bringing about that result—a means of which a private company would avail itself to-morrow? It would immediately cut down the unprofitable services in connexion with which possibly it might cost half-a-crown, or even five shillings, to deliver a letter.

Mr. JOSEPH COOK.—That is not the only way in which the Department could be made to pay.

Mr. WATSON.—That is the means which would at once appeal to a private syndicate or company. Speaking of the railways in New South Wales, I may point out that we have frequently run branch lines into districts before they were developed, with the object of opening them up, and naturally, for a time, we have incurred a loss upon such services. A number of

the so-called losses upon branch lines, however, do not really exist. The Commissioners in New South Wales—and I suppose the same principle is adopted in other States—credit the branch lines only with their proportion of the revenue derived from the total mileage of freight, ignoring the fact that the branch lines are most important feeders of the main lines, and bring to them traffic that otherwise would not be carried on them at all. Many of the branch lines show an apparent loss, but if the railway service were considered as a whole, they would show an absolute profit. Although the loss incurred upon many branch lines aggregates hundreds of thousands of pounds, the earnings of the main lines are, in some years, more than sufficient to counterbalance the loss. That was the case last year. I admit that where there is a deficiency in the returns from the branch lines which do not contribute to the main-line traffic, the loss is absolute. However, the so-called losses upon branch lines frequently do not exist, and are evidences of good management rather than bad management. With all the mistakes that have been made on our railways, and with all the inefficiency that may be here and there apparent, the results, so far as the taxpayers are concerned, have been beneficial. Let us contrast the action of the States railways—the socialistic railways, as some people call them—during the last drought, with that of two privately-owned railways in New South Wales.

Mr. McWILLIAMS.—And also contrast it with the action of this Parliament.

Mr. JOSEPH COOK.—And of the honorable member and his party.

Mr. WATSON.—If I remember aright, I formed one of the deputation that waited upon the Minister of Trade and Customs and asked for the suspension of the fodder duties at the time of the drought.

Mr. JOSEPH COOK.—I beg the honorable member's pardon. I thought that he had voted against the suspension of the duties.

Mr. WATSON.—I do not remember as to that, but I am sure that I was a member of the deputation. I was about to point out that during the last drought, the Railways Commissioners in New South Wales reduced the freight charges upon starving stock and fodder down to an absolutely non-paying point. They carried fodder for any distance up to 1,000 miles for 2s. 6d. per ton, and conveyed stock at

similarly low rates, in order to save the pastoral interests.

Mr. JOHNSON.—Nevertheless, the railways are not socialistic.

Mr. WATSON.—I think they are. The man who does not appreciate that fact, cannot know what Socialism is.

Mr. JOSEPH COOK.—They do not represent the ultimate objective of the Labour Party.

Mr. WATSON.—The honorable member is fond of deliberately twisting the ultimate objective of the party. As I was stating, the State railways of New South Wales carried stock at an actual loss, whilst the company that own the line between Deniliquin and Moama, earned the largest profit ever made by it. They did not make the slightest reduction of freights, but took the fullest advantage of the desperate condition of those dependent upon them. So it was also with the Silverton Tramway Company. In the same way, every private syndicate is prepared to take advantage of any conditions that may operate in its favour. However, I shall not pursue that subject further. After all, it is only a side issue.

Mr. JOSEPH COOK.—The honorable member is not now at Surrey Hills, describing all private enterprise as sweating and robbing.

Mr. WATSON.—That is another instance of the honorable member's misrepresentation. I did not say that all private enterprise was sweating and robbing. I should be sorry to say anything of the kind, and I certainly did not make that statement at Surrey Hills.

Mr. JOSEPH COOK.—The honorable member is reported as having said it.

Mr. WATSON.—I do not care what I am reported to have said. I said nothing that could bear any such construction. It would be such a silly thing to say. As I have before stated, I have no fear whatever of Government ownership. I believe it can be attended with as good results, from a business stand-point, as can private enterprise, whilst better results can be secured to the general public. It has been proved that an absolute monopoly exists in connexion with the Inter-State shipping trade, and immediately there is a prospect of success, I am prepared to vote for the taking over of the coastal shipping services, in order that they may be run on behalf of the public. I am convinced that the shipping companies are now bleeding

consumer and producer alike, and, whenever an opportunity occurs, I am prepared to help to nationalize these services, because I believe that that course would be in the best interests of the people. It has been proved that a monopoly exists, and that overcharging has taken place. For this reason, I think that it would conduce to the welfare of the people if they could have the service in their own hands, instead of their being at the mercy of a set of private individuals who, no matter how well-intentioned they may be, are primarily looking after their own pockets. I do not agree with those of my colleagues in the Labour Party who believe that there is the same grave necessity for the Commonwealth purchasing or constructing steamers in order to establish a State-owned over-sea service. In the first place, it has not been demonstrated in my view that, with respect to the over-sea trade, there exists a monopoly to anything like the same degree that obtains along our coasts. My conception of the necessity of Government interference, so far as the nationalization of services is concerned, is that we should undoubtedly take over a proved monopoly that may be, or probably is being, used to the detriment of the people, and that, in cases where it is demonstrated that the services could be more economically performed on behalf of the people if they were run by the Government, we should be prepared to extend the sphere of Government operations. It has not been demonstrated to my satisfaction that a monopoly exists in respect to our over-sea trade.

Mr. JOSEPH COOK.—I thought that the honorable member said recently that the trade was governed by the shipping ring in London.

Mr. WATSON.—A shipping conference exists, but whether, as a united body, it exercises common control over the freight of the mail steamers I am not prepared to say.

Mr. THOMAS.—It exercises control over all outward cargo from England, but not over our exports.

Mr. WATSON.—That shows that there is some little flaw in the organization of the monopoly. They have not been able to arrange for the full control of the cargo from Australia. Whilst I know that a great ship-owners' ring exists, and that the freight steamers work under some arrangement, the distinct competition that has lately taken place between the mail

steamers and ordinary cargo tramps, indicates that there is not a monopoly in the same measure that such exists in connexion with our coastal trade.

Mr. THOMAS.—They have a monopoly of the cargo from England to Australia, but not in respect of that from Australia to England.

Mr. WATSON.—Until this new company entered the arena there did seem to be a combine between the various companies interested in the running of mail steamers. That was evidenced by the fact that when, some eighteen months ago, we invited tenders for the carriage of our mails to Europe, we received practically only that sent in by the Orient Steam Navigation Company. I take it that the advent of this new company is an indication that the monopoly is not complete.

Mr. McDONALD.—The Postmaster-General will not promise to insert in the contract a clause that the company shall not join the combine.

Mr. WATSON.—I intended to refer later on to that point. I repeat that the advent of this new company is an indication, to my mind, that the monopoly is not yet complete, and that is why we should gather more information in regard to the whole position before entering upon the construction and running of a Commonwealth line of mail steamers.

Mr. JOSEPH COOK.—Meantime, the general election will be over.

Mr. WATSON.—I dare say that the honorable member is already congratulating himself upon the fact that at the next general election the opposition shown to the Labour Party by steam-ship owners engaged in the coasting trade, whose concerns should be nationalized, is likely to be more strenuous than that which will be shown to us by the few people interested in steamers trading between Australia and England. The honorable member must have a very poor idea of electoral possibilities if he pretends to believe that my attitude is dictated by considerations as to the next general election. If I were out for votes, and desired to disarm opposition, I suppose that I should sooner vote for the nationalization of this service than for the nationalization of the shipping services engaged in the coastal trade. I should be quite prepared to risk the course suggested by the honorable member for Barrier if the only alternative were that there should be a

continuance of our dependence upon one company, already a member of the shipping conference.

Mr. THOMAS.—I do not think that this agreement will come off, so that we may yet claim the honorable member's vote.

Mr. WATSON.—That is another question. The agreement now before us places a different complexion upon the matter. I am faced with the position that, under it, the Government will have power to at any time take over the vessels of the company. At any moment the Government may step in and say, "This service shall be nationalized." The Postmaster-General is also to have the right of supervising in some degree the building of the steamers necessary for the service. I take it that he will be able to insist on any alterations necessary to make the vessels suitable for this service.

Mr. THOMAS.—There is no answer from the Minister.

Mr. AUSTIN CHAPMAN.—The whole matter is explained in the papers.

Mr. JOSEPH COOK.—Then, notwithstanding the denials, it is, after all, a socialistic sop.

Mr. WATSON.—If it is, I think that it is a very good provision. The honorable member for Parramatta said yesterday that he was not opposing the amendment moved by the honorable member for Barrier because of theoretical reasons—he opposed it because, in his opinion, the figures submitted did not demonstrate its practicability. The honorable member for North Sydney also said this afternoon that he did not deny that a time might arrive when it would be absolutely necessary for the Government to take over the vessels of the company, and conduct the service. He said, so far as I can remember, that if it were shown that there existed a monopoly which was detrimental to the interests of Australia it might be necessary for us to step in.

Mr. JOSEPH COOK.—In fact, there is nothing between us.

Mr. WATSON.—If that be so, there are surely abundant reasons for providing that the Government shall have the power to step in and resume these vessels when sufficient cause is demonstrated. I am faced with the position that, on the one hand, we have an opportunity to secure a contract that is far and away superior to that now existing, whilst the alternative is to vote against that contract in favour of a

proposal to nationalize the service, although we know that there is not a majority in the House to carry that proposal into effect. It is clear that there is not a majority in the House in favour of nationalizing the service, so that if I were to vote against the acceptance of this contract I should stand a fairly good chance of sacrificing the substance for the shadow. The substance is of such value to the people that I am prepared to accept it, conditionally of course, on the assurance of the Government that the contract will be carried out—that those behind it are men of substance, and able to insure its fulfilment.

Mr. MAHON.—We ought to provide for Australian seamen being employed on board these steamers.

Mr. WATSON.—I agree with the honorable member, just as I think that the British Government will, later on, find it necessary to insert in their own postal contracts a provision for the employment of a minimum proportion of British subjects on their mail steamers. A stipulation of that kind ought to be made in connexion with all subsidized lines. If we are to be guided by articles which have appeared during the last year or two in the press and the magazines of Great Britain, there has arisen there a strong feeling that an effort should be made to maintain the reserve upon which the navy must depend in the event of any real trouble arising.

Mr. THOMAS.—That is a recommendation by a Select Committee of the House of Commons.

Mr. WATSON.—It is a very proper one. Every other nation attends to the matter, and I fail to see why we should be any less exacting in that regard. The power to take over the vessels engaged in the service tides us over any difficulty that may reasonably be advanced. If the new company joins the shipping conference, and takes part in an attempt to exact unfair conditions from our producers—if it fails to give reasonable facilities for the transport of perishable products to the old world—then, under the terms of the contract, as soon as there is in Parliament a majority in favour of the Government stepping in, the will of that majority can prevail. In spite of all that the so-called anti-Socialists may say, I have no doubt that, if the monopolistic system that has obtained were continued by the new company, there would be found in Parliament a majority in favour of action

being taken in that direction. It would be most unfortunate for Australia if the producers were allowed to be at the mercy of any combination of private individuals in respect of the oversea trade. This very useful provision offers a way out, as soon as it is found that a majority of the Parliament are of opinion that the Government should step in. In all these circumstances, I intend to vote for the acceptance of the contract.

Mr. JOSEPH COOK.—I wish to make a personal explanation. I made an allusion a few minutes ago to a speech delivered at Surrey Hills recently by the honorable member for Bland. I think I said that on the occasion in question the honorable member referred to private enterprise as being synonymous with sweating and robbery, and I find that I made a mistake in regard to only one word. What the honorable member said was this—

Mr. WATSON.—What I am reported to have said.

Mr. JOSEPH COOK.—Yes.

Mr. WATSON.—Perhaps the honorable member will allow me to state what I did say.

Mr. JOSEPH COOK.—I am quoting from the *Worker*.

Mr. WATSON.—The *Worker* is not more accurate than is any other paper.

Mr. JOSEPH COOK.—It seems never to be accurate, according to the honorable member.

Mr. CROUCH.—On a point of order, I wish to know, Mr. Speaker, whether, since the honorable member for Bland has denied the statement attributed to him, and has asserted that he was misreported, it is competent for the honorable member for Parramatta to read from a newspaper an absolutely contradictory statement.

Mr. SPEAKER.—I do not know what the honorable member for Parramatta intends to read, but he claims that he has been misunderstood or misrepresented, and is therefore entitled to make an explanation.

Mr. JOSEPH COOK.—What the honorable member for Bland said in the course of what is described as "an eloquent exposition of the labour platform" was this—

Mr. Reid, who was afraid to declare his policy for fear some one should steal it; Mr. Joseph Cook, Sydney *Daily Telegraph*, and the rest of them, supported and advocated private enterprise with its sweating conditions and pay.

I am justified in assuming from that statement that the honorable member used the two terms as synonymous.

Mr. WATSON.—No.

Mr. WEBSTER.—Oh, no; it would apply only to the honorable member for Parramatta.

Mr. JOSEPH COOK.—I am glad, at all events, to have the Webster revision of the speech. The honorable member for Bland said, at any rate, that those who believed in private enterprise believed in sweating conditions and sweating pay. Clearly the inference is that the two terms are synonymous.

Mr. SPEAKER.—Order! I would point out that any honorable member has a right to make a personal explanation in order to remove a misapprehension, but he is not entitled, under cover of a personal explanation, to attempt to prove something that has been disputed. If the honorable member desires to do that, I cannot allow him to do so.

Mr. HIGGINS (Northern Melbourne) [6.14].—This debate, although long, has not been unduly protracted, having regard to the importance of the subject, and more particularly to the very grave and novel departure in the direction of the establishment of a State-owned line of mail steamers, which is proposed by the honorable member for Barrier. That project would involve the expenditure of £3,000,000 or £4,000,000, since at least eight steam-ships would be necessary. Having regard to the distance of Australia from Europe, mail contracts are of greater concern to us than they are to any other country, and we could scarcely give too much attention to what is being done in connexion with them. I confess that when I read the contract I began to be very suspicious. I thought that the terms were too good to be true. The contract provides for a speedier service at a cost only slightly in excess of that provided for under the existing agreement. I recognise that the honorable member for Barrier and his colleagues upon the Shipping Commission have rendered the community a very great service by investigating the whole question of the conditions relating to the carriage of our mails, and of the best means of serving the people of Australia in that respect. But I say, without hesitation, that I intend to vote against the amendment, because it would involve the credit of the Commonwealth to the extent of £3,000,000 or £4,000,000, and

because to borrow money for a project of that sort would be one of the worst evils that could befall us.

Mr. DAVID THOMSON.—What about the Western Australia railway? No project could be worse than that.

Mr. HIGGINS.—The construction of railways is a very different matter. We can run railways without being called upon to face any competition, and, moreover, they traverse our own territory all the time. But it is quite a different thing—and I am not saying a word against the proposal of the honorable member for Barrier when the time is ripe for it—to enter into a competitive business, and, at great risk, to borrow a very large sum of money for the purpose of building ships, because, no matter whether the money be raised by means of a paper currency, or by the issue of debentures, it will be raised by borrowing. It would be disastrous to the credit of the Commonwealth if we were to borrow at this stage for any such purpose. The honorable member who preceded me, and who always speaks reasonably, put the position very clearly indeed. If we vote against the proposed contract, we shall not secure the establishment of a national line of steamers. We shall simply lose the contract, and we shall also lose the possibility of securing anything in the nature of a Commonwealth fleet such as the honorable member for Barrier desires. I sincerely hope that honorable members will not be entrapped into voting against the proposed contract, seeing that they cannot obtain anything better.

Mr. WILKS.—Is the amendment of the honorable member for Barrier a trap?

Mr. HIGGINS.—I do not say that it is. At the same time, many a man falls into a trap which has not been laid for him. I have not the slightest objection to the State undertaking operations where they seem likely to be sound—

Mr. JOSEPH COOK.—They are grand things with which to obtain votes.

Mr. HIGGINS.—I am sorry to say that the honorable member more than any other honorable member demeans the House by imputing motives. Those who have discussed this proposal, from both sides of the Chamber, have, upon the whole, spoken unselfishly, and with a full regard to the interests of the country, and not to votes. I have no objection whatever to a sound State enterprise, but I claim that nothing would

so tend to damage all efforts in the direction of securing for the people, as a whole, the benefit of the industry of the people, as a whole, as would a possibly disastrous undertaking rashly entered upon. Such an undertaking would set back for years any movement of the character suggested by the honorable member for Barrier. The Government propose that the contract shall continue for a period of ten years. Having regard to the fact that the steamers required for the service have yet to be built, and that their construction will occupy three or four years, I maintain that the term covered by the contract is not a year too long. Indeed, I am surprised that the contractors were content to accept an agreement with a currency of only ten years, because it must be remembered that we have power to determine it if it is not faithfully carried out.

Mr. THOMAS.—Is not that power contained in every contract?

Mr. HIGGINS.—By no means. A man may break a contract, but the other party may not be able to determine it, although he may be in a position to recover damages. Unless it is expressly stated, an individual has not the power to terminate a contract should it be broken by the other party to it. In the second place, under the proposed agreement we are at liberty to purchase the steamers engaged in the service at any time if we deem it desirable to do so. Then the contractors have also to comply with the provision in our Postal Act in regard to the employment of white labour. In this connexion, I desire to congratulate the Parliament upon the fact that all those gloomy vaticinations concerning the effect of that section upon the mail tenders have been proved to be absolutely unfounded. This House has vindicated its position, and it has been demonstrated that no loss has resulted from the operation of the provision in question. I am very anxious to hear what the right honorable member for East Sydney will have to say upon the matter when he again refreshes us with his presence. I am interested in learning whether he will withdraw his statements regarding the effect of the section in the Postal Act to which I refer. Now I may ask, "What will happen if the contract be not carried out?" Not only have we the power to determine it, but a clause in the agreement provides that the contractors shall forfeit a sum of £25,000. Of course, it may be urged that we know nothing

about the contractors. It is only a limited company with which we are concerned, and we do not know whether it has any assets or not. We ought to be given some information upon that point. But, in this connexion, I am reassured when I recollect that we have not to rely upon the solvency of that company alone. We have two sureties, and these must be approved by the Postmaster-General. Consequently, if any breach of the contract takes place we have not to look to a limited company, which may have all its assets mortgaged and all its capital called up. We have two sureties. I think that the Postmaster-General should tell us whether he has made inquiries into the constitution of the company. We do not care what is the position of Sir James Laing and Sons. What we desire to know is the position of this limited company. I am informed by the solicitor who is acting for the contractors, that the company has a great deal of capital which has not been called up, but I think that the House should be informed as to how far the Postmaster-General has inquired into its financial position. Under the proposed contract there is one grave danger, to which reference has been made by former speakers. I refer to the possibility of the Commonwealth being "cornered." As the contract will begin upon 1st February, 1908, let us assume that in January of that year the contractors were to say to the Commonwealth, "We will not go on with it." If they were persuaded by the Peninsular and Oriental and Orient Companies to decline to proceed with the contract upon being indemnified, it might be said that the Commonwealth would be in a corner. It would have nobody to carry its mails from the 1st February, and it merely possesses the power to determine the contract, and to mulct the contractors in a penalty of £25,000. The Peninsular and Oriental and Orient Companies would then practically be in a position to dictate their own terms to the Commonwealth, and they might easily add to their tenders an amount which would be more than sufficient to indemnify the contractors for the loss which they had suffered.

Mr. AUSTIN CHAPMAN.—But we have a right to call up another £25,000.

Mr. HIGGINS.—I did not understand that, although I have read the agreement very carefully.

Mr. AUSTIN CHAPMAN.—We have £27,500 in hand now, and we have a right

to demand another £25,000 if satisfactory arrangements are not made to carry on the contract.

Mr. HIGGINS.—But the first instalment of £25,000 is only deposited until the bond is given.

Mr. AUSTIN CHAPMAN.—We have a right to demand a second £25,000.

Mr. HIGGINS.—I shall be glad to be assured upon that point, because I understood from the agreement that the guarantee of £25,000 was only to continue until the bond was signed, and that, after it had been signed, a separate sum of £25,000 was to be deposited. But whether the amount be £50,000 or £25,000, it might be urged that, in the circumstances which I have outlined, the Commonwealth would be cornered, and compelled to accept the terms dictated by the Peninsular and Oriental or the Orient Steam Navigation Company. But if the worst had to be faced, we would still have the right to demand that our mails shall be carried under the poundage system. Consequently, I feel that the Commonwealth can never be absolutely cornered, and I rather think, from what the Postmaster-General has told the House, that the firm of Sir James Laing and Sons Limited would not operate in that sinister way.

Mr. WILKS.—Sir James Laing and Sons are only the shipbuilders.

Mr. HIGGINS.—That is a mistake. It is true that they are shipbuilders, and that they will construct the vessels required for the new mail service; but I would point out to the honorable member that they are also the contractors for the carriage of our mails.

Mr. WILKS.—Then they will run the service?

Mr. HIGGINS.—They are bound to run it. They may assign the contract, but no assignment can be effected without the consent of the Postmaster-General. Of course, he will see that there is a good assignee. In sanctioning any assignment of the contract—and it is quite possible that Sir James Laing and Sons may endeavour to assign it—the Government must be careful to keep their sureties bond. If the new company is simply to do what it likes, we shall be at the mercy of the contractors. The more I see of this proposed agreement the more I like it, and the more I think that the Government are to be congratulated upon it.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. BATCHELOR (Boothby) [7.30].—There seems to be a pretty general consensus of opinion that the agreement entered into by the Government with Messrs. Sir James Laing and Sons is a good one, so far as the Commonwealth is concerned, and that very little exception can be taken of it, the criticism which has been expressed having been directed chiefly to the point that the guarantee required may not be sufficient to compel the tenderers to proceed with the service. Therefore, I shall not discuss the contract itself, but shall confine my remarks to the amendment of the honorable member for Barrier. I am in favour of the principles of that amendment, that is, I think that, in the interests of Australia, the Commonwealth should have a line of mail steamers, in order to prevent the creation of a monopoly in the means of transport between this country and Great Britain, and to avoid the possibility of difficulty arising in the carrying on of the mail service. The existence of cheap and efficient means for the transport of goods is of the greatest interest to users and consumers alike, and the lack of them is a justification for both the construction of State railways and the control of steam-ships by the Commonwealth. I do not think, however, that it is advisable to agree to the amendment in place of approving the proposed contract. If the honorable member for Barrier had put his proposition before the House as a distinct motion, I could have voted for it by way of affirming the principle which it embodies, but, having placed it before us as an amendment upon the motion of the Postmaster-General, he asks us to decide between approving the contract and passing a resolution in favour of the establishment of a Commonwealth line of steamers. In my opinion, the injury done to our producers and consumers by the Inter-State shipping combine is more immediate than any other, and, if a choice has to be made between a number of reforms, we should seek to carry out first that which is most pressing. It is a mistake to try to carry too many reforms at the same time.

Mr. THOMAS.—We must not save the world too soon.

Mr. BATCHELOR.—I think it better to do things by instalments. We cannot save the world in one act. A beginning must be made somewhere.

Mr. THOMAS.—Let it be made by the establishment of the proposed mail service.

Mr. BATCHELOR.—I think the honorable member is starting at the wrong end.

Mr. THOMAS.—The honorable member can commence at the other end. I should support him.

Mr. BATCHELOR.—I am sure that the honorable member is sincerely anxious to reform the world, particularly by providing means for the sea-carriage of goods on Commonwealth vessels, and is ready to support the taking over of the Inter-State as well as the oversea shipping service. The Inter-State shipping service is an actual evil, which is inflicting loss and suffering upon the community, and a monopoly which should be taken over by the Commonwealth. The tobacco and sugar monopolies should be similarly treated, by being taken over at the earliest moment possible. In carrying out reforms we should begin with monopolies which actually exist, and can be shown to be inflicting injury on the community. Unless we can prove that actual damage is being done to producers and consumers, and the community generally, we have not much ground for appealing to the public to support the taking over of a service, and the making of it a national one. If the ratification of the contract would prevent the Commonwealth from carrying on the mail service later on, should that be thought advisable, I would vote for the amendment, but, as a matter of fact, a clause in the agreement enables us to take over the service if we find it necessary to do so.

Mr. McDONALD.—Under that provision the Commonwealth may take over the vessels used in carrying on the service, but it cannot take over the company's business. The company could still continue in the trade, by using chartered vessels, and could continue running the mail service. The clause to which the honorable member refers is useless to us.

Mr. BATCHELOR.—I do not think that it is. I do not think that the company, if the Government took over its vessels, would charter other vessels merely to retain a subsidy of £125,000 per annum. Besides, the Government have power to terminate the contract if the service is not being carried on satisfactorily. Those two provisions will enable us to take over the service if that is found to be necessary. However, I shall not argue the matter at any greater length. I rose merely to give my reasons for not supporting the imme-

diate putting into practice of a principle of which I am in favour, namely, the public ownership of means of sea-carriage as well as of land carriage.

Mr. R. EDWARDS (Oxley) [7.40].—I wish to say, at the outset, that I am not prepared to support the amendment of the honorable member for Barrier, though I congratulate him upon the excellent speech which he made, considering the material which he had in hand. I have read some of the evidence given before the Royal Commission, and fail to see that it justifies the conclusions arrived at. In any case, I think that the time has not yet come when the Commonwealth should obtain a fleet of steamers for the carriage of mails and produce between Australia and Europe. I listened with considerable interest to the speech of the Postmaster-General in moving the motion, and, having since read it in *Hansard*, congratulate him upon the clearness with which he has explained the provisions of the contract. But I am greatly disappointed that Brisbane has not been made a port of call. So far as the arrangements for the carriage of mails are concerned, the contract, as nearly every speaker has admitted, will provide a very good service, if its terms are duly carried into effect. I am convinced, however, that its framers had in mind, not only a mail service, but also a service for the carriage of produce from the Commonwealth to the home markets. If that is not so, why is it stipulated that steamers of not less than 11,000 tons register shall be employed. Vessels of that tonnage are not required merely for the carriage of mails. Then there is the stipulation as to refrigerating space. I understand that the steamers which are to be built will have a capacity for the carriage of perishable produce three times as large as that of the vessels of the Orient Steam Navigation Company. That stipulation does not relate to the mere carriage of mails. My chief objection to the contract is that it is not required that the steamers shall proceed as far as Brisbane. I made the same complaint last year, when the Orient Steam Navigation Company's contract was being discussed, and, I think, angered the Postmaster-General by the persistency with which I stuck to my point.

Mr. AUSTIN CHAPMAN.—I was not angry. I admired the honorable member's persistency.

Mr. R. EDWARDS.—I am glad that to-night the honorable gentleman wears a

smiling face, and I hope that he will continue to do so when I have concluded my remarks.

Mr. TUDOR.—It is not stipulated in the contract that the vessels carrying on the service shall come to either Melbourne or Sydney.

Mr. R. EDWARDS.—I shall deal with that matter directly. I do not find fault with the amount of the subsidy to be paid, although it is a large one. We must pay a big sum of money to secure quick and regular communication between Australia and the old country. My complaint is that preference has been given to Melbourne and to Sydney at the expense of Queensland, to some extent. The contract is to have force for a period of ten years. The new contract will not be more satisfactory to Queensland than that which is now being carried on by the Orient Steam Navigation Company. Ten years is rather a long term for which to enter into an arrangement for the carriage of our mails. For a decade at least we shall not be able to make any other arrangements for the carriage of our produce to the world's markets. In all probability many improvements in ship-building will take place in the immediate future, and long before the contract has expired the steamers now proposed to be built will have become obsolete. I should have preferred to pat the Government on the back for having made a good bargain, and I am sorry that, instead of doing that, I have to urge a complaint. I find it very difficult to understand why Queensland should always be ignored in connexion with a mail contract. The Government should have obtained an assurance from the contractors that the mail steamers would proceed to Brisbane as well as to Melbourne and Sydney. I am sure that they would never have entered into the agreement but for the fact that Mr. Croker, the representative of the contractors, had written a letter, stating that the steamers would call at Melbourne and Sydney. The Government could not have afforded to overlook the claims of those capitals. I am perfectly aware that the Postmaster-General was away from the Commonwealth at the time that the contract was settled, and I am not blaming him personally for the mistake that has been made. As a member of the Government, however, he must bear a certain amount of responsibility, and I would urge him to endeavour to arrange to make Brisbane a port of call for the

mail steamers. If the steamers do not go on to Brisbane, the feelings which Queenslanders now entertain towards the Federal authorities will become even less cordial. We endeavoured to persuade the Barton Government to include Brisbane as a port of call for the mail steamers, but they absolutely refused to comply with our request. Queensland has ever since had a grievance, and I think that it is time that the injustice under which she has been labouring should be removed.

Mr. THOMAS.—That object could be achieved if we ran our own vessels.

Mr. R. EDWARDS.—Queensland has to pay a subsidy to the mail steamers which now come on to Brisbane, and has also to contribute a much larger proportion than she should be called upon to pay towards the subsidy necessary to insure that Melbourne and Sydney shall be made ports of call.

Mr. AUSTIN CHAPMAN.—We hope to see the steamers go on to Brisbane.

Mr. R. EDWARDS.—That is merely a hope, and is not sufficient. We wish Brisbane to be placed upon the same footing as the capitals of the other States. I think that some consideration should also be given to Tasmania, which occupies very much the same position that Queensland does. Although Queensland will receive little or no benefit from the new mail service, she will have to contribute £16,287 10s. per annum towards the subsidy. She will also be required to pay £1,000 per annum for the carriage of mails by rail from Adelaide to Brisbane. Of the latter sum, New South Wales will receive £289 0s. 7d.; Victoria, £267 7s. 4d.; and South Australia, £271 5s. 2d.

Mr. AUSTIN CHAPMAN.—I am going to knock all that off.

Mr. R. EDWARDS.—I am very glad to hear it. I am beginning to think very well of the Postmaster-General.

Mr. AUSTIN CHAPMAN.—The arrangement recently made at the Postal Congress will render it unnecessary for the States to make any further payments under that head.

Mr. CAMERON.—Will Tasmania share in the benefits of that arrangement?

Mr. AUSTIN CHAPMAN.—I am speaking of railway charges.

Mr. CAMERON.—Do not the charges for the conveyance of mails by steamer come within the same category?

Mr. AUSTIN CHAPMAN.—The honorable member must give notice of questions of that character.

Mr. R. EDWARDS. — Altogether, Queensland will be required to pay £17,287 10s.—a very substantial sum, considering that she will not receive the same benefit that will be conferred upon Victoria and New South Wales. Either the amount payable by Queensland should be reduced, or the other States which are to be specially benefited under the new contract should be called upon to contribute any additional subsidy that may be required to insure Brisbane being made a port of call. At present Queensland is receiving differential treatment, utterly opposed to the letter and spirit of the Constitution, which distinctly lays down that no discrimination shall be made between the States.

Mr. AUSTIN CHAPMAN.—Brisbane is receiving exactly the same treatment as Sydney and Melbourne.

Mr. R. EDWARDS.—I do not think that that is quite correct. Before the contract was signed the Prime Minister had in his pocket a letter from Mr. Croker, representing the contractors, to the effect that the mail steamers would go on to Melbourne and Sydney, but to no other ports. All I desire is that Brisbane shall be treated in the same manner as the capitals of the other States.

Mr. THOMAS.—The business men of Brisbane told us that the postal service should terminate at Adelaide, and that any trading arrangements should be left to private enterprise.

Mr. R. EDWARDS.—The new company will not receive any special subsidy from Victoria or New South Wales, and if any additional amount is required by the contractors as a consideration for proceeding on to Brisbane, the Commonwealth should provide it. The Postmaster-General stated that the contract provided that Adelaide should be the terminal port, and that no objection could be raised to that provision. That is quite true so far as the carriage of the mails is concerned, but Adelaide will not be the terminal port for the steamers. It was not thought possible that before agreeing to the contract the Prime Minister would have in his pocket a letter giving an assurance that the steamers would go on to Melbourne and Sydney, but to no other ports.

Mr. AUSTIN CHAPMAN.—We should also be glad to have an assurance that Brisbane would be made a port of call.

Mr. R. EDWARDS.—Had pressure been brought to bear by the Federal Government the company would doubtless have consented to make Brisbane a port of call. I should be the last representative of Queensland to ask for a favour in her name, and I am satisfied that the public of that State would resent anything in the shape of a favour being extended to her. All I ask is that Queensland shall be placed on an equal footing with the other States. We have a right to make that demand.

Mr. AUSTIN CHAPMAN.—So it will be. It is on the same footing at the present time.

Mr. R. EDWARDS.—I regret to contradict the Postmaster-General, but under this contract Queensland is not on the same footing with the other States, since Brisbane is not made a port of call.

Mr. CAMERON.—Would there be a sufficient depth of water to allow of these steamers going to Brisbane?

Mr. R. EDWARDS.—They could go to the port just as they could go to Tasmania. Apparently, however, the Federal Government is utterly indifferent to the needs and the wishes of the State of which I am a representative.

Mr. AUSTIN CHAPMAN.—I do not think that is a fair statement.

Mr. R. EDWARDS.—That, at all events, is my opinion. The whole arrangement is nothing more nor less than a piece of political hypocrisy, so far as Queensland is concerned. If it were not so, Queensland would share with the other States the advantages of the service. The value of a mail service relates not merely to the regular delivery of letters and papers, but to the provision made on the steamers for the carriage of perishable products in cool chambers. In that respect the contract appears to be a failure. The Postmaster-General is aware that Queensland is now paying to the Orient Steam Navigation Company a subsidy of £26,000 per annum for making Brisbane a port of call. That expense had to be incurred because of the failure of the Federal Government to provide in the contract with the company for the vessels of the service calling at Brisbane. The charge is a most unfair one to be imposed on Queensland, and ought to be taken

over by the Commonwealth. I must admit that it is paid as the result of an arrangement made by the Queensland Government, and that there may be something in the contention of the Postmaster-General, who sought last year to excuse the action of the Commonwealth Ministry by saying that it had been entered into without reference to them. But I desire the Federal Government to provide under this contract that the vessels engaged in the service shall call at Brisbane, and that the cost of the extended service, whatever it may be, shall be borne by the Commonwealth.

Mr. AUSTIN CHAPMAN.—Has the honorable member read the remarks of the Premier of Queensland? They do not fit in with his statement.

Mr. R. EDWARDS.—I have read them, and intend to refer to them presently. If the Commonwealth Government said, "We shall make arrangements with the new company for Brisbane to be made a port of call, and will bear the increased cost, whatever it may be," it would act justly to the northern State. I know that the company expect to receive an offer from the Queensland Government, but I sincerely trust that if an offer is to be made it will come from the company itself. Instead of a subsidy of £26,000 per annum being paid to the Orient Steam Navigation Company, I should prefer to see a revival of the system under which some years ago Queensland paid a subsidy of £50,000 or £55,000 to the British-India Company for an independent service to London. That was money well spent. The trade of Queensland to-day must be seven or eight times greater than it was at that time, and if we are to have a line of steamers of our own—

Mr. THOMAS.—Hear, hear.

Mr. R. EDWARDS.—For several years I have advocated that we should renew the arrangement under which Brisbane was the terminal port, and under which every Queensland port up to Thursday Island would be touched.

Mr. BAMFORD.—Why do the Queensland Government not go in for such a scheme?

Mr. R. EDWARDS.—I believe that we shall have it. Although I do not expect that Queensland will be treated with any generosity by the Federal Government, I feel satisfied that, as the result of this

contract, we shall have an independent service between Brisbane and London; that the steamers engaged in that service will proceed from Brisbane to Rockhampton, Mackay, Townsville, Cairns, Cooktown, and other ports up to Thursday Island, and thence across the Arafura Sea to Tanjong Priox, the port of Batavia, Java. That was the old route, and it was an excellent one. I am informed by the Prime Minister that the present contract, unlike that made with the Orient Steam Navigation Company, does not provide for the mail steamers calling at Melbourne or Sydney, so that if the company chooses it need not send its vessels beyond Adelaide.

Mr. AUSTIN CHAPMAN.—No; but they would require twice the subsidy if we bound them not to send their vessels beyond that port. Every one knows that they could not afford to stop there.

Mr. R. EDWARDS.—But they might go on to New Zealand, and not touch at Melbourne or Sydney. If that were done, however, I think the Federal Government would find a way of compelling the company to revert to the old system.

Mr. AUSTIN CHAPMAN.—We also desire them to make Brisbane a port of call.

Mr. R. EDWARDS.—And the Federal Government ought to provide that the steamers of the service shall call there. Some consideration should also be given to Tasmania. It appears to me that the new company expects to secure a very substantial subsidy from Queensland. In the *Argus* of 16th instant the following statement appeared:—

When interviewed yesterday, Mr. W. A. Croker, who conducted the negotiations with the Commonwealth Government, stated most emphatically that up to the present the only subsidy which the new association had been promised was that which the Commonwealth would pay, viz., £125,000 per annum. The statement made by the *Shipping Gazette* is, perhaps, anticipatory of arrangements being concluded between the new association and the Queensland and New Zealand Governments, for the steamers to call at Brisbane and Wellington. If this extension of the mail service were arranged the Queensland and New Zealand Governments would possibly supplement the federal subsidy by the payment of £100,000 for the services rendered.

Whatever influence I possess will be used in the direction of preventing Queensland giving a subsidy to the company. In Queensland generally, and particularly amongst the commercial community, the way in which Brisbane has been treated is strongly resented. I have here the report

of a deputation which waited on the Minister of Agriculture, Mr. Denham, with regard to this question. It is headed "Queensland's Position: Strong Speech from the Minister," and reads as follows:—

BRISBANE, Saturday.—A deputation, consisting of representatives of the co-operative butter factories, which waited upon the Minister for Agriculture (Mr. Denham) to-day, presented a resolution agreed to by them at a meeting held this morning:—

That this meeting regrets to note that the interests of Queensland producers have been ignored in the acceptance of a mail contract which does not include Brisbane as a port of call.

Mr. Denham, in the course of his reply, said that on this occasion the Commonwealth authorities had most astutely protected themselves. On the previous occasion there was an implied condition that steamers should come on to Victoria and New South Wales; but this time they only contracted with them to come to Adelaide. Up to the present they in Queensland were quite in the dark. There were some communications going between the Premier and Mr. Deakin, but there was nothing more in them than what they had seen in the press, that Brisbane might be a port of call. The new company evidently expected to be able to bleed Queensland for coming here. Speaking personally, his own opinion was that they should not pay one penny royalty or bonus for steamers coming here. It would be infinitely better for the State to have a service going up the coast, calling in the East, then going to England. They were evidently going to play a waiting game in trying to bleed the State of Queensland, but he would use all the influence he possessed to prevent the subsidy from being given.

Mr. AUSTIN CHAPMAN.—Will the honorable member read what Mr. Kidston said?

Mr. R. EDWARDS.—I shall do so later on.

Mr. AUSTIN CHAPMAN.—It is a more recent utterance.

Mr. R. EDWARDS.—The question is too serious to be treated frivolously. I have here an extract from a leading article in the *Brisbane Courier*, which puts forward very clearly the position of Queensland—

There are two points clear: that the mail service is to be between Brindisi and Adelaide, and that the contractor guarantees that the steamers shall continue the voyage to Melbourne and Sydney. The reference to Brisbane is that the steamers will "probably" come here. "Probably" is not sufficient; it means that they will come if we give a special subvention as in the case of the Orient steamers, at least so we take it, making the usual estimate of commercial enterprises, and taking the usual meaning of words as applied to business affairs.

It may be candidly said that the main interest of Queensland as far as this mail contract is concerned is in getting the steamers to Brisbane for cargo purposes, and chiefly for the butter trade. It is vital to the butter industry that there should be speedy and regular delivery. Without regularity the sale of the product cannot be made direct to the distributor; it must be left to the speculator who is prepared to take a market risk. And the element of speed is essential, both from the financial point of view and the consideration of quality. To insure regularity at any rate, there must be a penalty clause in the contract, and no shipping company or association of persons will submit to a penalty clause without a subsidy. These facts are mentioned so that it may be made perfectly clear that the requirements of Queensland are such that the suggestion of any steamship service inferior to that given by the mailboats would be an unacceptable alternative. And in the matter of butter freights Queensland with her remarkable expansion is interested more in looking carefully to the future than either New South Wales or Victoria. In those States the industry seems to have reached something like its culminating point; all land for dairying is utilized. But in Queensland we are only on the fringe of the production and export. In 1900 our butter export was of the value of £51,720; last year it ran to over half a million sterling.

I feel certain that there will be just as big an increase in the production of butter in Queensland during the next five years. The article continues—

It is important to note the expansion in the principal States, and the exports to the United Kingdom for the year ending 30th June, as compared with the two previous years.

I do not propose to quote the figures which are then given; it will be sufficient for my purpose to say that the export of butter from Brisbane in the year 1903-4 was 1,804 tons; in 1904-5, it was 2,635 tons; and in 1905-6, 4,005 tons. The article proceeds—

The Queensland export, it will be seen, is increasing very rapidly—much more rapidly than in either Victoria or New South Wales—and it may be mentioned—and as an important point—that we have a large Inter-State and South African trade, account of which is not taken in the figures here given.

The paragraph concludes—

Our increase is largely owing to the fact that we have had the benefit of speedy and regular communication with the London market; the improved facilities for transport have stimulated production. It requires no rhetoric to emphasize this: if last year it was found so necessary to have the rapid and regular transit by sea that Queensland was prepared to shoulder a special subsidy of £26,000 a year, how much greater will the necessity be two years hence, when the new contract will come into operation? Without unduly inflating the prospects of the trade it may be said that within two years, in all human probability, our export of butter will equal that of New South Wales.

Thus it will be seen that the importance of Queensland being placed on the same footing as Victoria and New South Wales in connection with the new mail contract is not a matter of mere sentiment. There are other business considerations than those we have mentioned, but it is not necessary to refer to them at present. The Prime Minister, we are told, has a letter of guarantee that the new liners will call at Melbourne and Sydney, and "probably" at Brisbane, and there is interest in the statement that the steamers will also "under certain conditions" proceed to New Zealand. So far as we are informed as to the present position, Queensland, one of the States of the Commonwealth, is placed upon the same footing as New Zealand, which is outside the federation altogether. No doubt when the contract is tabled, if there is no satisfactory statement respecting the extension of the service to Brisbane, the Government of this State will take up the line of protest, and follow it up in a more vigorous manner than marked the Queensland attitude in the matter of the Orient contract.

I hope there will be no need for the Queensland Government to take up that attitude, or to do more than send an ordinary protest to the Commonwealth authorities. Upon more than one occasion, the State from which I hail has suffered very considerably as the result of having joined the Federation. For instance, she has never received her full three-fourths of the Customs and Excise duties collected within her borders, and there is no hope of her deriving from the mail contract the benefit which will be conferred upon the other States. I protest against such injustice being meted out to Queensland. I know that it is idle for me to appeal to the Government to remedy that injustice, but I do appeal to honorable members to remove it by inserting in the proposed contract a provision that the mail steamers shall make Brisbane a port of call.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [8.21]. — I hope to occupy the House for but a very short time. Indeed, I had intended to delay addressing myself to this question until the main motion was under consideration. But upon examining the amendment submitted by the honorable member for Barrier, I find that it involves the whole proposal of the Government, and that the vote which I hope will shortly be taken, will be one either for or against the contract which is being submitted to the House. Under these circumstances, it appears proper that I should now address myself to a few general considerations to which we desire to call attention. So far, the whole tone of the debate has been entirely satisfactory to the Government in respect of the all-important question of the business character of the

proposed contract. The honorable member for Barrier, and those who with him have strongly urged the adoption of another course, have not entered any serious objection to this contract, as a contract, provided that private persons are to be dealt with. Honorable members who have criticized the Government proposal from the opposite side of the Chamber, have almost, without exception, indicated that their chief apprehension was that it appeared to be so favorable to the Commonwealth that they were justified in expressing some doubt as to whether the contractors would think fit to proceed with it. In short, the consensus of opinion is that this is the best bargain—so far as Australia is concerned—which has ever been embodied in a mail contract.

Mr. WILKS.—The same thing is said in reference to every contract.

Mr. DEAKIN.—When the last contract was under consideration I have a vivid recollection that many honorable members claimed that its acceptance involved an increased expenditure and was less favorable to Australia than the then existing contract. However, it may reasonably be claimed that the proposed agreement with Sir James Lang and Sons is the best mail steamer bargain ever made on behalf of the people of Australia. In this connexion it has to be recollected that one of our earliest acts by the Postmaster-General upon his assumption of office was to give notice to the Orient Company of his intention to cancel the present contract. In the view of the Government, the time of transit under that contract, the amount of the subsidy, and the size of the steamers employed in the service were all capable of improvement years ago. Under the changing circumstances of ocean traffic, and in face of the increasing needs of this country, it was held that the contract was so unsatisfactory that its existence could not be justified for a longer period than was necessary to enable us to invite fresh tenders. Practically under the instructions of the House, tenders were then invited for a purely postal contract. The complaint was made that in previous instances, whilst the contract was nominally one for a postal service, it in reality permitted certain ports in Australia and certain States to reap an advantage which two of the States, namely, Tasmania and Queensland, did

not enjoy. The consequence was that when the last contract was entered into, Queensland, at its own expense, made an arrangement for a continuation of the voyage of the Orient Steam Navigation Company's steamers to Brisbane—a fact to which the honorable member for Brisbane has just alluded at some length. Consequently we called for tenders for a purely postal contract, which, so far as we were concerned, should be fulfilled by the delivery of all the mails from the old world at Adelaide. Beyond that port the course of the vessels lay within the discretion of their proprietors. We should then provide an accelerated railway service to distribute the mails from there over the whole of the eastern Commonwealth. It was felt, however, that it was not sufficient for us to remove the objections which were urged against previous contracts, and that an endeavour ought to be made to obtain better conditions. We felt not only that the service should be speedier, and that the vessels engaged in it should be of a superior character, but that, if possible, economies should be effected. All that, I think, we can claim to have effectually accomplished.

Mr. MCWILLIAMS.—Does the scheme for the distribution of the mails to which the Prime Minister has referred include Tasmania?

Mr. DEAKIN.—We shall distribute the mails from Adelaide over the eastern Commonwealth by means of the railway service. The special circumstances of Tasmania have not been forgotten, as the honorable member will find when some other matters come before the House for consideration. Our object has been to secure a Commonwealth contract based upon broad Federal principles, establishing equality throughout the whole of the continent, and, so far as is compatible with the immense area to be dealt with, placing the people of the States upon a fair and equal footing. This was a great deal to attempt, and a courageous facing of what was at the time apparently an extremely hazardous step. There is no occasion to delay the House—though it might afford a good deal of amusement to a sarcastic commentator—by recapitulating the criticism with which our original tenders were favoured. Honorable members will recollect the prophecies which were indulged in to the effect that we should receive no offers outside those of the present mail companies, that they would

demand an increased price for continuing the service which we were already obtaining, that we were not large enough as a community to make a demand for better service, and that we ought to be content to accept what we had and to pay more for it. From that time to the present outside critics have been striking the same key, and in a great variety of tones, prophesying disaster. So far as we can judge, after careful investigation, we are about to obtain not only a better contract, not merely larger steamers and a speedier and cheaper service, but also great advantages which were not included in the terms of the tender—which were not imposed upon the contractors, but from which we shall undeniably reap very considerable benefit. The vessels will be constructed according to plans to be submitted to this Government, and provision of the most recent and effective design is to be made for cool storage, probably three times as large as that of the vessels of the Orient Steam Navigation Company, and twice as large as that of the biggest Peninsular and Oriental steamers visiting our ports. It is very important that perishable produce shall obtain rapid transport to the mother country. Now, in addition to affording larger space for such cargo, a quicker service will be given than is now possible. The recent inquiries of a committee in London show that any deterioration that takes place, generally occurs during the last week or ten days of a voyage, and, consequently, every day by which the journey can be shortened is so much gained. But, although, in providing for a postal service, we did not lose sight of these incidental advantages, it is not suggested that the proposed increase in accommodation will meet the export needs of Australia during the busy season, and we do not claim that by this arrangement we have done all we expect to do for the improvement of the means of sea carriage from Australia to Great Britain. The charges for rapid transit are necessarily somewhat higher than those ruling for transport by vessels of less speed, taking, it may be, a longer route, as, for instance, the White Star liners, which journey by way of the Cape. But it was always our object to cope with the requirements of the export trade in perishable produce, of which the mail steamers will carry only a part, and, therefore, on the 20th April

last I sent copies of the following letter to the Premiers of the several States:—

Sir,—I have the honour to invite your attention to the proposal put forward by me at the recent meeting of the Conference of State Premiers, to the effect that the Agricultural Departments of the States should be urged to immediately communicate with the exporters of perishable products, or others interested in them, in order that we might arrange to guarantee either the whole or a certain proportion of the cold storage accommodation which will be provided by the steamers to be employed in the mail service between Australia and Great Britain.

2. The matter is one of considerable urgency, as the Postmaster-General expects to receive the tenders for the mail service next month. Unless some early intimation is received through the State Governments of the wishes of the producers, it will not be possible to make this a condition of the contract with the successful tenderers, and an unique opportunity may be lost for making most favorable conditions for an Australian export trade of products, for which the quickest possible transport is desired.

3. Under the circumstances, may I ask that you will give instructions for the matter to be considered at the earliest possible date, both as to the quantity to be shipped, and the rates to be obtained?

As the tenderers for the mail service could not expect that their subsidy would be more than an inconsiderable part of the earnings necessary to cover the expenses of their operations, we thought that they would naturally desire to place themselves in the best position in respect to other competitors by making arrangements in advance for the supply of cargo. While it might have been somewhat risky for the Government of any one State, or even of two States, to undertake beforehand to fill a certain portion of the cool storage accommodation provided, it seemed to us that all the States together might make an advantageous bargain for it with the tenderers, because it would be only under the exceptional circumstance of a wholesale falling off in production throughout the Commonwealth that the accommodation could not be used. We left it to the States to adjust among themselves whatever cool storage accommodation they might deem it fit to reserve jointly.

Mr. DUGALD THOMSON.—Suppose one State had reserved the whole of the space available?

Mr. DEAKIN.—It was intended that each State should agree to reserve so much, and that they should draw up amongst themselves the conditions under which it was to be used according to circumstances. We thought that by making a bargain beforehand, cheaper rates could

be obtained, especially for the whole space, than by individual bargains made later at current rates.

Mr. DUGALD THOMSON.—If there were a surplus, how would the States arrange with the different shippers without giving a preference to some?

Mr. DEAKIN.—We left it to the Agricultural Departments of the States to say what would be the minimum space required for each State. The distribution of that space reserved would have been for the States to arrange as they pleased.

Mr. DUGALD THOMSON.—I am merely pointing out the difficulty with which the States were faced.

Mr. DEAKIN.—I admit the difficulty, but it is surely not insurmountable. It appeared to us to be worth the effort to obtain advantageous terms for our producers. In reply to my letter, the Premier of Tasmania forwarded this resolution from a meeting of fruit-growers—

This meeting of the Derwent Valley Fruit Growers' Association views with great concern the proposal of the Federal Government to arrange for the freight of fruit to England, and desires to strongly denigrate such proposed action.

He added that a similar resolution had been passed at Hobart, and thought it "undesirable to disturb the satisfactory arrangements which exist as far as producers of this State are concerned," regretting that his Government could not co-operate. The Premier of South Australia replied that it was impossible to estimate the requirements of his State, "as so much depends upon how the season may turn out." The Premier of Queensland forwarded a resolution of Queensland exporters, asking that the mail service should provide refrigerating space available for each State of the Commonwealth. The Premier of New South Wales forwarded the report of an officer of the Agricultural Department of the State, summarized in these words—

The conditions in this State do not seem to be favorable to the taking up of freezing space on steamers by Government authority.

The Victorian Premier replied that—

This Government regrets it does not see its way to guarantee to fill a certain quantity of space.

He added that they would favour a line giving special facilities even at slightly higher rates than those ruling under their present contract. The Premier of Western Australia said that Western Australia is not in a position, at the present time, to

make any reliable estimate of the cold storage space which would be required. Unfortunately, not one of the Agricultural Departments of the States found itself in a position to enter into what seemed to us a promising arrangement, whereby space might have been secured at less than the current rates likely to rule if no agreement is made. Without some such arrangements, when the space is most wanted, it will cost most to obtain it.

Mr. McWILLIAMS.—There are four or five competing companies.

Mr. DEAKIN.—Competition exists, but I am informed that it is restrained within certain limits.

Mr. DUGALD THOMSON.—The present rates are very low.

Mr. DEAKIN.—I wish now to deal with an alternative proposal which, on the 30th April, we submitted to the States Premiers, in the following terms:—

Sir,—In connexion with my communication of the 20th instant, I have the honour to invite your attention to the further suggestion made by me at the recent Conference of State Premiers, with reference to the export of produce generally, and particularly of produce requiring cold storage.

2. My previous letter dealt only with the mail steamers, but there is another class of vessels in respect of which it may be possible for the Commonwealth to make arrangements which will offer better facilities to producers at lower rates than those to which they have been accustomed. Vessels of the type to which I allude would be capable of carrying far larger cargoes than can find space in the mail steamers, though their route will be longer. They have, or could provide, passenger accommodation suitable for the conveyance of immigrants to Australia on favorable terms.

3. It is possible, if the companies concerned can be assured of sufficient business, that they will provide steamers larger and of a higher class than have hitherto been employed in the Australian trade.

4. What is asked by our exporters, both those who require the use of freezing chambers, and those who do not, is a reduction of freights, and this I have reason to believe may be secured if shipping proprietors can be supplied with some assurance that a certain amount of space will be regularly taken. This assurance need not necessarily be in the form of a binding guarantee, but might be rather of the nature of an undertaking to supply cargo, filling a specified space, for either a certain number of months or the whole of the year on the voyage from Australia to England.

5. The difference in the climatic conditions of the States, and the fact that unfavorable seasons rarely affect more than a part of the Continent, would enable the undertaking to be fulfilled much more easily and regularly if all the States were acting together. Arrangements could be made for the distribution among the shippers of whatever space is allotted; which arrangements could be altered from time to time according as

the quantity of goods available for export increased or diminished in any particular locality.

6. It would be an additional inducement if an approximation could be made of the number of immigrants who would be passengers on the return voyage.

7. No definite suggestions can be made until I have further information from you, but I shall be glad if you will consider the matter, and favour me with your views, together with those of the producing and exporting classes, or their associations, with whom your Agricultural Department may be in touch in order that, if possible, proposals of a federal character can be prepared for submission to ship-owners.

8. Even if no agreement be attained at once, an endeavour to induce the exporters of Australian produce to act conjointly for the furtherance of their common interests, must have useful results in the future.

9. The advantages of united action in this matter are so great that this Government cordially relies on the co-operation of all the States in the effort to secure them.

I may say at once that the replies received were practically the same as those previously sent to us. Several of the States gave us precisely the same answer, but Victoria added that it was felt that nothing could be done in the matter until a definite offer had been received. My letter was not sent merely as a result of a theory of our own. I had actually had interviews with the representatives of more than one large shipping company partially represented here, and in one case with the representative of a company at present doing business in Australia. These gentlemen gave me certain information as to the character of the present trade, and the facts governing prices, which made it appear very undesirable for a new company, unless extremely powerful, and prepared to sustain extraordinary competition, to enter into such a trade as this without some guarantee as to the support it would be likely to receive from this side.

Mr. JOHNSON.—May not the replies indicate a want of confidence on the part of the States in the Federal authorities?

Mr. DEAKIN. — It must be recollected that the States were not asked to put any faith in the Federal Government. All that we offered to do was to act as their agents in securing cargo space, and the States were not called upon to undertake any obligation unless they so desired. We simply gave them an opportunity to enter into a bargain, if they thought it worth their while to do so. The representative of one great line of steamers stated that the risks to which I have referred would have to be run by any company entering into the Australian trade,

but that, if his principals could obtain an undertaking—not a binding guarantee, with penalties—that a certain quantity of produce would be shipped by their steamers during a certain portion of the year, they would be prepared to make the venture. It was our desire to make ourselves the medium of communication between these ship-owners and the States. The owners came to us because they recognised that it would be necessary for them to deal with more than one State. They considered that competition would be feasible only if carried on by a fleet of steamers at least as large as those now trading to Australia, but they were not prepared to make the venture without some undertaking that their attempt to give us a better freight service for Australian produce, at rates lower than those now prevailing, would receive support from this side. That was a fair offer, and we communicated it to the States. I am not, even by implication, insinuating that the States Governments are to blame, because the negotiations did not at once prove successful. What is wanting is, apparently, a sufficient spirit of co-operation among those who have produce to send away to the world's markets. Of course we knew, and the States Governments knew, that there were large business agencies connected with the export trade which might not find it to their interest to enter into any such arrangement as that suggested.

Mr. SPEAKER.—Does the Prime Minister think that he can connect his remarks with the subject of the mail contract?

Mr. DEAKIN. — Yes. It has been stated that the cold storage space for which provision would be made in the new line of mail steamers would be sufficient to convey only a fractional part of our output. I have been endeavouring to show that we have not been blind to the further necessities of the Australian export trade, and that we did not consider that the mail contract met all our needs in regard to shipping communication with the old world. We thought that without interfering with the States, or with the individual freedom of producers, or without improperly trenching upon the business of the agents now engaged in the trade, we could place at the public disposal a cheaper service. We represented to the States Governments the advantages that would be conferred by such a service, in the hope that the producers would be able to act together to a sufficient extent to afford encouragement for the establishment of a new

line of steamers. We contemplated the establishment of a new line of steamers entirely apart from those engaged in the mail service. The proposed cargo steamers would not have proceeded by way of the Suez Canal, and would not necessarily have had any connexion with those who are responsible for the mail contract. Under the proposed arrangement, our produce would have been carried in larger and slower vessels proceeding by another route.

Mr. MCWILLIAMS.—If the steam-ship companies reduce their freights they will obtain as much cargo as they can carry.

Mr. DEAKIN.—It is scarcely necessary that I should remind honorable members that under the proposed mail contract, we shall gain sixty hours upon the present mail service, as carried out by the Orient Steam Navigation Company, and fifty hours upon the service carried out by the Peninsular and Oriental Steam Navigation Company. When we call upon the contractors, as I hope we shall, at the earliest possible date, probably during the first year of the contract, to provide the accelerated speed which will enable their vessels to convey mails from Brindisi to Adelaide in 612 hours, we shall make a saving of eighty-four hours in the time of transit, and thus permit of letters received by any given steamer being replied to from Brisbane, as well as from Sydney and Melbourne in time to catch the same steamer upon her outward voyage. When this is achieved, we shall have made a great stride, in connexion with our postal communication, and in all its accessories, of the greatest importance to this community.

Mr. JOSEPH COOK.—If the speed is accelerated, we shall have to pay the contractors a subsidy of £150,000 per annum.

Mr. DEAKIN.—That is the maximum—the amount may be a little less.

Mr. WATSON.—Would the Prime Minister say whether the second tender, the amount of which, I understand, was £150,000, would have provided for any saving in time?

Mr. DEAKIN.—Speaking from memory, no. One tenderer did undertake to effect a saving in time, but there were other difficulties in his way which proved to be insurmountable.

Mr. KELLY.—Does the Prime Minister maintain that under clause 5 of the contract, the contractors could be compelled to accelerate the speed of their vessels?

Mr. DEAKIN.—Not under clause 5, but under the terms of the contract as a whole, it could be done. I may say that if there is any ambiguity in the terms of the contract Mr. Croker is perfectly prepared to put matters right. He has been keen for his principals, but quite fair to us. In point of fact, one or two verbal amendments have already been made in the contract which will place matters beyond all possible doubt.

Mr. DUGALD THOMSON.—It is not beyond doubt now.

Mr. DEAKIN.—It is in a sense, because the contract of which honorable members have a copy merely reduces to legal form a rough draft in which it was most distinctly provided that the Government should have power to enforce an acceleration of speed. I admit that in the legally-phrased contract the expressions used might have been clearer. Our object is that this contract shall not only be far better than those that have preceded it, but that it shall, as far as possible, be of a Federal character.

Mr. JOSEPH COOK.—Could the Prime Minister say whether he considers clause 6 to be perfectly clear?

Mr. DEAKIN.—Yes, quite clear, and I understand that the Attorney-General has satisfied himself that it is effective.

Mr. JOSEPH COOK.—Would the extended period referred to therein, be included within the ten years, or would it possibly carry the contract beyond the ten years' period?

Mr. DEAKIN.—As I have already pointed out, that is quite immaterial, because the House is committing itself to the payment of the subsidy for a period of only ten years. No Government could go beyond that term without coming down to Parliament, and obtaining its assent to the payment of the subsidy for a longer period.

Mr. JOSEPH COOK.—In that case, it would have been much simpler to terminate the contract?

Mr. DEAKIN.—Possibly. We have been subjected to a good deal of criticism in connexion with this contract, due to our adoption of the clauses employed in successive contracts previously entered into, the provisions of which were not subjected to the same close scrutiny that has been directed to them during this debate.

Mr. JOSEPH COOK.—If the arbitrators recommended an extension of the contract,

and Parliament did not approve of it, could the Government still demand an acceleration of speed?

Mr. DEAKIN.—Yes, up to the ten years' limit; but, of course, the question of expense might be an important factor. We have secured the favorable terms provided for in the contract, because it extends over a period of ten years. We could not have made such a good bargain if the agreement had been made for a term of only four years. As I was saying, a Federal character will be imparted to the new service, not only by our effort to put the postal service on an absolutely Federal basis, but by the fact that the steamers will be registered here, and fly our own flag. Moreover, the conditions that they shall be manned by white seamen will be strictly observed. I have great sympathy with the remarks of the honorable member for Kalgoorlie, who contended that the steamers should be manned solely by Australian or British seamen. The fact that such a provision is not embodied in the contract is not due to any remissness on the part of the Government. On the contrary, if other proposals made by us to the British Government had been accepted we should have been able to do this, and to bring our shipping service into greater harmony with that of the old country, while more closely studying the requirements of the Empire. Although no stipulation is made in that regard, however, I have yet to learn that the new fleet will not be manned by British seamen.

Mr. BAMFORD.—Will the fact of the vessels being registered here render it necessary for the contractors to pay Australian rates of wages?

Mr. DEAKIN.—The payment of Australian rates of wages can be enforced only in our own waters. We may make them apply whilst the steamers are trading on our coasts, but the moment they leave our shores on oversea voyages they pass beyond our jurisdiction.

Mr. McDONALD.—Will any shares be held in Australia?

Mr. DEAKIN.—I shall tell presently all I know of that matter. In order to reply to some criticisms as to the expenditure in which Australia will be involved by the acceptance of this contract, I propose to read a few figures which also bear on the development of the shipping of the mother country. There is at present on the British Register shipping amounting

to 9,000,000 tons, whose value is estimated at £150,000,000, and whose gross earnings amount to £90,000,000 a year. In respect of that shipping the mother country provides, by vote of Parliament, £1,127,000 a year—£860,000 for mail services, £200,000 for subventions which enable the British Government to claim the services of ships built to her order in time of war, and £53,000 in subsidies for no other consideration than the encouragement of trade. The total payments by the Government of Great Britain therefore amount to about $\frac{1}{2}$ per cent. on the estimated capital value of the shipping of Great Britain. On the other hand, Germany pays 9 per cent. in subsidies, in addition to indirect concessions by the State railways, as well as in other directions. To take two concrete examples, I find that a special freight is charged upon German State railways in respect of goods of German origin and manufacture intended for export.

Mr. JOSEPH COOK.—There are special freights on most of our railways in respect of goods for export.

Mr. DEAKIN.—The honorable member refers to the rates in respect to wheat and other products?

Mr. JOSEPH COOK.—We carry all sorts of produce for export at special rates.

Mr. DEAKIN.—Whilst in Germany rails are carried at 3s. 2d. per ton for a given distance, it costs 8s. 4d. per ton to carry the same rails over a like distance in Great Britain.

Mr. McDONALD.—The railways in Germany are owned by the State, whilst in Great Britain they are private enterprises.

Mr. DEAKIN.—Quite so. Again, in Germany machinery would be carried over a given distance at 7s. 10d. per ton, whilst in the United Kingdom the charge would be 36s. 4d. per ton.

Mr. CAMERON.—That is an argument in favour of—

Mr. DEAKIN.—I am now quoting facts.

Mr. JOSEPH COOK.—Where did the honorable and learned gentleman obtain them?

Mr. DEAKIN.—From one of the latest numbers of *Dun's International Review*. My point is that, though the British Government pays only $\frac{1}{2}$ per cent. upon the capital invested in the shipping of the United Kingdom, the German Government pays as much as 9 per cent., and gives other indirect concessions that, probably, raise the total to 10 per cent. or 11 per cent. The

remarkable development of German shipping, which is one of the economic features of the present time, is largely due to the fact that it receives ten or a dozen times the encouragement that the United Kingdom has hitherto found it necessary to give to its shipping.

Mr. BATCHELOR.—The German people are not paying as much as the English people are.

Mr. DEAKIN.—When attention is drawn to the expenditure proposed here, the fair measure is not the country which has, so to speak, the command of the sea, and has reached that proud position by careful State nursing and wise provision for the last two or three centuries, as well as by the industry and ability of its people. We find that people like ourselves who are in the early stages of their naval development, but who feel their dependence on a marine service, are forced for that reason to put forward greater efforts. France not only gives subsidies amounting to 12½ per cent. to her shipping, but affords other encouragement. For instance, an extra duty is levied on transhipped goods imported from abroad in other than French ships.

Mr. GLYNN.—The subsidies given by America have not done much for her import trade.

Mr. DEAKIN.—For several reasons which it would take too long to deal with.

Mr. GLYNN.—There are fiscal reasons.

Mr. DEAKIN.—They apply in so far as they render America self-supporting, instead of dependent on imports from abroad. The shipping trade of America mainly relates to exports. Its import trade is relatively inconsiderable. That is one disability. But for the Civil War—but for the *Alabama* and the *Shenandoah*—I venture to say that by this time the American merchant fleets would have occupied the position which the American navy holds to-day among the great powers of the world.

Mr. GLYNN.—That is not the general verdict.

Mr. DEAKIN.—That, and their concentration on more profitable developments, has had the result named.

Mr. MCWILLIAMS.—The American Civil War took place nearly half a century ago.

Mr. DEAKIN.—What is Australia doing? It is estimated that we are paying for this contract, over and above the poundage rates, £80,000 a year.

The capital that will require to be invested on the service we are obtaining has been fairly estimated at £4,000,000, and £80,000 on £4,000,000 represents 2 per cent. on that sum. The encouragement, therefore, that Australia proposes to give to this line of oversea steamers is but 2 per cent. as against the 12½ per cent. given by France, and the 9 per cent. given by Germany to their shipping, taking all of it into account, irrespective of other advantages.

Mr. WATSON.—Why £80,000?

Mr. DEAKIN.—Because the remainder is estimated to represent the poundage rates.

Mr. McDONALD.—Still the company will secure that remainder.

Mr. DEAKIN.—We shall pay £45,000 for services rendered; we shall pay the other £80,000 per annum for the class of service we obtain. If we, in Australia, separated as we are by thousands of miles from Europe, and requiring, like the United States, far more accommodation for our export than for our import trade, pay only 2 per cent. as compared with the efforts of other enterprising nations, that is a small outlay for the development of a service of this character.

Mr. CAMERON.—Is there not a percentage given for other services?

Mr. DEAKIN.—I have said so. In England, as I have shown, the subsidies in respect of the carriage of mails represent eight-tenths of the total sum paid, and, although large amounts are paid by France and Germany for the purpose of maintaining their naval reserves, the chief expenditure takes the form either of postal encouragement, or direct mercantile development.

Mr. DUGALD THOMSON.—Are not the British and foreign payments made in respect of the whole of the shipping of the countries named, whereas the Prime Minister is reckoning the rate in the case of Australia upon this particular investment.

Mr. DEAKIN.—I am doing that because this is our only investment in this direction. We have practically no other oversea shipping. With what else can I compare it? This line is to be registered in Australia. It will fly the Australian flag. It will be an Australian oversea service, and, so far as I know, the only oversea service flying the Australian flag, and partly, perhaps, in Australian hands. That is why I can only make an imperfect comparison. The honorable member for Parramatta last night

questioned the capacity of the tenderers to fulfil the contract. He had been informed that they were merely builders of sailing vessels and tramp steamers. I can assure the honorable member that he is very much mistaken. I gave a list of the various companies for which they have built mail steamers.

Mr. JOSEPH COOK.—The honorable member did not speak of mail steamers. He simply used the word "steamers."

Mr. DEAKIN.—They have supplied steamers to mail shipping companies. I have since examined *Lloyd's Register*, and find that they have built a number of mail ships for English, American, and Japanese lines. The last achievement of Sir James Laing and Sons was to build a vessel of 10,660 tons—the *Slavonia*—one of the famous Cunard line.

Mr. THOMAS.—A vessel of 10,660 tons would not be a famous Cunarder.

Mr. DEAKIN.—I refer to one of the famous Cunard line, which has never lost a ship. Vessels of twice that size, of course, are built for that line.

Mr. JOSEPH COOK.—Does the *Slavonia* belong to the Cunard line?

Mr. DEAKIN.—I presume so. I understand that the names of the vessels of the company always end in "ia."

Mr. TUDOR.—That is so with the vessels of the Allan line.

Mr. DEAKIN.—That is what has been done in James Laing and Sons' own shipping yard. That firm has a history of more than a century. It has steadily grown from comparatively small beginnings, and become one of the powerful yards on the East coast. Sir James Laing and Sons, who are the contractors whom we hold responsible for this contract, are not the only persons connected with it, or from whom we hold security. In the first place, our negotiations, necessarily conducted on the spot, were with Mr. Croker of this city, who is their representative. He is, as is well known, a professional man of high standing, who represents large shipping interests in all parts of the world. Our first contract was with Mr. Croker. He himself is liable for it, and under it he undertook that his principals would enter into this present agreement which he has signed as their agent. We have first of all Mr. Croker and his agreement; we have next Sir James Laing and his agreement, backed up by the bank guarantee of £25,000, in addition to the £2,500 we have already received. In addition to that, Sir James Laing and Sons,

who have taken a leading position as the firm responsible for this contract, are associated, so I am informed—on the authority of Mr. Croker as their agent—with the following eminent British ship-builders:—Vickers, Son, and Maxim, one of the largest ship-builders in the United Kingdom.

Mr. DUGALD THOMSON.—Associated under this contract?

Mr. DEAKIN.—Under this contract. They are also associated with Lord Armstrong, representing Lord Armstrong, Whitworth and Company and William Beardmore and Company. We have thus four of the best known and best established ship-building firms in England associated in this matter.

Mr. JOSEPH COOK.—Associated in what way?

Mr. DEAKIN.—They are partners, to some extent, in the tender. Sir James Laing takes the responsibility of the contract, and, after Mr. Croker, we look to him and his company.

Mr. DUGALD THOMSON.—That is as to the payment of the £27,500?

Mr. DEAKIN.—Yes. But behind them we look to these firms whose ship-building yards are able, not only to complete this necessary fleet in a short time, but to build any further fleet required. Honorable members appear to have hardly looked at the special guarantees provided in the contract—in articles 33, 38, and 39. We have now £27,500 in hand. For the due fulfilment of the agreement, the contractors must give us a guarantee equal to one-fifth of the amount of the tender. In other words, a bond of £25,000 is required. Then, if the contractors propose to build ships—as they do under this contract—they are required, under sub-clause 2 of clause 39, to "enter into a joint and several bond with two responsible and approved sureties to the Postmaster-General in the penal sum of £25,000 for the due commencement and faithful performance of the contract in accordance with the tender and conditions by the contractor." Should the contractor, in the opinion of the Postmaster-General, fail to make sufficient progress with the construction of the vessels, the latter may at once call upon him and his sureties to enter into a new bond to increase the amount from £25,000 to £50,000, and, failing compliance with that demand, the Postmaster-General may cancel the contract and

enforce the penalty agreed upon. In other words, we are able to obtain a £70,000 security under this contract.

Mr. WATSON.—What time will elapse before the Government can call upon the contractors to forfeit the final amount?

Mr. DEAKIN.—In the first place they may be required to increase the amount from £25,000 to £50,000 within a week. They must find that sum if such a demand were made, or the contract would be cancelled, and they would be liable to a further penalty.

Mr. WATSON.—What would be a reasonable period to allow before calling upon them to forfeit the final amount?

Mr. DEAKIN.—That is a matter which is left to the discretion of the Postmaster-General.

Mr. FISHER.—That means the Government.

Mr. DEAKIN. — Exactly. Consequently we are as well secured in connexion with a contract of this kind as we can be. When tenders were invited it hardly seemed possible that we should be able to secure a fleet of ships of this character, or possibly larger penalties might have been provided. But, considering that with Sir James Laing and Sons it is not a question of money—that that firm has never yet failed in its word—

Mr. DUGALD THOMSON. — Does the Prime Minister really think that these shipbuilders intend to run a mail service, and to enter into competition with other vessels?

Mr. DEAKIN.—I have the assurance of their representative here that they are concerned in this contract, and I hope and believe that their efforts in Australia will not be confined to this contract alone. Under the agreement an entirely new company headed by expert shipbuilders will enter Australian waters—persons possessing both the ability and the capital necessary to carry out the largest designs. They have evidently realized what the prospects of Australia are. They recognise that its production is likely to increase by leaps and bounds. They have doubtless taken into account the advances which have been made by the steam-ships which are doing the carrying trade of the world, and are ready to provide us with a more progressive service than we have yet enjoyed.

Mr. JOSEPH COOK.—Will there be any Australian capital sunk in this venture?

Mr. DEAKIN.—Beyond what has appeared in the newspapers, I have no knowledge upon that point.

Mr. JOSEPH COOK.—The Prime Minister is not aware whether our coastal companies intend to invest in it?

Mr. DEAKIN.—I see the statements which are published in the press, as does the honorable member, but cannot say what foundation there is for them. I do not know whether the inquiries of the honorable member for Barrier and his colleagues upon the Shipping Commission led them to note the circumstances under which some of the lines now subsidized in Europe are being carried on. For instance, the Norddeutscher-Lloyd's line is not merely supported by the German Government. The Government of that country have taken many steps which probably meet with the approval of the honorable member for Barrier, but they have not gone to the extent of attempting the State ownership of that company's vessels. Nevertheless, their control of the Norddeutscher-Lloyd's ships practically amounts to a State ownership.

Mr. THOMAS.—I said so.

Mr. DEAKIN.—But did the honorable member state that the freight rates and the passenger fares have to be assented to by the German Government before they can be altered in any way?

Mr. McDONALD.—And the shares must be held by German subjects.

Mr. DEAKIN.—Also the ships must be built in German yards, and must burn German coal. That is a policy of Germany for the Germans. The German Government, I repeat, subsidizes those vessels, and assists them to enter into competition with other lines, but makes no attempt to assume the actual control of them.

Mr. THOMAS.—When I was speaking, I said that in the opinion of Mr. Kenneth Anderson, the vessels of the Norddeutscher-Lloyd's line were practically owned by the State.

Mr. DEAKIN.—That is so. But I want the honorable member to recognise that, while that circumstance supports his argument up to a certain point, the very fact that the German Government deliberately stop short there shows that they must have good reasons for so doing. If they believed that their ownership could best be served by themselves taking over the vessels of that line and manning them, there is nothing to prevent them from doing so.

Mr. HUTCHISON.—The Socialist section of the Reichstag is not strong enough to compel them to do that.

Mr. DEAKIN.—The fact that so intelligent and thoughtful a people as the Germans stop short just where they do in this particular enterprise which is practically State owned evidences that they recognise the wisdom of going no farther.

Mr. DUGALD THOMSON.—It is not a question of what the German Government think, but of what this Government think.

Mr. DEAKIN.—Exactly. Nevertheless, that is an argument that I am justified in commending to the attention of those honorable members. The combination which is behind our proposed contract is strong enough to undertake all the tasks which confront them, and strong enough to enter into that other development of steam-ship communication to which I have alluded. The limits of this debate will not permit me to refer to it further than to say it is my own clear conviction that in Australia we are neglecting one of the finest opportunities for co-operation presented anywhere. By means of our State Agricultural Departments and State railways, we are brought into such close touch with the producers that they ought to be able, with the help of their representative associations, to act together in the several States, and to deal through us not only with this new mail company in regard to its cool storage accommodation, but with vessels of a larger tonnage and slower speed—sufficiently swift to place the produce of Australia upon the markets of the world upon much better terms than we have hitherto enjoyed. I believe that the inquiry of the honorable member for Barrier and his colleagues has accomplished good in opening our eyes to the influence of sea communications upon the prosperity of a country which depends as largely as we do upon its export trade. Practically we pay our debt by means of that trade. Nothing of such general interest to Australia as the cultivation of that trade oversea can escape the consideration of its public men. Here is one means—the means of co-operation—which, with the existing machinery possessed by the organizations of producers in the different States, can enable them to offer inducements which will provide them with better and cheaper communication.

Mr. DUGALD THOMSON. — And the seasons.

Mr. DEAKIN.—The seasons have to be taken into consideration, but in my opinion, if I may be permitted to use the phrase, we are growing out of the seasons. By means of the new system of dry farming, which has been dealt with by the honorable member for Echuca, by irrigation, and by the application of better knowledge, I believe that the production of this Continent will increase four or five-fold.

Mr. JOSEPH COOK.—The Prime Minister had better keep out of the clouds.

Mr. DEAKIN.—I think that I am upon very solid ground in making that statement. What has developed the butter industry in Victoria, except our butter factories, and particularly our co-operative factories? If they had not had a most untoward experience in regard to their bounties they would have developed that industry still further. When we are afforded an opportunity of obtaining an Australian line of steamers—even if it be only the beginning of larger things—we should avail ourselves of it. I venture to say that that article in the contract in which the Postmaster-General undertakes to use his good offices with the States Governments to secure to the new line of steamers the best possible treatment is a very proper provision to introduce. I have heard some expressions of fear lest the new company should join combinations which are said to exist, or should become in itself a monopoly. As has been expressly pointed out, our power to take over the whole of the vessels engaged in the service is our answer to any such fear. When it can be shown that the line which we have assisted to build up commences to injure our trade, honorable members will have much stronger title to ask us to interfere.

Mr. McDONALD.—If we purchase the boats from the contractors, should we take over the mail service which they are providing?

Mr. DEAKIN.—Necessarily. When we have bought out the other party the contract will be with ourselves.

Mr. McDONALD.—Would the contract end if we purchased the boats?

Mr. DEAKIN.—Certainly.

Mr. McDONALD.—We have not heard under what clause that could be done.

Mr. DEAKIN.—The terms are clearly set forth in the contract.

Mr. McDONALD.—Where?

Mr. DEAKIN.—They are clearly set out in print before the honorable member. I have already occupied the House too long, or I should read them.

Mr. McDONALD.—We may purchase the vessels, but would that end the contract?

Mr. DEAKIN.—Certainly. The honorable member suggests that the purchase of the boats does not annul the contract, though the power is itself a term of the contract, but, in my opinion, that must be its effect.

Mr. FISHER.—If that is not clear, will the honorable and learned gentleman make it so?

Mr. DEAKIN.—I think that it is clear, but if it is not I shall have it made so. If we are to secure fair terms for our shippers it will be done only by co-operation amongst producers and exporters, assisted by Government action. The treatment which the proposed Australian line will receive from Australia will depend upon the manner in which it treats our producers and exporters, and performs its contract with the Government. I hope that the service will be conducted in such a fair and generous manner that our future Governments and Parliaments will feel justified in using all their influence to foster it, and to give it all the other business we can. An opportunity is afforded to the new company to-day which has been given to no other company, because we are only beginning to appreciate the importance of our sea traffic. If it deals with us fairly and reasonably, not becoming a monopoly, or joining a combination, and fulfils, not merely the letter, but the spirit of this agreement, as I believe it will, because of the names behind it, it will be our duty, in the interests of our producers, to encourage and support it. The Government can, and ought to, stand behind it and help it on. We shall expect its directors to take a manly, independent stand in respect to proposals to combine with other companies, and, if by its means we succeed in breaking down the operations of the oversea rings, as we hope by other means to put an end to any unfair Inter-State combination, we shall perform one of the greatest services which can be rendered to those who live by the produce which they gain by the sweat of their brow. In this State, at all events, they have not in the past been too well served by their agents. They have been dependent on shipping services in which, though at times competition has brought down rates even unnecessarily low, have

often mulcted them, directly or indirectly, of too much of their earnings. We hope to accomplish much for our producers by the establishment of this Australian line, and if, when ratifying the contract, we give the promoters to understand that fair and generous dealing on their part will meet with a similar return from us, we shall, by passing the motion, have done one of the best acts that this Parliament can perform.

Mr. CAMERON (Wilmot) [9.34].—I offer to the Prime Minister my congratulations on the very able speech which he has just made. If the conditions of the contract are faithfully observed, Australia will undoubtedly have made a very good bargain. But, although the Prime Minister has told us, on the strength of the statements made by the person conducting the negotiations, that there are three large ship-building companies behind Messrs. Sir James Laing and Sons, that statement demands corroboration. Some years ago, when the Tasmanian Parliament was considering a proposal to make a railway on the West Coast, all sorts of statements were made by the person who was trying to bring about the construction of the line; but nothing came of his efforts, because his statements were found not to be correct. Therefore I suggest to the Prime Minister that, before the motion is passed, he should obtain assurances from the firms that he has named that they are distinctly interested in this contract, and will see that it is carried into effect. Such a course will remove all doubt on the subject. The honorable and learned gentleman made one little slip, to which I feel it my duty to call his attention. He told us that America has no shipping worthy of the name, because she has no import trade. But, if he refers to the *Statesman's Year-Book* for 1906, he will find that America is the third largest importing country on the face of the globe.

Mr. DEAKIN.—My statement was made on the authority of one of the best known American magazines.

Mr. CAMERON.—According to the *Statesman's Year-Book*, England heads the list of importing countries, Germany comes next, and America is third, with an import trade valued at £232,000,000 per annum. When the Prime Minister compares the magazine statement on which he relies with the figures in the *Statesman's Year-Book*, he will find that he has been in error, and, I trust, will admit it. No doubt, his eloquence led him further than he would

go if he were to repeat his speech. But, as he has been wrong in one statement, it makes it all the more necessary that he should prove that the suspicion that the contract is an attempt to work a little financial scheme is unfounded. It would be, surely, a simple matter to obtain a telegram of confirmation from the firms in question, and thus set all doubts at rest. Because there are many doubting Thomases about—I refer, not to the honorable member for Barrier, but to those who say that the contract is too good to be likely to be carried out. In my opinion, the Governments of the States made a great mistake in refusing to co-operate with the Prime Minister in making arrangements to secure accommodation on the mail steamers for the conveyance of perishable produce, but we know that they are very jealous of the Commonwealth Government, because of the well-founded fear that this Parliament wishes to usurp the powers of the States, and they are determined not to allow that to be done. To my mind, the Governments of the States have acted against the interests of their people in not entertaining the Prime Minister's offer. I cordially recognise the spirit in which that offer was made, and believe that, had it been accepted, it would have been to the manifest advantage of the people of Australia. The honorable member for Barrier spoke eloquently in favour of his proposal for the establishment of a fleet of vessels to be owned by the Commonwealth. An argument which has been used to support this proposal is that the States railways have proved beneficial to the people of Australia, and that a Commonwealth steamship line should be equally useful. I think that that argument will not hold water. When it was first proposed to construct railways in Australia, the population of the country was very small, and not very wealthy. English companies had no inducement to construct railways here without land concessions, or large yearly grants of money. The various States Governments, however, were charged with the means of providing communication between the ports and the interior, and found that they could borrow money cheaply in London for the construction of railways to open up the country.

Mr. BATCHELOR.—If it had been left to private enterprise, Australia would not have been developed.

Mr. CAMERON.—As the Governments of the States had alienated very little land

at the time, they were, by making railways, improving their own property. The construction of railways enabled them to settle people in the country, and increase their revenue accordingly. The proposal that we should acquire a fleet of mail steamers is, however, of an entirely different character, because private owners are ready to do all that we require in the way of providing us with shipping accommodation. If we found it difficult to induce ship-owners to send their vessels here, we might reasonably ask the Government to engage in the undertaking recommended by the Commission; but it would be the height of folly for us, under present conditions, to enter into competition which could only end in disaster. Under these circumstances, I feel that it is impossible for me to support the amendment.

Mr. THOMAS.—I am sorry to hear that, because I was reckoning on the support of the honorable member.

Mr. CAMERON. — I can assure the honorable member that when he brings down a reasonable and sensible proposal, designed to promote the best interests of the community as a whole, I shall give him my strongest support. If, however, he submits schemes which can only end in disaster, or can benefit only one section of the community at the expense of the great majority of the people, he will meet with my bitterest opposition.

Mr. DEAKIN (Ballarat — Minister of External Affairs) [9.47].—By way of explanation, I desire to say that the authority for the statement I made recently was the writer of an article in *Dun's International Review* upon the "Effect of Subsidies on Merchant Shipping." The article was written by the editor of a leading English shipping journal, who points out—

All the nations which are not engaged in actively subsidizing their merchant fleets occupy the position of being both large importers and exporters of cargo, and the key to the situation is found in the fact that their vessels earn money on both the homeward and outward voyages. On the other hand, countries like the United States, which are practically self-contained, so far as manufacturing is concerned and whose enormous agricultural resources enable them to sell their bulky farm products at rates which defy competition, do not require to import articles which demand plenty of ship room, and the difficulty of finding a single commercial centre abroad to which this consideration does not apply, naturally causes the American capitalists to hesitate before investing their money in shipping.

That statement, dealing chiefly with quantities, is supposed to be refuted by the mere recital of values taken from tables published in the *Statesman's Year-Book*, 1906, which it is expressly stated are compiled "for convenience of reference, not for the purpose of comparison." According to this table, the imports into the United States for 1904 were valued at £232,815,220, whilst the exports during the same period were valued at £310,780,130. That is only values.

Mr. JOSEPH COOK.—The Prime Minister characterized the imports as trifling.

Mr. DEAKIN.—So they are by comparison, in so far as they are not of a bulky character.

Mr. DUGALD THOMSON.—Nonsense!

Mr. DEAKIN. — Will the honorable member say that the goods we import compare in bulk, and therefore in extent of freight, with our meat and various other articles of export?

Mr. DUGALD THOMSON.—Iron pipes and furniture, which figure among our imports, are very bulky.

Mr. DEAKIN.—I have quoted my authority, who is the editor of an important shipping paper, and shows a thorough acquaintance with his subject. The total showing the value of the imports conveys no idea as to the shipping requirements of such goods.

Mr. McWILLIAMS. — The *Statesman's Year-Book* is a standard work of reference.

Mr. DEAKIN.—Undoubtedly it is, but it holds out the special warning that the tables are compiled for reference, and not for comparison. The statement I have quoted was made by a gentleman evidently acquainted with the subject, and no mere monetary figures can be regarded as affording any guide as to the extent to which the carrying capacity of the ships conveying the imports is affected. The imports to the United States are very largely expensive luxuries.

Mr. KELLY (Wentworth) [9.50].—I had not intended to address the House upon this question, but I desire to put the Prime Minister right in regard to his statement to the effect that the imports into the United States, although considerable in value, are trifling in bulk. Fortunately, the same authority from which the honorable member has quoted, namely, the *Statesman's Year-Book*, deals with the nature of the imports into the United States. At page 444, it is shown that the

leading imports into the United States in the order of their importance are sugar-hides, and skins, chemicals, drugs, and dyes, coffee, silk unmanufactured, cotton, manufactures of, indiarubber, and gutta percha crude, and so on. I need not quote the list any further, but I would recommend it to the attention of the Prime Minister, who has made what appears to be an unwarranted statement.

Mr. BAMFORD (Herbert) [9.52].—I wish to say a few words in explanation of the vote I intend to give upon the proposed new mail contract. I am very pleased to notice that the Government have named Adelaide as the terminal port. Honorable members may remember that when the contract with the Orient Steam Navigation Company was under discussion, the Queensland Government were especially anxious that Adelaide should be made the terminal port, or at least that there should be nothing in the agreement to compel the mail steamers to go beyond Adelaide. They took the view that the mention of Melbourne and Sydney as ports of call, and the exclusion of Brisbane, cast a certain slur upon Queensland. In order to give expression to the views of the Queensland Government, I moved an amendment to the effect that Adelaide should be named as the terminal port, but, unfortunately, the majority of honorable members were against me. The honorable member for North Sydney, to whom I generally pay the greatest possible attention, because I know that his matter is generally well considered, was very much at fault in his criticism of the figures presented by the Shipping Service Commission. That body did excellent work, if only because it afforded honorable members much valuable information. The honorable member for North Sydney came here with figures which had been raked up within a few hours, and endeavoured to upset the estimates of the Commission in regard to the proposed State-owned mail service. It seemed to me that his efforts were quite unworthy of him. I entirely indorse the views of the honorable member for Oxley, so far as concerns the establishment of a route *via* Torres Straits. When the previous mail contract was being considered, I expressed the opinion that Queensland, instead of seeking to have Brisbane made a port of call, would do better to subsidize a line of mail steamers which would especially cater for the requirements of that State. Such a service of steamers,

trading by way of Torres Straits, would confer upon the people of Queensland very much more benefit than could be derived by them from any mail service *via* southern ports. The Prime Minister appeared to me to lay too much stress upon the advantage of quick transit for our perishable products. Possibly, rapid transit may be desirable in the case of Tasmanian apples, but with regard to the great bulk of our products, such as beef, mutton, rabbits, and butter, a few days' delay in their conveyance to the markets at the other side of the world is of no consequence. The Federal line of steamers, which proceeds by way of the Cape, and occupies from forty to fifty days in making the voyage, ship meat as far north as Townsville, and carry all kinds of perishable products exceedingly well. In view of the fact that we have cold storage at this end, and also at the principal depôts in the old country, a few days more or less occupied in transit is of no appreciable importance. I think that under the proposed new contract the Government are proposing to pay a great deal too much for quick transit.

Mr. WATSON.—Is it not important that we should have quick transport for our mails?

Mr. BAMFORD.—I do not regard that as a matter for very grave consideration, because the great majority of the people of the Commonwealth do not care whether they get their letters to-day or the day after to-morrow. It is a great pity that the Government should have allowed considerations as to cargo space to influence them in entering into the new contract. They should have aimed at arranging for a mail service pure and simple. Some reference has been made to rebates, particularly in connexion with our coastal trade. If half-a-dozen men engaged on a sugar plantation refuse to work on the terms offered by the employers, the fact is prominently paraded in the press, but we see no references to the rebates which are made by the shipping companies. No complaints are made by the commercial community, for the reason that business men are making money out of the rebates. They pass the extra freight charges on to their customers, but when they receive the rebates they retain them to swell their income, and say nothing. Much stress has been laid upon paragraph 36 of the contract, which gives the

Government power to at any time purchase the vessels engaged in the mail service. To my mind that provision possesses no value whatever. Similar power has been taken by Government and municipal authorities in regard to a variety of enterprises conducted by private companies, but no benefit has resulted from their having the option of purchase. The Commonwealth will be in no better position relatively to purchase steamers in five or six years than at the present time. In the district which I represent, a certain public service is being performed by a company, and the municipal authorities within whose domain the company is operating, have the right to purchase the concern. They might have exercised this power six or seven years ago, but to-day they are in no better position than they were previously, and consequently the business is still in private hands. It is gratifying to learn from the Prime Minister that some of the largest ship-building firms in the world are anxious to do business with us, and are ready to join with Sir James Laing and Sons in building the vessels necessary for this service. In view of the statement so persistently made by the Opposition that the insertion in our mail contracts of a clause providing for the employment of only white labour on our mail steamers would result in all the companies refusing to enter into them, it is consoling to hear that these large firms are, metaphorically speaking, falling over one another in their desire to enter into this agreement. Another point to which no reference has been made is that, despite the opposition to the amendment, no attempt has been made to refute the figures advanced in support of it. The Prime Minister's speech should make a great impression in a direction other than that which he intended; it should induce honorable members to support the amendment moved by the honorable member for Barrier, for it was a magnificent testimony to the advantages of co-operation. Instead of opposing the amendment, every honorable member should be prepared to vote for it, and the States themselves should be only too willing to co-operate with the Commonwealth in carrying out the proposal. In another place, a resolution to the effect that we should nationalize a certain industry has been unanimously carried, while another motion relating to the nationalization of an industry has been debated, and a Royal

Commission has furnished to this Parliament a report on the subject. Some of the best legal talent in the Parliament, and also, I believe, outside, has asserted that under the Constitution we are restrained from nationalizing an industry. That objection, however, does not apply to the amendment. All that is necessary to give effect to it is the passing of a resolution by this Parliament. In conclusion, I would point out that the honorable member for Parramatta has said over and over again, not in the Chamber, but elsewhere, that the Socialistic Party are, so to speak, "drawing in their horns," and withdrawing their goods from the political shop window.

Mr. JOSEPH COOK.—Hear, hear.

Mr. RAMFORD.—So far as I am concerned, this proposition for the establishment of a State-owned line of mail steamers is one that, as a Socialist, I have no hesitation in placing in the political shop window, and I intend to vote for it.

Mr. JOSEPH COOK.—The honorable member's leader has just put up a shutter, and is going behind it.

Mr. WATSON.—I am keeping the coastal trade in the political shop window, at all events, and that is a big line.

Mr. BAMFORD.—If the honorable member has put up a shutter, it is merely to remain up whilst he re-dresses the window.

Mr. KENNEDY (Moir) [10.5].—I desire to deal briefly with this question, which is of considerable importance to those engaged in the export trade. Although the contract is one really for the carriage of mails, the time is not far distant when it will have a most important bearing on the development of our export trade in perishable products. Practically, no opposition has been raised to the contract, although the honorable member for Barrier has moved an amendment providing for the establishment of a line of State-owned mail steamers. The Opposition say that the contract is really too good, and they are at a loss to know why the contractors should be prepared to enter into it. I hope that the honorable member for Wentworth who has cursorily examined the *Statesman's Year-Book*, in order to correct a statement by the Prime Minister, will have no need to draw largely on his imagination in regard to the possibilities of the export trade of Australia. These enterprising firms in

the old world are quite prepared to take a more sanguine view of the possibilities of Australia than are the "stinking fish party." At this juncture I shall not commit myself to support the amendment. The proposal is unnecessary at the present, but it is certainly time that the State should exercise the fullest possible control over the development of our export trade. Under this contract the Commonwealth will be able to do so. What has been our experience with regard to mail contracts, and the danger of monopolies arising under them? In passing, I may say that some of the ablest men even in the farming community are earnest and enthusiastic advocates of a State-owned line of steamers. The wisdom of establishing such a line has been forced upon them by their experience. The Peninsular and Oriental Steam Navigation Company and the Orient Steam Navigation Company were to a large extent the pioneers in the carriage of our perishable produce to the old world. Under the contracts entered into with them, however, those engaged in the trade found themselves hampered to a great extent by the charges and the conditions imposed. They were unable to secure redress, and some time ago the co-operation to which the Prime Minister has referred had to be resorted to by the Victorian producers in order to secure reasonable consideration. They had to go outside the contracting mail steam-ship companies and arrange with another line to carry their produce to the old world. It was declared by the representatives of the mail steam-ship companies that it was impossible to secure the carriage of butter to England for less than $\frac{3}{4}$ d. a lb., but our exporters were able to enter into a contract with another company to carry produce of that class at half the rate charged by the mail companies. It is to be regretted that the States Departments, within whose province this branch of business lies, have not seen their way to support the Government in regard to this contract; but, for obvious reasons, they may have found it impracticable to do so. It is within my knowledge that at the present time a contract for the carriage of perishable produce from Victoria is in existence, but I cannot say when it will expire. Where we are sending only hundreds of tons to-day we shall, under normal conditions, within the next ten or twenty years, be sending thousands of tons.

Mr. THOMAS.—We are sending 40,000 tons away now.

Mr. KENNEDY.—This trade of carrying perishable produce in refrigerating chambers was only started in the early nineties, and only in recent years has it been practicable to get the produce conveyed without loss or deterioration. Under the conditions that prevail to-day perishable produce can be landed in London practically in the same condition as that in which it is put on board in Australia. One does not require a vivid imagination to foresee that in the near future the trade must be doubled, if not trebled. I trust that as it increases our exporters will see the necessity of co-operating with the Government when attempts are made to introduce additional facilities. I hope they will assist to establish the new line on a sound foundation. It has been argued that there is a fear of failure in bad seasons when there will be no produce to export. But looking back upon the history of Australia for thirty years, I think there has been but one year in which there has been any considerable diminution of our exports. With the experience that we have gained, with the better methods that have been adopted, it is not likely that we shall allow ourselves to be overtaken by the same difficulties again. With the aid of modern appliances the trade must continue to expand. We may therefore consider that the trade is but in its infancy, and that within the next ten years the new fleet of steamers will prove to be inadequate. We have been told that at present the Peninsular and Oriental and Orient Steam Navigation Companies provide more than ample accommodation. As a matter of fact, they are hardly able to take the whole of our produce now under normal conditions. When a new line begins to compete with them I have not the slightest doubt that there will be ample produce for the accommodation provided. I shall support the policy of the Government, and vote for the ratification of the contract.

Question.—That the words proposed to be left out stand part of the question—put. The House divided.

Ayes	...	...	40
Noes	...	...	14
Majority	...	...	26

Batchelor, E. L.
Bonython, Sir J. L.
Cameron, D. N.
Carpenter, W. H.
Chapman, A.
Cook, J.
Crouch, R. A.
Deakin, A.
Ewing, T. T.
Forrest, Sir J.
Fuller, G. W.
Fysh, Sir P. O.
Glynn, P. McM.
Harper, R.
Higgins, H. B.
Isaacs, I. A.
Johnson, W. E.
Kelly, W. H.
Kennedy, T.
Knox, W.
Lee, H. W.

Bamford, F. W.
Culpin, M.
Fisher, A.
Hutchison, J.
Mahon, H.
Maloney, W. R. N.
McDonald, C.
O'Malley, K.

Conroy, A. H. B.
Groom, L. E.
Reid, G. H.
Willis, H.
Smith, S.
McLean, A.
Cook, Hume

AYES.

Liddell, F.
Lonsdale, E.
Lyne, Sir W. J.
McCay, J. W.
McColl, J. H.
McWilliams, W. J.
Phillips, P.
Quick, Sir J.
Salmon, C. C.
Skene, T.
Storrer, D.
Thomson, D.
Watkins, D.
Watson, J. C.
Webster, W.
Wilks, W. H.
Wilson, J. G.

Tellers:

Mauger, S.
Robinson, A.

NOES.

Poynton, A.
Ronald, J. B.
Thomson, D. A.
Wilkinson, J.

Tellers:

Frazer, C. E.
Thomas, J.

PAIRS.

Chanter, J. M.
Page, J.
Brown, T.
Spence, W. G.
Hughes, W. M.
Fowler, J. M.
Tudor, F. G.

Question so resolved in the affirmative.

Amendment negatived.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [10.28].—I desire to move the addition of a proviso to clause 3.

Mr. SPEAKER.—I would point out that the Postmaster-General submitted the main motion, and therefore it will not be competent for him to move an amendment. Probably the Attorney-General will submit the amendment for him.

Mr. ISAACS (Indi—Attorney-General) [10.29].—I move—

That the following words be added:—"with the following modifications:—

That at the end of clause 3 the following proviso be added:—"Provided that in the event of the Postmaster-General requiring the period of transit on the voyage from Brindisi to Adelaide to be reduced to 612 hours, the period of 612 hours shall thenceforth be deemed to be the period of transit for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period."

That clause 15 be amended by inserting after the words 'with the consent of,' in the second proviso, the words 'or subject to approval by,' and by inserting after the word 'Parliament' the words 'by resolution.'"

Mr. JOSEPH COOK.—That is for a voyage only one way.

Mr. ISAACS.—The 612 hours' service is for a voyage only one way. The amendments have been agreed to by Mr. Croker, as agent for the contractors, so that they will not disturb any of the provisions of the proposed contract. I will explain what my second proposal, in respect of clause 15, means. That provision stipulates that, should the earnings of the mail steamers be diminished, or the expense of running the vessels be increased, by not less than £5,000 per annum, in consequence of Commonwealth legislation, the directors of the company shall be at liberty to determine the agreement upon giving six months' notice in writing to the Postmaster-General. That is the only thing the contractors can do under the clause to avoid loss, actual or prospective. The clause provides that if so required, the contractors are to furnish the Postmaster-General with a distinct statement. There is the further proviso which I had better read in full:—

Provided further that should the Postmaster-General with the consent of Parliament elect in writing within one month of such notice being given to increase as from the date of such legislation coming into operation the annual subsidy payable to the contractors by a sum equal to such diminution of earnings and or increase of expenses or by such other sum as may be mutually agreed upon such notice of termination shall be deemed to have been withdrawn and the contract shall continue on the same terms with the exception only of the increased subsidy (if any) payable to the contractors.

The position is that if we pass any legislation relating to shipping which will have the effect named, actual or prospective, then the contractors may give the notice terminating the contract—that is the only way they have of protecting themselves. But the Commonwealth, through the Postmaster-General, may prevent the contract being put to an end by saying, "Very well, we will agree to give that increased sum, or such a less sum as may be agreed upon." Following previous contracts, the power of the Postmaster-General is limited to making that agreement with the consent of the Parliament within one month of notice being given. If Parliament should not happen to be sitting, the contractors will be in the position of either having to endure a loss, or to put an end to the contract; and both parties will be utterly unable to continue the contract—there will be an end of it. Because if Parliament is not sitting the

consent of Parliament cannot be obtained, it could not, therefore, be obtained within one month.

Mr. WATSON.—What about inserting the word "directly" before "relating to shipping"?

Mr. ISAACS.—There is no agreement as to that, but I should say that no doubt "relating to shipping" means directly relating to shipping.

Mr. WATSON.—Why not so specify?

Mr. ISAACS.—We have the words of the contract as taken from other contracts, and there is no agreement to put in the word "directly."

Mr. JOSEPH COOK. — Is there nothing fresh in this provision?

Mr. ISAACS.—I had better first explain what I intend to do in the way of amendment. The clause, if amended, will then read—

Provided further that, should the Postmaster-General, with the consent of, or subject to, approval by Parliament by resolution. . . .

The effect will be that if there is time when Parliament is sitting, the Minister will come and ask for consent. If, however, the Postmaster-General makes the arrangement in recess, he must do so subject to the approval of Parliament, and this will keep the contract alive if Parliament chooses to ratify it when it meets. This still keeps the control of Parliament, and it prevents the contract dying if Parliament chooses to keep it alive. The words "by resolution" are inserted to prevent any contention being raised that the consent of Parliament means consent by Act, and to provide that the consent may be given by resolution.

Mr. JOSEPH COOK.—Are the words "legislation relating to shipping" in other contracts?

Mr. ISAACS.—Yes, so I understand. The words were in one copy of another contract which I have seen, and I am told they are in all other contracts.

Mr. McCAY.—The words were in the last contract.

Mr. JOHNSON.—That is no reason why they should be retained in this contract if we can get words which more clearly express our meaning.

Mr. ISAACS.—At present I am not in a position to say whether the word "directly" can be inserted, but, so far

as I can see, the proper interpretation of the words in the contract is legislation directly relating to shipping.

Mr. WATSON (Bland) [10.35].—I do not really see the point of the objection made by the Attorney-General to the insertion of "directly," or some equivalent term. If, as the Attorney-General says, it is clearly understood that laws "relating to shipping" must be laws directly relating to shipping—and I am rather of that opinion—it appears to be wiser to have the specific words, so that there can be no possible error. We do not desire to encourage litigation later on; and surely the contractors cannot object to have clearly specified what is at present understood.

Mr. THOMAS.—Will the lawyers not have litigation over the word "directly"?

Mr. WATSON.—They might, but, probably, not so easily. I urge on the Attorney-General that the word "directly" ought to be inserted, so as to make as clear as possible what we are aiming at.

Mr. JOSEPH COOK.—I rise to a point of order. I understand that the question is to be raised later on on behalf of the honorable and learned member for Parkes, who has drafted an amendment dealing specifically with this matter.

Mr. ISAACS.—Which matter? Not the matter I have mentioned?

Mr. JOSEPH COOK.—No; the matter raised by the honorable member for Bland. Will it still be open to the honorable member for Kooyong to submit the amendment to which I have referred, on behalf of the honorable and learned member for Parkes, after we have amended the clause in the way indicated by the Attorney-General? The rule of Parliament is that, when in Committee, an amendment is made in a later portion of a clause it precludes any amendment afterwards being moved in a prior part. Does that rule apply to this motion, because, if so, the amendment which the honorable member for Kooyong desires to submit will be shut out.

Mr. SPEAKER.—In the first place, the rules which regulate business in Committee will not apply to a case of this kind. In the second place, the proposals of the Attorney-General do not in any way anticipate anything I can see in the notice of motion to which reference has been made. The suggestion of the honorable member for Bland can, I think, be best dealt with when we come to the amendment of which, I understand, the honorable mem-

ber for Kooyong has charge. Both matters can then be debated, and, if necessary, a vote taken.

Mr. McCAY (Corinella) [10.40].—I desire to say a few words regarding the suggestion of the honorable member for Bland in connexion with clause 15 of the agreement. I am inclined to agree with the Attorney-General that the words "relating to shipping" mean legislation dealing specifically with shipping subjects. But I agree with the honorable member for Bland that it is just as well that the meaning should be made clear. The case which has occurred to my mind is that of an amendment of the Conciliation and Arbitration Act. Of course, under the clause, it would be legislation enacted subsequent to the date of the agreement. If, however, we were to have an Act which did deal with wages on sea-going vessels trading to Australia, I think that some very nice questions of law might arise as to whether it was, or was not, legislation "relating to shipping." I think that whatever is intended ought to be made clear.

Mr. ISAACS.—Would that be legislation "directly relating to shipping"?

Mr. McCAY.—I do not know whether it would or would not.

Mr. ISAACS.—We should get into very great difficulties, anyway.

Mr. McCAY.—The House and the contractor should be clear as to what legislation is intended to be meant. If it be intended to limit this expression to legislation directly relating to shipping—and I think it probably does mean that—it is better to make our meaning clear. There should not be any misunderstanding now, so that the contractors could say later on, "We did not take the view which you took," and thus give opportunities for differences of opinion. All I suggest to the Government is that, between the adjournment of the debate and its resumption tomorrow—for I do not suppose that it will be concluded to-night—there will be ample time in which to have this particular point discussed between the Postmaster-General and the representative of the contractors. I suppose I may take it that the Postmaster-General does contemplate taking that course.

Amendment agreed to.

Debate (on motion by Mr. WILKS) adjourned.

House adjourned at 10.43 p.m.

Senate.*Thursday, 6 July, 1906.*

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

DEPORTATION OF KANAKAS.

Senator WALKER asked the Minister of Defence, *upon notice*—

1. What steps are being taken by the Commonwealth for the deportation of kanakas before or at the end of this year?
2. Will the Government lay on the table of this House a *précis* of the correspondence between the Government of the State of Queensland and the Government of the Commonwealth relative to such proposed deportation?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follows:—

1. The Government are in communication with the Government of Queensland respecting the appointment of certain State officials as officers under section 8 of the Pacific Islanders Act of 1901, who are to be authorized to bring labourers not employed under agreements before a Court, in order that their deportation may be ordered this year. Arrangements are also in progress for a general repatriation next year.
2. As soon as the correspondence is complete the Government will submit the papers for the perusal of members of the Senate, if that course is then desired.

TARIFF COMMISSION'S REPORTS.

Senator CLEMONS asked the Minister of Defence, *upon notice*—

If the Government will, this session, submit to Parliament for its consideration, all reports of the Tariff Commission presented on or before the 31st of August next?

Senator PLAYFORD.—Yes, if possible.

Senator CLEMONS.—Upon that answer, which is not an answer to my question, I desire to ask the Minister if the Government will indicate any definite date at which it will submit to Parliament, for its consideration, any reports that up to that time have been presented by the Tariff Commission?

Senator PLAYFORD.—I cannot answer that question without having consulted my colleagues. I would ask the honorable senator to give notice of the question.

Senator CLEMONS.—I beg to give notice of the question for to-morrow.

The PRESIDENT.—It is too late now for the honorable senator to give notice of a question.

POSTAGE ON HANSARD.

Senator STEWART asked the Minister representing the Postmaster-General, *upon notice*—

Is it the intention of the Government to amend the Post and Telegraph Act during the present session in such a way as to provide for the transmission of *Hansard* through the Post Office at newspaper rates?

Senator KEATING.—The answer to the honorable senator's question is as follows:—

This matter has been noted for consideration in connexion with any amendment of the Post and Telegraph Act which may be found necessary.

Senator STEWART.—That is not a reply.

POST AND TELEGRAPH DEPARTMENT: TASMANIA.

Senator PEARCE (for Senator O'KEEFE) asked the Minister representing the Postmaster-General, *upon notice*—

1. Has any official report been received of wholesale irregularities or frauds alleged by the *Melbourne Age* of the 25th July to have occurred in the Post Offices in Tasmania?
2. If no such report has been received, will the Minister inquire into the allegations?

Senator KEATING.—The whole matter is now under consideration.

TRANSFERS OF OFFICERS.

Motion (by Senator STEWART) agreed to—

That there be laid upon the table of the Senate a return of the expenses incurred in connexion with transfers of officers of the various Departments in the several States in each financial year since Federation; and showing the amounts expended on train, steamer, coach, and other fares respectively; also on conveyance of furniture and effects.

TELEPHONE REGULATIONS.

Senator Col. NEILD.—I suppose, sir, that at this stage I may withdraw my notice of motion for the Senate to disapprove of the "proposed telephone regulations," as it no longer applies.

The PRESIDENT.—If the honorable senator does not move the motion when it is called on, it will disappear from the notice-paper.

PAPERS.

Senator PLAYFORD laid upon the table the following papers:—

Report on the bursting of M.L.E. Rifles, by C. Napier Hake, F.I.C., and Thomas R. Lyle, M.A., D.Sc.

Report by the Director of the Naval Forces on the Naval Defence of the Commonwealth of Australia, for the year 1905.

Annual Report for the year 1905, by the Inspector-General of the Commonwealth Military Forces, Major-General H. Finn.

Report by the Military Board for the year 1905.

The CLERK laid upon the table the following paper:—

Return to order of Senate: Travelling expenses of General Officer Commanding and State Commandants.

ELECTORAL BILL.

SECOND READING.

Senator PEARCE (Western Australia) [2.38].—I move—

That the Bill be now read a second time.

I trust that, if possible, honorable senators will allow the Bill to be read a second time this afternoon, so that there may be a chance of getting it passed this session if it should command a majority in both Houses. It is not a very lengthy or very important measure, and therefore I do not propose to occupy very much time in explaining its provisions. It provides that if a voting machine be approved of by the electoral authorities, then both Houses may, by resolution, authorize its use at approved polling places. It would be a singular thing if, with all the advances in machinery, the inventive geniuses of those countries in which representative government obtains were not trying to discover some less cumbersome, more economical, and safer method of voting than the somewhat old-fashioned methods which are in vogue in various countries. Australia is, of course, very proud of the fact that practically she originated the secret ballot, but I do not think it can be said that that is the epitome of all wisdom in methods of voting, and that we shall never get beyond that point. In this country and the United States there have been minds at work perfecting machines for recording votes at elections. In some of the cities and States in the United States voting machines are in actual use, and with satisfactory results. In this country several voting machines have been patented, and some of them have stood very severe tests. Honorable senators have had an opportunity of seeing some of them at work within the precincts of this building, and apparently they met all the tests which could be applied to them.

Senator Sir JOSIAH SYMON.—What is the particular purpose of the voting machine?

Senator PEARCE.—It automatically records each vote, and counts the votes, so that immediately after an election is concluded, one can see the number of votes recorded for each candidate in a certain portion of the machine, which, of course, is locked up during the progress of the election, the keys being in the possession of the returning officer.

Senator Sir JOSIAH SYMON.—It might destroy the secrecy of the ballot if it were opened.

Senator PEARCE.—Not more so than in the case of a ballot-box. If the returning officer wished to outrage the secrecy of the ballot he could open a ballot-box.

Senator MULCAHY.—There is a possibility of danger where there are two systems in use.

Senator PEARCE.—There is just as much possibility of a returning officer opening a ballot-box as of his opening a voting machine. In the case of some of these machines the plate which covers the numbers could be kept sealed by the returning officer just as he seals a ballot-box. He would have to break the seal in order to open the plate which discloses the number of votes recorded, just as he would have to break the seal of a ballot-box. So that if there is any objection to be urged on that score it applies equally to both systems.

Senator MULCAHY. — The ballot-paper would not be the same in each case.

Senator PEARCE.—There are no ballot-papers in the case of a voting machine. There is nothing in the objection, because if a returning officer wished to do so he could just as easily open a ballot-box as a voting machine.

Senator STANFORTH SMITH.—There are machines which apparently meet all objections.

Senator PEARCE.—Yes. Two voting machines have been in actual operation within the precincts of the building. Honorable senators were invited to put them to every test, and apparently they failed to find any flaw in them. I recognise, however, that before any voting machine could be adopted the electoral authorities would have to be thoroughly

satisfied that it met all requirements. So far as I have been able to learn, the only objection made by the electoral authorities to the use of the machines—I have been told this unofficially—was that there cannot be a recount of the votes in the case of a dispute. That objection overlooks the fact that there is not the same necessity for a recount when a machine is used, as when ballot-papers are employed, because with a machine the counting goes on automatically, and there are no informal votes. There can be no fault in the counting, because it is done automatically, and in the case of some machines a bell is struck as soon as a vote is recorded. Consequently, if the mechanism got out of order, the returning officer would immediately know it. Therefore, there is not the same necessity for a recount when a machine is used as in the case of ballot-papers, where the accuracy of the count depends upon those who are conducting it. If honorable senators will turn to Vol. I. of the Papers of the House of Representatives for the session 1904 they will find the report of the Select Committee appointed to inquire into the conduct of elections held under the Electoral Act. The possibility of voting machines being used at elections was brought under the notice of that Committee, and four representatives of inventors gave evidence, and explained the working of their machines. The Committee, in its report, page 323, section 18, said:—

In considering the complaints of delay in expediting the making up of results of elections, your Committee took evidence as to the use of voting machines. Several different mechanical contrivances were placed before the Committee by Messrs. King Hedley, F. A. Peters, J. F. Higgins, and Horace Harding. It is apparent that such contrivances may be of great value to populous polling-places in securing economy, expedition in the making up of results, and avoidance of informalities; but for various reasons they are difficult to utilize in the outlying districts. Your Committee are not in a position to adjudicate satisfactorily upon the practical results of the use of such contrivances in other countries, or upon the value of the respective machines submitted to them, but consider that the Electoral Department should institute immediate inquiries to see if it is possible to adopt any of the machines in the large centres of population. The adoption would, of course, need statutory authority.

One of the representatives of the machines, Mr. King Hedley, gave evidence which is reported on page 407. He was examined as to the practicability of employing voting machines under our present system, or

Senator Pearce.

with the block vote, or with the preferential system of voting. He explained fully the use of his machine, and said, in answer to question 974, put to him by Mr. Fowler—

Any information which I give to the Committee may be authenticated by application to the proper authorities in the United States. The total vote passed at elections in Buffalo usually represents about 64 per cent. of the electors. When the ballot-papers were in use there were 165 electoral districts in that city, and the number of voters in each district ranged from 300 to 500. When the voting machines were installed, the number of districts were reduced to 108, and each contained from 500 to 800 electors.

Then he gave the cost of holding elections previous to the introduction of the machines, as compared with the cost after their introduction. The total cost from 1895 to 1898 was \$198,514. For the four succeeding years, when electoral machines were in use, the total cost of elections was \$130,000, or \$68,000 less than under the ballot system. Mr. Joseph F. Higgins explained that the cost of the machine which he represented was about £12. Mr. Horace Harding explained that the machines in which he was interested could be supplied at from £7 to £8 each. It will be recognised that one of the chief items of cost in the conduct of elections is the printing of ballot-papers. If we were able to introduce a machine to meet all the requirements, it would be cheaper, there would be fewer officers to be employed in the conduct of elections, and as soon as the polling had ceased the returning officer immediately on opening the machine could give out the number of votes recorded. The consequence would be that as soon as the election was completed, the result would be known. On these grounds we are, I think, justified in giving to the electoral authorities power to make the necessary inquiries, when if they are satisfied they can come to Parliament and enable us to say that the approved machine shall be used in the conduct of our elections. One other amendment is made in the electoral law by means of this Bill. It is one of considerable importance. It will be recollected that when the first Electoral Bill came before Parliament, in order to prevent slanderous printed matter being circulated prior to an election, a provision was inserted—section 180 of the Act of 1902—which was intended to sheet home to those who were guilty of such practices, the re-

sponsibility for the publication of the slanders. Section 180 reads—

In addition to bribery and undue influence, the following shall be illegal practices—

(a) Any publication of any electoral advertisement, handbill, or pamphlet, or any issue of any electoral notice without at the end thereof the name and address of the person authorizing the same, and on the face of the notice the name and address of the person authorizing the notice.

The next paragraph, *b*, is similar except that the following words are inserted between brackets—

[Other than an advertisement in a newspaper.]

It was held that if a pamphlet or handbill were issued without a printer's name it would be impossible to trace the author, but in the case of the newspaper there were means of finding out the publisher. In the case of the newspaper there was some guarantee that some one would be responsible for the slander or libel. When the amending Bill was being dealt with in 1905, paragraph *a* was amended to make it read similarly with paragraph *b*; that is to say, section 57 of the amending Bill was made to read as follows:—

Section 180 of the Principal Act is amended by inserting in paragraph (a), after the word "advertisement," "other than an advertisement announcing the holding of a meeting in a newspaper."

Senator PULSFORD.—What is meant by "the holding of a meeting in a newspaper"?

Senator PEARCE.—It is the advertisement in the newspaper that is referred to. But a mistake was made when those words were inserted. We did not say that the words should be put in brackets, as they are in paragraph *b* of section 180 of the principal Act. The result is that not only have we excluded newspaper advertisements, but we have also excluded all classes of advertisements, placards, handbills, pamphlets, and everything else. By inserting those words without brackets we defeated the very object at which we were aiming, and we have made it possible for a person to issue placards, handbills, or anything of the kind without hindrance. What we intended to do was to make an exception of an advertisement in a newspaper, but we did not carry out our intention, simply because we did not insert the words in brackets in conformity with paragraph *b* of section 180.

Senator MULCAHY.—The honorable senator's amending Bill does not make the point very clear.

Senator PEARCE.—I think it does.

Senator MULCAHY.—It is badly drafted, that is all.

Senator PEARCE.—The drafting is not mine. I point out to the honorable senator that all the Bill does is to amend the Act of 1905 by inserting a bracket at the beginning and the end of the words "other than an advertisement announcing the holding of a meeting in a newspaper." I trust that honorable senators will see that there is serious reason for this amendment, because in the amending Act of 1905, we have practically repealed the legislation of the Act of 1902. It is absolutely essential that we should have some safeguard against highly objectionable practices. I need not detain the Senate longer. I recognise that there is not a great deal to be said on the subject. With regard to voting machines, the Bill merely gives a permissive power to our electoral authorities, placing them in the position of being able to make inquiries, and to test any machine that any inventive genius may bring before them. If they find a machine that will answer all the requirements they can take steps to have it adopted. The machine which was at work in the precincts of this Chamber some time ago was the invention of two gentlemen named Stacey and Adare, and every one who saw it was convinced of its effectiveness, of its secrecy, and of the expedition and economy with which elections could be conducted by its means. I have much pleasure in moving the second reading of the Bill.

Senator KEATING (Tasmania—Honorary Minister) [2.58].—The honorable senator who has introduced this Bill endeavoured, when the Bill amending the Electoral Act was before the Senate, to introduce provisions having the same object as the first clause of this new Bill—namely, the adoption of voting machines, if both Houses of the Parliament, by resolution, approved of them. On that occasion, I indicated that there was no objection on the part of the Government to the inclusion of his amendment, because it was of a purely permissive character. There was nothing obligatory in it. It left the whole matter perfectly open to the Government of the day to investigate the merits of any voting machine that might be submitted, and even if the Government approved of a machine, the

whole responsibility of its adoption for election purposes was left with Parliament. Therefore, I think that the criticism that I then offered to the clauses the honorable senator sought to introduce is equally applicable to this Bill. With reference to clause 3 of the measure, making provision for an amendment of section 51 of our last Electoral Act — which amended section 180 of the main Act—I may say that the particular defect referred to has already been under the notice of the Attorney-General's Department, which has had in hand the preparation of an amendment to the same effect as that intended by clause 3 in the Bill now before us. So far, therefore, I can see no reason for opposing the Bill. At the same time, I would point out to Senator Pearce that the provisions of our Electoral Act — that is, of the original Act and of the amending Act of last session—contemplate, of course, the existence of ballot-boxes, ballot-papers, and all other appurtenances of our present system of voting. Of course, if such a thing as a voting machine were hereafter adopted, it might or might not be necessary to expressly repeal those particular provisions which would be out of harmony with the system that would then be in vogue. However, I do not anticipate that there would be any inconsistency; and we could possibly adopt machines, if necessary allowing the present provisions applicable to the system of voting now observed, to have no operation or effect.

Senator PEARCE.—The provisions applicable to the present system might be required for less populous districts.

Senator KEATING.—The measure before us is purely permissive. Speaking on behalf of the Government, all I have to say is that there is no desire to oppose the Bill, nor is there any particular inclination to adopt it. So far as the last clause is concerned, the Government do desire to rectify that particular defect in the existing Act. But, in so far as the Bill is purely permissive, and not obligatory, it is in no sense a party measure from the point of view of the Government.

Senator Sir JOSIAH SYMON (South Australia) [3.2].—I do not quite understand the attitude of the Government, who declare that they are not in favour of the Bill, and not against it. The uninitiated look to the Government for guidance in a great question of the kind.

Senator KEATING.—The Government say that there is no departmental objection to the Bill.

Senator Sir JOSIAH SYMON.—When Senator Keating rose to address himself to the measure so ably expounded by Senator Pearce, I thought he would have assisted us, or that he would have held up a beacon indicating which way we were to go. Until some such light is held up, I can only say that the Bill appears to me to be very harmless, for, although it deals with an important matter, or affects an important matter, it decides or determines nothing. Anything that would facilitate and make more perfect the method of recording votes at elections — and putting an end to or lessening the possibility of error or informality — is very desirable; but I would rather Senator Pearce had waited until he could embody in a measure the determination of Parliament to adopt voting machines, or some voting machine, for the purpose of parliamentary elections. The Bill is really a kind of pious enactment; it places it on record that Parliament may hereafter do something, though Parliament may do that something without the necessity of placing the measure on the statute-book. The Bill merely provides that if both Houses of Parliament, by resolution, approve of a system of voting by machinery, then the polling at any prescribed polling places may be conducted without the use of ballot-papers.

Senator MULCAHY.—The discrimination is the difficulty; there would be two systems.

Senator Sir JOSIAH SYMON.—That is a difficulty on which I intend to say a word. As to the adoption of machine voting, the Bill determines nothing; but it does pledge us to discrimination. Perhaps Senator Pearce may eliminate that part of the Bill, and leave the matter to regulation or subsequent determination. According to the Bill certain polling places may be selected at which voting machines shall be used, while all the other polling places in a division or constituency may be subject to the existing system. That is a proposal which ought to receive very grave attention if the Senate thinks the measure of sufficient value to warrant it being placed on the statute-book. Is it desirable that one State's system of voting should be used at one polling place and another system of voting at another polling place?

Senator STEWART.—Yes.

Senator Sir JOSIAH SYMON. — That may or may not be desirable; I am merely putting the question to myself and to the Senate, and Senator Stewart may be able to give some reasons why discrimination is desirable. I myself am not sufficiently informed of the details to express an opinion as to the advantage or disadvantage of the proposal. I think, however, that honorable senators will agree that this is a very grave and vital incidence in a Bill of this description. As I have said, the Bill itself, as to machine voting, pledges us to nothing; when the resolutions are introduced, Parliament may or may not approve of voting machines, or any particular machine. But, indirectly, we are placing on the statute-book a law that, in the event of voting machines being adopted, they may be employed at one polling place, and not at another. Senator Keating indicated that, of course, the Bill, if passed, would be of no use for the impending elections; and, therefore, there is no particular reason why the Bill should be placed on the statute-book this session, or at all for the matter of that. Senator Keating is not sure, and neither am I, that the present regulations would be applicable to the use of voting machines, and I direct attention to the fact that even if the resolutions were passed during this session, the regulations, which must be issued subsequently, would have to be laid before Parliament for thirty-one days, and to be subject, of course, to the approval or disapproval by Parliament of the whole or any part of them. For the reasons already suggested, with the addition of the reason just stated, it is quite obvious that the Bill could be of no service for the coming elections; and I ask whether it is worth while to pass a measure which does not pledge us to the adoption of the system desired by Senator Pearce, but does incidentally pledge us in regard to a question requiring very grave consideration—namely, whether we ought to continue two systems concurrently, using a machine at one set of polling-places, and carrying on the ordinary system at the other.

Senator MILLEN (New South Wales) [3.10].—I gather from the remarks of Senator Keating and Senator Symon that, while they see no disadvantage in the Bill, they fail to see any advantage.

Senator Sir JOSIAH SYMON.—The only disadvantage I see is the discrimination.

Senator MILLEN.—I desire to point out what appears to me to be a great disadvan-

tage in passing declarations of this kind. We have a regular recognised practice of legislation; and this Bill seems to be a new departure, the effect of which must be, if the precedent be followed, to multiply the legislation on our statute-book by the addition of Acts which can have no vital force or effect until Parliament does something else. Is it a business proposal to encumber our statute-book and records, and to occupy our time by enacting, what we know to be already the fact, that if at some future time the sovereign Parliament likes to do something it may?

Senator TRENWITH.—There is also the suggested amendment of the Electoral Act.

Senator MILLEN.—I am dealing with the major portion of the Bill, which relates to voting machines. I address this criticism as a firm believer in the practicability of voting machines, and as one who thinks the time has arrived when the Government might arrange for some experiment in this connexion on an extended scale. I take it that before the people would be content to intrust to a machine the counting of the votes cast, they would desire to have some very severe test made under actual working conditions. Senator Pearce would have done better service towards the introduction of machines—in which I believe as heartily as he does—had he submitted a proposal in the form of a motion to have a voting machine, or several machines, tested. That could be done without any great difficulty at one of the ordinary elections. That is to say, there could be the ordinary booth, at which the electors could vote under the existing law, and they might then be invited to walk into an adjoining booth, and vote by machine at a mock election. No doubt a large number of citizens would oblige to that extent, and it would not be a costly experiment. At the end of the day it could be determined whether the machine had carried on its work properly and well. Although I am a firm believer in the voting machine, I should hesitate to subject a constituency to the possibility of a second election until, under such conditions as I have indicated, its efficiency had been thoroughly demonstrated. I say this to show that I am not opposing the measure owing to any want of faith in a voting machine, or because I do not approve of the object Senator Pearce has in view. My objection to the measure arises solely from

the fact that, if we legislate by a declaration such as this, we might as well do so in regard to every measure. For instance, I might propose that if at any future time Parliament decided to carry a resolution in favour of free-trade, free-trade should prevail. There would be as much justification for a Bill of that kind, as for the Bill before us, which Senator Pearce must see does not help forward his idea in any way.

Senator MULCAHY.—It has been a frequent practice to anticipate action being taken by resolution rather than by Bill.

Senator TRENWITH.—Only when it has been decided that a certain thing should be done.

Senator MILLEN.—That is so; just as it frequently happens that when in a Bill a date is inserted on which it shall operate action is suspended. That, however, is entirely different from a Bill of this kind, which merely declares that if at some future time Parliament arrives at a certain decision, effect shall be given to that decision. Senator Pearce, having initiated the proposal, I ask him whether there is any advantage in proceeding with a Bill which neither helps nor retards the project, but leaves the Parliament as free six months or six years hence as it is to-day.

Senator MULCAHY (Tasmania) [3.14].—Senator Keating furnished the most effective argument in opposition to the Bill when he declared that, while he saw no good he saw no harm in it. Are we to waste our time in dealing with such measures? I should be sorry to oppose any reform or improvement in our electoral methods; and I believe that what Senator Pearce desires is a simplification of the manner of recording votes. The great blot in the measure is that it applies only in a partial way—that we are to have different systems at different polling places—and that the discrimination is to be left in the hand of returning officers, or, possibly, in the hands of Ministers.

Senator STEWART.—What danger is there in that?

Senator MULCAHY.—There may or may not be any great danger. At some polling places there is a comparatively small number of electors, and the great principle we have adopted, and intend to preserve, is the secrecy of the ballot. How can we effectively observe or protect the secrecy of the ballot if we use a machine,

which takes a record of only one particular place, and does not permit of the record being blended with the records of other places?

Senator PEARCE.—What does that mean?

Senator MULCAHY.—Under the Bill the machine may be used at any prescribed polling place, and I am inclined to believe that if it were used at a polling place at which a comparatively small number of votes were recorded, and ballot boxes were used at other polling places in the same district, the effect might be to interfere to a certain extent with the secrecy of the ballot. What we should all like to see is an improvement of our electoral law, which would provide for even greater secrecy than is now secured. I remember that on one occasion a candidate in Tasmania professed to have discovered at an election that there were exactly 200 liars in a particular polling district, because he had been promised 202 votes in that district and only two had been recorded for him.

Senator PEARCE.—Does the honorable senator say that no machine can safeguard the secrecy of the ballot?

Senator MULCAHY.—I do not say anything of the kind, but if a voting machine were used at one polling place and the ordinary ballot papers at another, when the returns were brought together at a common centre, it might be possible to discover how electors using the machine had voted. If it were used at a place where only a few votes were recorded, and all in one direction, the secrecy of the ballot would be destroyed. The question of electoral reform is a very great and important one, and, I think, should not be tinkered with lightly and without serious consideration.

Senator PEARCE.—Does the honorable senator say that I introduced this Bill without consideration?

Senator MULCAHY.—No; I do not. It is only a very small Bill, and is, perhaps, so small that it will not receive the consideration which the importance of the question with which it deals demands. I am very much in accord with the honorable senator's desire for an improvement of existing methods in the conduct of our elections. That is a matter in reference to which there is great room for improvement. For instance, in connexion with the ensuing general elections we have made no provision to give effect to the principle of elec-

tion by the majority which we have already adopted, though I may say that I do not approve of that principle. I look upon the Bill as a chip in porridge, and I shall have to vote against it.

Senator HENDERSON (Western Australia) [3.19].—When we were last discussing an amendment of the Electoral Act, I supported a proposal submitted to enable parliamentary elections to be conducted with the aid of the most improved voting machine that could be obtained. I am prepared now to support this Bill. I certainly fail to understand Senator Mulcahy's argument that the use of these machines might lead to the destruction of the secrecy of the ballot in particular constituencies. What difference would there be in that respect between the use of a voting machine, and the use of the ordinary ballot box? Under the present system, a number of ballot boxes may be used in different parts of an electoral division, and when the ballot papers are inspected, it may be found that Brown, Jones, and Smith have each received so many votes. If the electors recording those votes had used a voting machine, it would have recorded exactly the same facts. The use of a voting machine would not in any way interfere with the secrecy of the ballot. The persons who had charge of the voting machine which was submitted for our inspection in this building clearly demonstrated that everything necessary could be done with such a machine to correctly record all the votes cast. It was also demonstrated that the Electoral Officer could as effectively prevent any interference with the operation of the machine as he can at present prevent interference with voters under the existing system. He can seal a ballot box, but he could also seal a voting machine. There is no reason why the votes recorded in such a machine should be visible to any one; but the officers in charge, and the scrutineers. The point mentioned by Senator Pearce as to the considerable expense periodically incurred for the printing of ballot papers is worthy of consideration, and if by the introduction of voting machines we are able to considerably reduce, or entirely avoid, the expense of printing ballot-papers, we should certainly do so. I see no reason why an effort should not be made to use these machines at the earliest opportunity possible. If we continue to resist their introduction we shall, I suppose, as usual, go on from generation to

generation, setting our faces against all progress. This Bill affords us an opportunity to introduce these machines, and we should take advantage of it.

Senator TRENWITH (Victoria) [3.25].—I point out to the last speaker that in this Bill it is not proposed to take advantage of the opportunity to which he refers. It is not a Bill to provide for voting by machinery, but merely a proposal that Parliament may at another time consider such a measure.

Senator PEARCE.—It says that Parliament may approve of a particular machine. I do not think that the honorable senator can have read the Bill.

Senator TRENWITH.—The Bill does not enjoin upon Parliament the necessity of considering the question of using these machines. It says nothing but that, by resolution at some subsequent stage, both Houses of Parliament may agree to the adoption of a voting machine. Our statute-books are unnecessarily heavily loaded. It is always a misfortune when new Statutes are added to the number of those with which our citizens require to be acquainted. That is a misfortune even where the new Statutes are necessary, but it is a greater misfortune if they are unnecessary. Without expressing any opinion on the merits or demerits of voting machines, because I do not know enough on the subject, I think it is highly probable that the amount which would be required to purchase one of these machines would involve an interest charge as great as the expense of the periodical printing of ballot-papers which is at present necessary.

Senator CROFT.—The information we have does not show that.

Senator TRENWITH.—We have no very complete information on the subject. After all, the printing of ballot-papers is comparatively inexpensive, and if we are to conduct elections over a very large area by machinery the first cost of the necessary machines will be very great.

Senator CROFT.—Under the Bill voting machines need not necessarily be used in every electoral division.

Senator TRENWITH.—That is rather an objection than a merit in the Bill. If it is desirable to vote by machinery, it seems to me that it is desirable that the voting should be entirely by machinery. We are being asked to discuss the question without sufficient information from the honorable senator who has introduced the Bill, or from any one else, and we are

being asked to add to the Statutes of the Commonwealth, which are already very numerous, one which I think is entirely unnecessary.

Senator Sir JOSIAH SYMON.—The object of the Bill is to say that Parliament may hereafter discuss something.

Senator TRENWITH.—I have said so. Senator Pearce is proposing, quite unnecessarily, that Parliament may do something by-and-by if it chooses. That, I think, goes without saying.

Senator FINDLEY. — The Constitution provides for it.

Senator TRENWITH.—Having said it in the Constitution, it is not necessary that we should say it again in a specific Statute. With the greatest possible regard for Senator Pearce, and with very great respect for his industry and ability, I shall be called upon to vote against what is, to my mind, an entirely unnecessary measure.

Senator Col. NEILD (New South Wales) [3.29].—It is an exceedingly difficult thing to imagine that there will ever be constructed a machine so perfect that it will give satisfaction to all parties concerned in so delicate a matter as the conduct of public elections. I direct the attention of Senator Pearce, and honorable senators who support the Bill, to the fact that at the present time, in the capital of a neighbouring State, there is a condition of great turmoil existing in connexion with a widely extended tramway system, over the working of a brake, which is supposed to be as absolutely perfect a piece of machinery as any that human ingenuity has ever devised. But the persons who are working the brake declare that it is anything but perfect.

Senator FINDLEY.—Do not their opinions count?

Senator Col. NEILD.—I am not discussing whether their opinions count or not.

Senator MILLEN.—The objection of those who work the brake is that when it fails they cannot detect the failure. In the case of the voting machine, however, the failure could be detected at once.

Senator TRENWITH.—The Bill does not provide for that.

Senator Col. NEILD.—I am pointing out that, while an electrically-worked machine which has been in use on both sides of the world for many years, and is supposed to be absolutely perfect, is denounced as imperfect and unreliable, we are now

asked by Senator Pearce, without the safeguards which surround the passing of a Bill through its many stages—by a hurry-scurry kind of process, very likely by a snatch division—to authorize the use at a future date of some undefined, and, up to the present, undiscovered machine, which, when it was put into operation, would no doubt be found to be quite as unreliable as was the electrical brake. I am quite sure that those who support the Bill will not see anything in my past life as a Member of Parliament, to warrant the supposition that I am opposed to the introduction of new ideas. I think that the statute-book of my State will furnish a convincing reply to any accusation of that kind. But, if we are going to have an innovation of the kind proposed, I would prefer that it should be brought about by Bill. There should be the fullest discussion, without the possibility of a snap division, before we authorize the introduction of a system which, if it did not work with unfailing accuracy, might produce the most unjust and serious consequences.

Senator TRENWITH.—It might put us out. Look at that.

Senator Col. NEILD.—I did not know that with the majority which the honorable senator and I had we need imagine that the adoption of a voting machine would work sufficiently wrongfully to put us out.

Senator TRENWITH.—We do not know what machines can do.

Senator Col. NEILD.—I have never been a creature of a political machine, and I am not very well up in political machinery.

Senator HENDERSON.—The honorable senator did very well at the last election.

Senator Col. NEILD.—I did not know anything about any political machine at the last election, or at any other time.

Senator FINDLEY.—The honorable senator was on a good printing machine last time. The *Sydney Morning Herald* was his machine.

The PRESIDENT.—I must ask the honorable senator not to be led away by irrelevant interjections.

Senator Col. NEILD.—I have nothing to do with the *Sydney Morning Herald*. I should be very glad to think that I had, because it is just about as good a wealth-producing appliance as is the best gold-mine in Western Australia. I join issue with those who say that the Bill could not do

any harm. It clearly could do no good, but it might do harm, and, though I do not like to vote against its second reading, I am afraid that I shall have to do so, until the proposition of machine voting is placed upon a more satisfactory and business-like basis than is proposed by the Bill.

Senator WALKER (New South Wales) [3.35].—I find that a good many of my honorable friends are going to part company with me on this occasion, for I intend to support the second reading of the Bill. I am looked upon by some foolish persons as a Tory, but whenever a good proposal is made I am willing to support its adoption. I have had the pleasure of seeing a voting machine at work, and it seemed to me to be as nearly perfect as is possible.

Senator CROFT (Western Australia) [3.36].—For the same reason as Senator Walker has given, I propose to support the second reading of the Bill. I have seen several voting machines at work, and, so far as I am able to judge, I think that one of them is quite perfect. I should like to see the Bill passed, in order to encourage inventors to give to the people a machine which would effectually do away with the mistakes which are so frequently made at elections, and so avoid the heavy cost which is incurred by the Commonwealth on such occasions.

Senator DE LARGIE (Western Australia) [3.37].—While I confess that, so far as I know, a voting machine has not yet been invented which would, perhaps, gain our confidence, I do not see why we should not devise a means of testing a voting machine which might be invented. At all times electoral reform is a very laudable proposition, and one which Parliament should always be ready to further. We should have upon our statute-book a law whereby, if a satisfactory machine were invented, it could be tested, or its merits discussed in Parliament. That, I take it, is all that Senator Pearce proposes to do by the Bill.

Senator TRENWITH. — The Government can always do that by an administrative act.

Senator DE LARGIE.—I do not think that the Government would take that course so readily as they would if they had direct authority from Parliament. The Bill, if passed, would be an instruction to Ministers to look into these matters and try to improve upon the present cumbersome system of voting. Any one has only to visit a

polling booth on election day, in a big centre, to recognise at once that it could be improved upon. The object of this measure is to encourage inventors to persevere with their discoveries, and for that reason I intend to support its second reading. I admit that it would be a mistake to adopt a voting machine before it had been proved to be trustworthy. At the same time, I think that we ought to pave the way for the adoption of an improvement upon our electoral system.

Senator Lt.-Col. GOULD (New South Wales) [3.39].—Even at the risk of being regarded by Senator Walker as having very conservative tendencies, I feel that it will be my duty to vote against the second reading of the Bill. It has been pointed out that all it really does is to call upon the Government to hold an inquiry into the merits of voting machines. I ask Senator Pearce to consider whether it would not be possible for him to attain his end by submitting a motion requesting the Government to hold such an inquiry, and then, if the results were satisfactory, either a Minister or a private member of Parliament could submit a proposal for the adoption of such a system of voting. It would have this advantage, that it would give the Senate an opportunity of judging how far the investigations would justify the adoption of the voting machine. It is always imperative that the utmost care should be taken to insure that votes are properly and correctly recorded. Suppose that the use of a voting machine were sanctioned. If by any chance it should fail at a polling place it would involve the electoral authorities in a great deal of trouble and difficulty. If it broke down after it had got half way through with its work it would be necessary to give the electors in that polling district an opportunity of again recording their votes. But it might happen that some persons who had recorded their votes on the machine had afterwards recorded their votes elsewhere, or that persons who had recorded their votes elsewhere might by some mischance, when a second poll was taken, then come in and record their votes. It would give an opportunity for double voting. I wish honorable senators to clearly understand that I am opposed to the second reading of the Bill, not because I object to the proposed system of voting being adopted, but because I think that it would be premature to pass the Bill in the absence of the information which we

ought to have before we decide to bring in a system which is entirely novel, and might not produce the beneficial results which we all desire.

Senator PEARCE (Western Australia) [3.41].—I recognise that I am paying the penalty of introducing a proposal which is new. At the same time I thank honorable senators for having paid the attention which they have to it. I am sorry that some of the critics of the Bill did not stay to listen to my introductory remarks, and that, having delivered their own criticism, they have not remained to listen to my reply. I take it that honorable senators do not object to the Bill merely because I am not in a position to recommend a particular voting machine. If they did it would be equivalent to saying that there must be an Act of Parliament to provide that a certain machine shall be adopted. Is that a feasible thing? Is the Senate the best body to judge the merits of any particular machine? Is not that a matter for the experts in the Electoral Department to determine? If that is the case, why do we need an Act of Parliament to specify a certain machine? That there are in existence machines which do fulfil all requirements no one would venture to deny. I am surprised that honorable senators have treated this proposal as if it had never been inquired into. Senator Trenwith, for instance, seemed to assume that, while some of us had investigated the merits of certain machines, Parliament as a body had practically ignored the question. In my opening speech I pointed out that these machines had been submitted to a Select Committee of the House of Representatives.

Senator MILLEN.—It was not a Select Committee specially appointed to inquire into the merits of voting machines.

Senator PEARCE.—I did not say that it was. It was not composed of novices. For the information of Senator Trenwith, I may mention that it was composed of Mr. Batchelor, who, as a State Minister, administered, I understand, an Electoral Act, and who has also been Minister of Home Affairs in the Commonwealth, Mr. Brown, Mr. Groom, who is to-day administering the Commonwealth Electoral Act, Mr. Kelly, Mr. Fowler, Sir William Lyne, who has had a long experience in State and Federal politics, Mr. Mauger, Mr. McDonald, Mr. McLean, who has been Premier of Victoria, and also a Commonwealth Minister, Mr. Poynton, Mr.

Sydney Smith, who is an old veteran, and Mr. Storrer.

Senator TURLEY.—But the Select Committee made no recommendation regarding voting machines, except that inquiry should be made.

Senator PEARCE.—The honorable senator is not correct. Two years have elapsed since the Committee of the House of Representatives reported. What is the position now? We are exactly where we were. I propose to give statutory authority for the use of voting machines, if the Senate passes this Bill.

Senator TURLEY. — This Bill does not give power to use the machines.

Senator PEARCE.—The honorable senator will presently say that the sun is not shining. I say that it does give power. Senator Symon has argued that we should wait until we have an efficient machine. I point out that there are in existence a number of machines the inventors of which are prepared to have them put to any test. But suppose Parliament came to the conclusion that one of those machines should be used, what would have to be done? Should we not still have to pass a Bill giving authority for the use of the machines?

Senator Sir JOSIAH SYMON.—A resolution would have to be passed under this Bill.

Senator PEARCE.—But there is a great difference between passing an Act of Parliament and a resolution.

Senator MILLEN.—A resolution is more easily slipped through.

Senator PEARCE.—It is more easily put through.

Senator MILLEN. — I said "slipped through."

Senator PEARCE.—Well, the Government have been trying for three days to pass a resolution in the House of Representatives, and have not yet succeeded. What would have to be done if Parliament came to the conclusion that an absolutely perfect voting machine had been invented? We should have to wait for an Act of Parliament. I propose a simpler means. It may be in the interests of economy and of good electoral administration that a machine should be adopted. I quite agree that voting machines might be too cumbersome for use in mining camps. It might therefore be advisable to have two systems. But what objection is there to that? The only real objection to the Bill has been pointed out

by Senator Mulcahy, who said that, if voting machines were adopted, it might be possible to identify votes cast at small polling places. There is a large number of small voting places in the Commonwealth. The votes cast there could be put together before being counted, as they are now. It is not proposed to alter that system.

Senator MILLEN. — Are not the ballot-papers from different polling places kept separate?

Senator PEARCE. — Where fewer than 100 votes are cast, they have to be mixed with other ballot-papers. This Bill does not alter that system. That is the only tangible objection that has been made, and it is easily removed. If it is found more economical to continue to use ballot-papers at small polling places, by all means let that be done. But if it is more speedy and better to employ voting machines in the more populous districts, what objection is there? What objection is there to the form of this Bill? It merely says, in effect, that we are not the best judges whether a particular voting machine is the best to adopt. The electoral authorities are the best judges. I take it that what would happen if the Bill passed would be that the Government would ask the electoral authorities to institute a test. The coming election would afford a splendid opportunity. When the most perfect machine was ascertained, the Government could come to Parliament and secure the passing of a resolution adopting it.

Senator TURLEY. — Could not the Government do that without this Bill?

Senator PEARCE. — No, because the present method of voting is provided for in the Act.

Senator TURLEY. — There is nothing to prevent the Government making an experiment.

Senator PEARCE. — A certain system of voting is prescribed by the present law.

Senator TURLEY. — If this Bill were passed, the Government could not adopt a particular machine.

Senator PEARCE. — No, because this Bill lays it down that a machine may be substituted for the present method by resolution. But there is no method in existence by which the Government could institute a voting machine.

Senator TRENWITH. — The Government can carry on an experiment.

Senator PEARCE. — I agree with that; but there is no need to carry on an experi-

ment if there is no power to adopt the machine which is approved. If this Bill is passed, the Government will have the necessary machinery to put into operation.

Senator Lt.-Col. GOULD. — Can the honorable senator give an estimate of the cost of supplying voting machines to the Commonwealth?

Senator PEARCE. — The price of the machines quoted to the Select Committee was from £7 to £12 each.

Senator Lt.-Col. GOULD. — There are 5,000 polling places in the Commonwealth.

Senator PEARCE. — I am not saying that it would be advisable to adopt voting machines at all polling places, but that their use would be economical in the populous centres. In view of the amendment made by clause 3 of this Bill, and in view of the intention of the Government, as stated by the Minister, to introduce a measure dealing with the same subject, it would be extremely unwise for the Senate to reject the Bill, even if there be a majority against the introduction of voting machines. I therefore suggest that the second reading should be agreed to, and that if there is a majority against voting machines the clauses relating to them should be struck out. Certainly an amendment should be made in the existing Act on the lines indicated by me. But I earnestly trust that the Senate will not only pass the second reading, but in Committee will agree to those clauses which give the necessary power to allow of the introduction of a more up-to-date and economical system of voting.

Question—That the Bill be now read a second time—put. The Senate divided.

Aves	...	...	13
Noes	...	...	14

Majority	...	...	1
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AYES.

Croft, J. W.	Keating, J. H.
Dawson, A.	Playford, T.
de Largie, H.	Smith, M. S. C.
Findley, E.	Stewart, J. C.
Guthrie, R. S.	Walker, J. T.
Henderson, G.	<i>Teller:</i>
Higgs, W. G.	Pearce, G. F.

NOES.

Baker, Sir R. C.	Pulsford, E.
Dobson, H.	Symon, Sir J. H.
Drake, J. G.	Trenwith, W. A.
Givens, T.	Turley, H.
Macfarlane, J.	Zeal, Sir W. A.
Millen, E. D.	<i>Teller:</i>
Mulcahy, E.	Gould, A. J.
Neill, J. C.	

Question so resolved in the negative.

CANTEEN BILL.

SECOND READING.

Senator PULSFORD (New South Wales) [3.59].—I move—

That the Bill be now read a second time.

The Bill which I have the honour to ask the Senate to read a second time, though small, is of considerable importance. I judge that any measure is of importance that deals with the Military Forces of the Commonwealth. This Bill is calculated to make our army, as a fighting machine, more efficient for the purposes for which it is established. It is on that ground that I especially ask the support of the Senate. I am thoroughly alive to the feeling which I suppose every honorable senator entertains in favour of giving full play to personal liberty. But when we have before us the precedent of a liberty-loving nation such as the United States, with a population of 80,000,000, abolishing the canteen system, and doing their best to repress drinking customs in the army, we need not be alarmed by the statements made or the arguments used against the present proposal.

Senator Col. NEILD.—President Roosevelt is against the abolition of the canteen system.

Senator CROFT.—Will this Bill prevent drinking in the army?

Senator Col. NEILD.—No; it will send men abroad to drink.

Senator TRENWITH.—It will send the men out of camp to drink.

Senator PULSFORD.—This Bill will not prevent soldiers drinking, but it will prevent drinking in camp.

Senator MULCAHY.—It will drive the men outside to drink.

Senator CROFT.—This sort of legislation seems to give a good political advertisement to certain people.

Senator PULSFORD.—I dare say that honorable senators have heard of that eminent surgeon, Sir Frederick Treves, who was with the British troops during the South African war. In an address delivered at Westminster, Sir Frederick Treves, referring to his South African experiences, said—

It is well known that troops cannot march on alcohol. I was with the relief column that moved on to Ladysmith. It was an extremely trying time, apart from the heat of the weather. In that column of some 30,000 men, the first who dropped out were not the tall men, or the

short men, or the big men, or the little men—but the drinkers, and they dropped out as clearly as if they had been labelled with a big letter on their backs.

Such an opinion carries weight in the United Kingdom, and I am quite sure the views of so eminent an authority will have equal influence with all thinking men in Australia. We do not know when the Commonwealth may find it necessary to call on our soldiers to meet a foreign foe. We may hope the time will be far distant, but, whether it be near or far, it is desirable that when it comes we shall be able to send our troops into the field feeling that we have done our utmost to fit them for the duties in which they engage. Most decidedly the sober men and the men who drink but little are better soldiers than those who are more or less given to the drink habit, or who drink a great deal.

Senator TRENWITH.—That is not the question. The question is, shall the men drink at all?

Senator PULSFORD.—That is not so. The question is whether the Commonwealth, as a Commonwealth, shall encourage drinking among the soldiers.

Senator Col. NEILD.—The canteen system does not encourage, but discourages, drinking.

Senator PULSFORD.—After I have done, Senator Neild will have ample opportunity to express his views in favour of full, free, and unlimited drinking. I am now asking the Senate to consider the desirability of putting a check on the supply of liquor in the name of the Commonwealth.

Senator Col. NEILD.—That is not the proposition at all.

Senator PULSFORD.—Senator Neild can lay before us his proposition in his own time, but not in mine. What I say is distinctly the truth.

Senator Col. NEILD.—The honorable senator is stating what is the reverse of fact.

Senator PULSFORD.—Is Senator Neild or myself addressing the Chair? I assert that drinking in the Military Forces of the Commonwealth is more or less encouraged by the existing arrangements, and I am asking the Senate to alter those arrangements. I have pointed out that in the United States of America the canteen system has been abolished, and I should like to read some official orders and resolutions in this connexion.

Senator FINDLEY.—The United States is not always good to quote. What about the Chicago frauds?

Senator PULSFORD.—I am perfectly satisfied as to the ground on which I stand. As far back as February, 1881, President Hayes issued the following order:—

In view of the well-known fact that the sale of intoxicating liquors in the army of the United States is the cause of much demoralization among both officers and men, and that it gives rise to a large proportion of the cases before the court marshalls involving great expense and serious injury to the service, the Secretary for War is urged to take suitable steps to reduce the sale and abandon the practice.

That was an order issued by President Hayes twenty-five years ago.

Senator MILLEN.—Is it contended that the same necessity which existed in the United States exists in Australia for the abolition of canteens?

Senator PULSFORD.—My idea is that probably the necessity is greater in Australia, having regard to the fact that the climate here is one that requires greater temperance in the use of alcoholic liquors than need be observed in the United States. The United States Congress in 1890 passed the following resolution:—

No alcoholic liquors, beer, or wine shall be sold or supplied to the enlisted men in any canteen or fort trader's store, or in any room or building at any garrison or military post.

In 1899 the Naval Department of the United States of America took the matter up.

Senator Col. NEILD.—The Bill before us does not deal with the Navy.

Senator PULSFORD. — I was under the impression that the Bill goes further than Senator Neild is willing to go, but, of course, if the honorable senator desires an extension of the provisions, all the better. The following notice was issued by the Naval Department of America on 3rd February, 1899:—

After mature deliberation, the Department has decided that it is for the best interests of the service that alcoholic liquors on board ship, or within the limits of naval stations, be prohibited. Therefore, after the receipt of this order, commanding officers are forbidden to allow any malt or alcoholic liquor to be sold or issued to enlisted men, either on board ship, or within the limits of navy yards, naval stations, or barracks, except in the medical department.

It appeared that the orders issued in 1899 were not as effective as desired, and in

1901 the following law was passed, and is at present in force:—

The sale or dealing in beer, wine, or any intoxicating liquors by any person in any post exchange, or canteen, or army transport, or upon any premises used for military purposes in the United States, is hereby prohibited. The Secretary for War is hereby directed to carry out the provisions of this section with full force and effect.

That very drastic law is in force to-day in the United States, and so satisfied are the Defence authorities with the present system, that Congress has since granted nearly \$2,000,000 to be devoted to the objects on which the profits of the canteen were previously expended. With the great example of the United States before us, I can confidently commend this Bill to the support of the Senate. I am glad to know that the measure has the approval of the late Minister of Defence, Mr. McCay, M.P., and also the support of the present Minister of Defence. I have already said that in this matter the climatic conditions of Australia ought to be taken into consideration. In a colder climate like that of the United Kingdom or the United States, the effect of hard drinking may not be so apparent as in Australia.

Senator Col. NEILD.—Does the honorable senator mean to imply that hard drinking is permitted in canteens?

Senator PULSFORD.—The honorable senator must not interrupt. I do not wish for one moment to have it implied that I reflect on our soldiers; but when drink is offered for sale by the authorities, or by persons with the sanction of the authorities—which is the same thing—

Senator Col. NEILD.—Nonsense!

Senator PULSFORD.—Under such circumstances young fellows, who enter the army as abstainers, or, at least, as temperate drinkers, may be led astray, and, instead of becoming efficient soldiers, may fall victims to the habit. Would any honorable senator have the hardihood to deny that the presence of drink in canteens does have the effect occasionally—we will say occasionally—of leading certain men astray? If only a few men are led astray, to that extent our Defence Forces are weakened. On these grounds I commend the Bill most warmly to the support of the Senate. I am not at all anxious to force the Bill through to-day. If there is a feeling that there are opinions outside which ought to find expression here,

I am quite willing that there should be an opportunity before we finally decide the fate of the measure.

Senator COL. NEILD.—Will the honorable senator consent to refer the Bill to a Select Committee?

Senator PULSFORD.—I see no occasion to send the Bill to a Select Committee. If I threw the measure into the waste-paper basket, I would dispose of it just as effectually as I should if I consented to have it referred to a Select Committee, who would play with it for weeks or months until the session ended.

Senator TURLEY (Queensland) [4.15].—I have endeavoured to secure evidence in connexion with this subject, because I do not think that we are entitled to deal with it without any evidence at all. So far, we have had no evidence submitted as to the opinions of the people directly interested, or of persons outside Australia who have had a very large experience of the subject with which this measure deals.

Senator MILLEN.—Or of the necessity for it.

Senator TURLEY.—Or of any necessity for it. Whilst I do not claim any particular knowledge of the working of these canteens, I have sought information as to the opinion of authorities in England and in America on the subject. I have tried to discover what the opinion of the American authorities was before the passing of the American Act, and also after they had had some experience of its working. Senator Pulsford has asked the Senate to pass the Bill, because he thinks it will be a check upon drinking. All the evidence I have been able to get goes to show that it will not. The operation of a similar law in America has certainly put down the supply of light wines and beer in canteens, but the evidence of the United States Secretary of War, and of his Adjutant-General, and some of the commanders of the United States Army, is to the effect that the abolition of the canteens has driven soldiers out of barracks into drinking shops and brothels, and has forced them to become associated with very undesirable people, and that under the old system of canteens the men were very much better off.

Senator FINDLEY.—They are supplied with "greased-lightning" liquor outside.

Senator TURLEY.—That is so. It was not the custom in canteens in the United States to permit the sale of spirits.

Only light wines and beer were allowed to be sold. Senator Pulsford has correctly stated the steps that were taken in connexion with the passing of the American Act. But the United States military authorities had an opportunity to express their opinion regarding the question before the Bill was passed, and the opinions expressed by competent men were at the time altogether ignored. I propose to quote some opinions expressed before the passing of the American Act, and after it had been in operation. When the Bill was brought before the American House of Representatives it was referred to a Committee, who asked for information from the United States War Office. I propose to make some quotations from "Report 1701, House Reports of the First Session, 56th Congress, 1899-1900." In a letter, dated "War Office, 16th May, 1900," the American Secretary of War, Mr. Elihu Root, says—

I think the enactment of this Bill would be injurious to the temperance, morals and discipline of the enlisted men of the Army. I beg leave to refer to the paragraph upon this subject in the last annual report of the Secretary of War, pages 41 and 42, under the head of "Post Exchanges," which is as follows:—

"It will be perceived that the overwhelming testimony of the Army is to the effect that the present regulation has promoted the temperance, discipline, morals, and health of the enlisted men, and that in the interest of morality and effective service it should be retained. No change has accordingly been made in the regulation. In considering the testimony of these officers it should be borne in mind that enlisted men are not always on duty; that during considerable portions of their time they always are, and necessarily must be, permitted to go outside of their camps and posts just as other citizens do, and that when they are thus at liberty it is impossible to subject them to restraints which are not also imposed upon the other members of the community. In States where the sale of intoxicants is permitted by law soldiers will drink outside the camp or post just as other people drink, and it cannot be prevented, except by confining them to the limits of the camp or post. This would not only be unjust and injurious, but would reduce enlistment to imprisonment, and immediately put an end to enlistments. The practical question to be considered is, not whether soldiers should drink or not drink, but whether they should be permitted to drink beer in the camp, surrounded by restraining influences of discipline and good association, or whether they should be driven to drink bad whisky in the vile resorts which cluster around the limits of every military post and camp, and especially around those in which prohibition is maintained. I have no doubt that the present regulation furnishes the wise answer to this question.

ELIHU ROOT, Secretary of War."

When this Bill was discussed in another place the opinions expressed by the Ad-

jutant-General of the American Army were quoted, and it was represented that he was in favour of the legislation passed in America. The opinions quoted from this officer were expressed some considerable time ago, and I propose to quote those which he expressed at the time the measure was submitted to him, and he had to make a report on the question.

Senator DE LARGIE.—Were the opinions which the honorable senator has just read expressed at the time the Bill was being considered, or after the law had been in operation for some time?

Senator TURLEY.—At the time the Bill was before the House of Representatives of the United States. I quote now from a letter by General H. C. Corbin, the Adjutant-General of the United States Army, dated from the War Department, Adjutant-General's Office, Washington, 15th May, 1900. This officer says—

"Around the reservation of Fort Wingate in 1889," says an official report on the file in this office, "a number of little rum shops thrived on the earnings and weaknesses of the soldiers. Here crimes and debaucheries thrived, and after each pay day patrols were required to literally drag our soldiers from the clutches of the keepers of these dens. The guard-house was always full in consequence of drunkards and absentees from duties, as well as those who had committed themselves in other ways, traced to the demoralizing effects of the soldiers' innate craving after amusement and tipples of some character. The exchange system did away with all this. Those of us who were prejudiced against what was termed 'a Government bar-room' found the benefits of the new system so startling that it could not be combated; and now the improvements along the lines of morality and discipline have been so marked that officers fairly shuddered when, during the past few months, there was a possibility, through mistaken Congressional action of a return of the old system." An instance in point more nearly at hand is that of Washington Barracks, in this city. Before the introduction of the canteen, Four-and-a-half-street, for two or three squares from the point at which it enters the post, was lined with small saloons, in which liquor was dispensed to soldiers.

Almost immediately after the starting of a canteen at the barracks the effect was shown upon these establishments, and before the second month of the canteen had ended more than half the little saloons outside had closed up, and their proprietors had moved away. To-day, but one or two remain. The same was true of Fort Myer. Before the introduction of the canteen there were from ten to twenty low grogeries between the terminus of the street railway at Thirty-second-street and the entrance to Arlington, largely depended upon the patronage of the troops at Fort Myer. To-day, after ten years of the canteen at the post, not more than two or three are left.

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He gives a number of instances of the kind. I quote these remarks to show that despite the evidence of men who knew what they were talking about, as the result of many years' experience, the Act to which Senator Pulsford has referred was passed in the United States. The Adjutant-General concludes his letter in this way—

It should be borne in mind that the canteen is no more or less than a well-regulated club for the enlisted men; that these exchanges are established by the soldiers themselves with their own means. Neither the Government nor any commissioned officers ever contributed one dollar to any of them. In the judgment of those most interested in the good of the service, this institution is a pronounced success as an active, progressive temperance measure, and the wonder of it all is that the professional temperance reformers are, in this resolution, allied with the aggressive saloon interests in their efforts to secure legislation to destroy it.

That was the opinion expressed by a man who was referred to in another place as one who understood the subject, and who was a witness whose evidence could not be doubted. The American Bill was referred to the man who, I believe, is at present the head of the American Army. Major-General Nelson A. Miles. He reported, as follows, from the Army Headquarters' Office, at Washington, under date 10th May, 1900:—

Respectfully submitted to the Secretary of War.

I have no recommendation to make in addition to those already submitted. Attention is invited to an extract of the enclosed order (G.O. 87, 1898), by virtue of which all commanding officers are enjoined to restrict, or entirely prohibit, the sale of such beverages as would in any way impair the health, welfare, or discipline of their commands.

The General Order referred to contains the following:—

Commanding officers of all grades and officers of the medical staff will carefully note the effect of the use of such light beverages—wines and beer—as are permitted to be sold at the post and camp exchanges, and the commanders of all independent commands are enjoined to restrict or to entirely prohibit the sale of such beverages, if the welfare of the troops or the interests of the service require such action.

It has been said that there is quite a number of persons who are favorable to the abolition of this system. But in all the evidence which is submitted, I cannot find any one person with a large and varied experience who is not favorable to its retention. Some men who have made reputations in that country, and who, I believe, will be accepted by every honorable senator as an authority on the subject, point out that it is

not in the interests of the liquor traffic that they stand up for the canteen, because many of them have said that they would be better satisfied if every man under their command were a total abstainer, but because they recognise that it is impossible for that idea to be carried out. They declare that if they had under their command men who were not total abstainers, the attraction would be greater when they went outside and drank than it was when the Government allowed them to be supplied with beer and wine in their camps. Writing at Washington, on the 1st May, 1900, Major-General J. R. Brooke says—

Respectfully returned to the Adjutant-General, United States Army, Washington, D.C., with the remark that I think that a Bill of the character of that herewith inclosed, forbidding the selling of beer or wine in the post exchange, or canteen, or on transports, or upon any premises used for military purposes by the United States, would have a most unfortunate effect. The experience gained since the establishment of the post exchange and canteen has been such as to warrant me in saying that these institutions, under the regulations by which they are conducted, are not only highly beneficial to the Army, but have a decided influence for temperance and good discipline.

This afternoon we have had quoted to us the opinion of an eminent English surgeon, and I propose to quote the opinion of men who, for years, have been connected with the United States Army in that capacity, and who were in favour of the canteens being allowed to remain as they were. Writing at Washington, on the 1st March, 1900, the Rev. C. C. Pierce, Chaplain of the United States Army, says—

Complying with your command, I have the honour to present herewith a statement as to my own personal observations in Manila along certain lines involving the physical and moral welfare of our troops. . . . When I first saw Manila the streets were practically lined with little nipa huts, perhaps about 12 feet square, in which the natives were selling, at a merely nominal price, not only fruit and tobacco, but also native gin. These "gin shacks" should certainly be included in the number of drinking places existing at the beginning, and their number was very large. The character of this native drink was so fiery and villainous that its effect upon such of our men as used it was deplorable. It became my duty to bury two soldiers who never recovered from the effect of drinking it. One of them had been in the service about eighteen years, and received from his officers, in personal conversation with me, a commendation so flattering, with regard to his character for sobriety and soldierly honour, that it might be coveted by any man. He had never been a drunkard, but this native poison was so virulent in its effect that he became maddened, and lingered in his delirium a whole week, never having recovered his reason at the time of his death.

Senator Turley.

Our authorities set to work to restrict this traffic by a system which finally resulted in its prohibition. I am not personally an advocate of any saloon, but I am forced to give my testimony that the substitution of regimental canteens in which only beer was sold, in place of this traffic in native gin, resulted in a most immediate and perceptible improvement in the sobriety of the troops.

I think that, in face of such evidence from men who know exactly what they are writing about, honorable senators should not be asked to vote for the second reading of this Bill without some inquiry being made from the men and the officers who would have to put up with the inconvenience or whatever might result from its enactment. So far, I have not read a word in *Hansard* to the effect that the men have been consulted. On the contrary, when the officers proceeded to ascertain the opinion of the men a noise was kicked up because they took that step upon their own responsibility. I propose now to read an extract from an article which the Rev. Henry Swift, Chaplain of the United States Army, contributed to the *Army and Navy Journal* of 24th February, 1900. It reads as follows:—

Where a thousand men, more or less, are gathered together, there is something more needed than a cot to sleep in, or a ration to draw and eat, or drills, guards, reviews, and fatigues to fill in the time. The men are strong and vigorous, craving for mental and physical diversion, and for some variation from the monotony of barrack's fare. Generally to meet these wants some neighbouring town will offer an abundance of low, cheap, and vile entertainment, and become a source of demoralization at once. Saloons, gambling dens, low dance houses, brothels, are ever ready to batten on soldiers driven from the vacuousness of the garrison to seek amusement and occupation elsewhere. Why should not healthy, legitimate, orderly, and attractive diversion be provided in the post, and so much better and cheaper than a man would be but throwing money away to seek them elsewhere. . . . I wish the public, instead of fighting the exchange blindly, because of the canteen, would favour and ask for its better equipment, and they would find that in providing a varied departmental system they would make the now hated canteen its best attractive feature and conduce most materially to the order, happiness, and morale of the garrison.

I am inclined to think that it is always better for us to ascertain what are the opinions of men who have had some experience than to act hastily, and pass legislation which might make things worse than they are. I do not know that any person has made a statement to the effect that the soldiers of Australia are drunkards. I know very well that, like ordinary citizens, some soldiers may at times drink a glass too

many. But they would be fifty times worse if the canteens were abolished, and that is the reason why the evidence of men who know what they are talking about has been put into reports for the guidance of Parliament. Writing on the 26th March, 1900, Mr. O. S. Meskel, who is a member of the Board of Education, Highland Falls, New York, addressed the following letter to Lieut. M. H. Barnum, of West Point, New York:—

In Sunday's issue of the *New York Press* I read the views of a large number of army officers, including yourself, regarding the abolishment of the army canteen. How the army canteen has affected the discipline and the well being of the soldier is undoubtedly better known to the officers of the Army than to anybody else; and the effects of the canteen on the moral welfare of villages adjacent to military posts is quite as well known, undoubtedly, to every citizen who has had an opportunity to observe its operation. If the abolishment would tend to destroy discipline at West Point and demoralize the soldier it would, in the same degree, lower the moral tone of this community by bringing back the vile conditions that prevailed here before the establishment of the canteen. The re-establishment of such conditions here would be a serious blow to the welfare of this village and greatly lamented by our best citizens. A drunken soldier is a rarity here now, where formerly drunken brawls and riots were of common occurrence among them. If the good people who are now striving to abolish the canteen succeed in their efforts we will have the same conditions here again, and instead of a quiet, peaceable town, without a single policeman, we will have disorder and drunken soldiers reeling through our streets.

This evidence, I may say, was given before the passing of the Bill. A minority report was submitted, but in their report the majority said that, in spite of the evidence, they recommended the House to pass the Bill, because, in their opinion, it was a bad thing for the Government to have anything to do with the control of the liquor traffic so far as the military were concerned. That, it seems to me, is the object which is sought to be attained by the Bill before the Senate. No matter whether the effect would be good or bad, the only aim is to prevent the Government from having anything to do with the regulation of the conditions under which soldiers in barracks can get the refreshments which are sold there.

Senator Sir JOSIAH SYMON.—I thought that there was a strong feeling amongst total abstinence people that the State should control the liquor traffic altogether.

Senator TURLEY.—I do not think so.

Senator Sir JOSIAH SYMON.—I thought that they were in favour of the adoption of the Gothenberg system.

Senator TURLEY.—I believe that a majority of the temperance people are opposed to the State recognising or having anything to do with the liquor traffic. Just as in this State there is a number of persons who hold that it is better to have tragedies like that which occurred on Flemington race-course the other day, than for the Government to have anything to do with the regulation of the gambling evil, so in all the States there is a number of persons who hold that whatever may be the cost it is better for the Government to have nothing to do with the liquor question than for them to regulate the traffic, and thereby recognise it as an evil.

Senator Sir JOSIAH SYMON.—A very curious doctrine.

Senator TURLEY.—That is practically the doctrine that is preached. I have a large number of friends amongst temperance people, and they are the strongest opponents to the State taking over the liquor traffic, and running it in the interests of the community. They advocate general prohibition. Whatever might be the result, they think that it would be bad for the State to have anything to do with the actual conduct of the liquor trade. I now wish to deal with the evidence given after the passing of the Act in America.

Senator Sir JOSIAH SYMON.—When was it passed?

Senator TURLEY.—In February, 1901. The Adjutant-General of the United States Forces, who was quoted in the House of Representatives as approving of the wiping out of canteens, asked for information to be supplied to the War Department at the end of six months after the law had been in operation. He wanted to know how it had worked, and the officers in command were asked to answer a number of questions. When the American Bill was introduced it was stated that a number of the men were in favour of the abolition of canteens, and that this step had been a success. There is a difference of opinion even amongst the officers. Colonel Ray, who was in charge at Fort Snelling, reported that up to the time he left that station, there had been no increase of drunkenness since the abolition of the canteen, but that a decrease was shown. He stated—

There has been no increase of drunkenness since the abolishment of the canteen, but a decrease, as shown by the records, which, I am

of the opinion, is partly due to the improved condition of discipline as well as the absence of the canteen.

He left Fort Snelling in September, 1901. Then there is a report submitted, I suppose, by the officer who took his place, and dated 10th September, 1902. This officer reported—

I believe the introduction of beer into the post exchange, for sale, if the exchange is conducted on proper lines, is a benefit to the service. Its loss is felt more by the individual enlisted man than any one else.

I am, sir, very respectfully,

JACOB KLINE,

Colonel, Twenty-first Infantry.

I have looked through the whole of this volume, and I find no evidence that the closing of canteens has been a success. I do find that there are some officers who have reported that since the passing of the Act things are no worse than they were before. Late, however, a number of officers in command have stated over their signatures that things are very much worse, and that they hope that the old system will be reverted to. I do not know whether there is any later information on the subject. I have hunted through the Library, and the only additional information I can find consists of an article in the *North American Review* for September, 1903, and another in the same publication in 1904. These articles were written by two men who apparently have some connexion with the American Army. I wish now to quote from a despatch dated 3rd December, 1901. It is as follows:—

War Department,
Adjutant-General's Office,
Washington, 3rd December, 1901.

Sir,—I have the honour to communicate to you the following remarks of the Secretary of War in his annual report to the President, dated 27th November, 1901:—

The provisions of section 38 of the Act of 2nd February, 1901, prohibiting the sale of or dealing in beer, wine, or any intoxicating liquors by any person in any post exchange or canteen, or army transport, or upon any premises used for military purposes by the United States, have been carried into full force and effect, pursuant to the directions of the statute.

When the orders were issued for the enforcement of this section of the law, the commanding officers of the various posts and military organizations were directed to report upon its effects. A great body of reports have been received, which indicate that the effect of the law is unfortunate. I think, however, that a sufficient time has not elapsed to give the law a fair

Senator Turley.

trial, and the observation and report of its working will be continued during the ensuing year.

Referring thereto, the Secretary of War directs that the instructions communicated in confidential letter from this office on 5th February, 1901, be renewed (with the exception of section 2), and that report thereunder be made to this office not later than 1st September, 1902.

GEO. ANDREWS,

Assistant Adjutant-General.

The Commanding General, Department of

A general order was issued by the War Department after the passing of the Act, and it was sent to every officer in charge of a station in the United States. Most of the officers are satisfied that the Act has worked to the detriment of discipline, and of the morality of the forces. Here is a report from Brigadier-General Funston. He says—

TRIALS BY COURT-MARTIAL.

During the period covered by this report, one commissioned officer was tried by general court-martial and acquitted; 194 enlisted men were tried by general court-martial for offences classified below:—

Then he gives a long list of particulars, and adds—

As compared with the preceding year, the percentage of average enlisted strength tried by general court-martial has nearly doubled. Twenty-five men were tried for violation of more than one article of war at the same trial. Of the 194 men tried, fourteen were acquitted and ninety-seven were dishonorably discharged from the service.

It is therefore plain that there has been a deplorable increase of offences in general, and of desertion in particular. In my opinion, there are two principal causes for this state of affairs. First, resentment to unaccustomed limitations and restrictions felt by men returning from field service to the monotony and routine work of garrison life; second, the abolition of the canteen feature of the post exchange. Since this action was taken saloons of the lowest type have been established just outside the boundaries of the various reservations; their proprietors are, in almost every case, unprincipled scoundrels, who leave nothing undone to debauch the soldiers and obtain their money. Being, in all cases, outside the limits of any city, the proprietors of these resorts are subject to no municipal police regulations, and sell liquor regardless of hours and whether the buyer is already intoxicated or not.

Senator DOBSON.—That could not occur here.

Senator TURLEY.—I quite recognise that the conditions are different in Australia. But at the same time honorable senators cannot ignore the fact that if men take to drinking there is nothing to prevent them going far more to excess out of barracks than they would do if they drank in

their own canteens, where they are under discipline.

Senator HENDERSON.—Where is the inducement to drink to excess in the circumstances to which the honorable senator refers?

Senator TURLEY.—Has the honorable senator never been in a garrison town?

Senator HENDERSON.—Scores of times, and, so far as my experience goes, the honorable senator is talking nonsense.

Senator TURLEY.—I have been in garrison towns, and have seen a good deal of drunkenness there. I know very well that the canteen system has decreased drunkenness. In fact, the officers in charge of the British Army do not say a word in favour of doing away with canteens. They know very well that the system has done good. It has kept men from going outside, where the temptations to drink are much greater than they are in barracks. I quote from an officer who evidently knows what he is talking about. He continues—

Gambling is universal in these "dives," and they are frequented by dissolute women. The soldier whose desire for a drink would ordinarily be satisfied by a few glasses of beer in the canteen of the post exchange, goes to one of these resorts, and does well if he escapes before he has spent or gambled away all his money, overstayed his leave, or engaged in an altercation. As a rule, the local authorities regard the existence of these places with indifference or approval, as it causes the soldier to spend his money in the community. The efficiency of the army or the ruin of a good soldier is nothing to them. There can be no reasonable doubt that most of the trials by general courts-martial and summary courts, at least so far as this department is concerned, are directly traceable to this cause. Since I have had command here, there has taken place the ruin and degradation of several non-commissioned officers of long service and fine record. In short, recent legislation by Congress on this question, so far as this department is concerned, has had no effect, except to lower the discipline of the army, ruin scores of good soldiers, and fill the pockets of a lot of saloon keepers, gamblers, and prostitutes.

Senator DOBSON.—Under our law, saloon-keepers could not open such bars.

Senator PLAYFORD.—The cases cited do not apply to us in Australia.

Senator TURLEY.—One of the strongest arguments advanced in favour of the Bill is that similar legislation has had good effect in the United States; and I am showing, by means of these quotations, that the experiment there has not been so satisfactory as we might be led to suppose.

Senator PLAYFORD.—If the effect of the abolition of canteens in the United States has been bad, why is the present law not repealed?

Senator MILLEN.—That is a curious question for a practical politician to ask!

Senator TURLEY.—The repeal of the present law relating to canteens in the United States has been recommended. The following is an extract from the report of the Secretary of War of the United States for 1902:—

Referring to the operation of section 38 of the Act of 2d February, 1901, which prohibits the sale of beer and light wines in post exchanges, I said in my last report that a great body of reports had been received which indicated that the effect of the law was unfortunate, but that I thought a sufficient time had not elapsed to give the law a fair trial, and that the observation and report of its working would be continued during the ensuing year.

A great number of additional reports have now been received, and they confirm the impression produced by the earlier reports. I am convinced that the general effect of prohibiting the use of beer and light wines within the limited area of the army post is to lead the enlisted men to go out of the post, to frequent vile resorts which cluster in the neighbourhood, to drink bad whisky to excess, and to associate intimately with abandoned men and more abandoned women; and that the operation of the law is to increase drunkenness, disease of the most loathsome kind, insubordination, and desertion, and moral and physical degeneration.

These reports are ready to be sent to Congress whenever that body desires to consider the subject.

The Adjutant-General of the United States Army—and this is the gentleman who has been quoted as in favour of legislation of the description now proposed—said in his report for 1902—

The restoration of the exchange as it existed prior to the passage of the Act of 2d February, 1901, prohibiting the sale of beer, is desired and urged by the great majority of officers and men, and by none more than those of pronounced temperance views. Numerous reports confirm the views long held by this office that the old exchange contributed to sobriety, health, and contentment of the men. The increase of desertions and of trials for infractions of discipline is, by those best informed, attributed to the abolition of the former privileges of the exchange.

These are reports from men at the head of affairs, men who, I suppose, are not governed by sentiment in one direction or another, and who are in receipt of information from other officials from various parts of the States.

Senator HENDERSON.—Then to make a sober army, the best plan is to fill every man's skin with beer?

Senator TURLEY.—Water is a good thing that we cannot live without, but, at the same time, a very large number of men have lost their lives by water. There is a wide difference between filling every man's kit with whisky and allowing him to have a glass of beer in the barracks when he so requires. I do not think that the Bill would have the effect imagined by those who are strong in its favour.

Senator DOBSON.—Let us try the Bill.

Senator TURLEY.—Is that the policy which Senator Dobson adopts when he thinks legislation might have a detrimental effect?

Senator DOBSON.—I do not think this Bill would have a detrimental effect. The precedents which the honorable senator is reading are quite inapplicable to Australia. It is the general licensing law of the United States that is at fault.

Senator TURLEY.—This has nothing to do with the general law of the United States. What I have read is not the only evidence on the subject, because Australian testimony may be given. An officer in a prominent position in Queensland told me, when I was last in Brisbane, that his experience was that, since the establishment of the canteen system, there had been a great deal less trouble with the men.

Senator Sir JOSIAH SYMON.—Where is the evidence that canteens have been mischievous and ought to be prohibited?

Senator TURLEY.—I do not think there is any evidence to that effect. I have looked for, but I have not been able to lay my hand on, any testimony by military or naval officers to the effect that there is any abuse in the canteen system. What is stated is that the canteens might be made more attractive by the establishment of up-to-date restaurants, reading-rooms, and so forth. But that has been advocated for years. As Senator Pulsford told us, the United States Government, during the past two or three years, have voted about \$2,000,000 to provide attractions within barracks to take the place of those formerly presented by the canteen; and yet there are reports of the nature I have quoted. These reports are by men who know what they are talking about, and they unmistakably express the opinion that such legislation as is now proposed has proved harmful to those under their command. Numerous associations in the United States have had this matter

under their consideration; and in this connexion I may read the following:—

American Public Health Association,
Secretary's Office,
Columbus, Ohio, 18th October, 1901.

Dr. Edward L. Munson, Assistant Surgeon, U.S. Army, War Department Exhibit, Pan-American Exposition, Buffalo, N.Y.

Dear Doctor,—The following resolution was adopted by the American Public Health Association, at its meeting, held in Buffalo, 16-20 September, 1901:—

Resolved.—That this body deplores the action of Congress in curtailing the operation of the army canteen or post exchange, and in the interests of general and military sanitation, recommends its re-establishment on its former basis at the earliest possible date.

Yours very truly,

C. O. PROBST, Secretary.

A body of medical men would not, I think, pass such a resolution, unless they believed themselves to be absolutely in the right. If we do not accept their testimony we must say that they know nothing about the matter, or that they are biased. or that they have been "got at." As for myself, I am prepared to accept the evidence of men of experience as to whether the working of a law of the kind proposed has proved beneficial or otherwise. Senator Dobson has asserted that the cases I have cited do not apply to the conditions which prevail in Australia; but, as I said before, the strongest argument in favour of the Bill is that similar legislation has proved a success in the United States, whereas we find that the persons most competent to speak recommend the repeal of the law.

Senator BEST.—But it has not been repealed.

Senator TURLEY.—That is so; and I can quite understand the position. There are laws in Australia for the repeal of which the people have been asking for some time, on the ground that they are detrimental to the interests of the community, but which remain on the statute-book. The Bill deals with a question which politicians do not care to touch, bearing in view temperance organizations, which may prove adverse at the time of an election. But it is the duty of every man, who is elected to a responsible position, to speak his mind. At the last election, a lot of temperance circulars were sent out to candidates, and in one appeared the question, "Are you prepared to abolish canteens?" To that question I returned a direct negative, and I am not now prepared to abolish canteens, which I believe to be established in the

best interests of the men on whom we may some day have to depend for the defence of Australia. The members of our Military Forces occupy a peculiar position in the Public Service. They do not begin their duties and leave off at a regular hour, when they may put on their coats and go to their homes; on the contrary, they live in barracks, and have to receive permission to go outside. There are no persons in the Government service who have less liberty than our soldiers in barracks; and under the circumstances it is better to provide facilities for the men to lead reasonably decent lives than to pass a measure of the kind before us. Men are better and not worse for a fair amount of freedom, and desirable effects would not be produced by the restraint imposed by the Bill. The Association of Military Surgeons of the United States, at its 10th annual meeting held at St. Paul's, Minnesota, on 13th May, 1901, passed the following resolution:—

Whereas, the Association of Military Surgeons of the United States, now in session at St. Paul, recognises that the abolition of the army post exchange or canteen has resulted, and must inevitably result, in an increase of intemperance, insubordination, discontent, desertion, and disease in the Army: Therefore be it—

Resolved: That this body deplores the action of Congress in abolishing the said post exchange or canteen, and in the interests of sanitation, morality, and discipline, recommends its re-establishment at the earliest possible date.

Resolved: That it is the sense of this association to resolve its members in each State into a special committee to confer with their Congressional Representatives and Senators, and interest them in the repeal of the so-called "canteen law."

Resolved: That a Committee of seven, representing the United States Army, the Navy, and the Marine-Hospital Service, and the members of this association be appointed to confer with a committee from the House of Representatives and Senate in reference to the matter.

Resolved: That a copy of this resolution be sent to the committee on national legislation of the American Medical Association, and ask them to co-operate with the Association of Military Surgeons; and

Resolved: That a sufficient number of copies of the paper be printed to furnish a copy to each Representative and Senator, and that a member of the association be designated to see that the copies are properly distributed.

JAMES EVELYN PILCHER, Secretary.

Senator PLAYFORD.—What is the date of that?

Senator TURLEY.—30th May, 1901.

Senator PLAYFORD.—And nothing has yet been done, although this is 1906.

Senator TURLEY.—These men may realize that this legislation has done no good, and yet no action may have been taken by Congress in a matter in connexion with which the votes of a very large number of people are involved.

Senator PLAYFORD.—If the evils were so great, surely Congress would be moved to remedy them.

Senator TURLEY.—That is to say, the Minister questions the accuracy of these statements?

Senator PLAYFORD.—I suppose they are exaggerated.

Senator TURLEY.—I am satisfied that when the Minister of Defence makes inquiries from the men of the Defence Force he will get exactly the same opinions from them. He will find that views similar to those which I have quoted will be expressed by men in his own Department, who are far more competent to discuss this question than is even the honorable senator himself. There has been no evidence placed before another place, or before the Senate, to account for the introduction of this measure, unless it be that secured by the Committee appointed to inquire into the conduct of a certain officer in charge of a canteen. Because there has been some inefficient regulation of a canteen, and some officers have apparently taken advantage of their position to live to some extent at the expense of the men, this measure is introduced in a panic, and an attempt is made to rush it through Parliament without consideration, and without any evidence from the men directly interested, as to how they are likely to be affected by it. I believe that some of them should be given an opportunity to express their opinion on the question. I do not accept the Minister of Defence as an expert in this matter.

Senator PLAYFORD.—I do not pretend to be one.

Senator TURLEY.—I should much prefer to accept the opinion of any man in charge of a regiment in Australia to that of the honorable senator as to what the effect of this legislation is likely to be. I do not know that it is necessary that I should make any further quotation from these reports in connexion with the American law. I have referred to the opinions expressed by the American Medical Association, the Association of Military Surgeons, the American Association of Public Health, the Professor of Hygiene at Georgetown University, and others competent to

give a valuable opinion on the subject. In spite of all this evidence to the contrary, we are told that the American measure has been such a success that we should copy it here in the interests of the Defence Forces. There is another point in connexion with this matter to which reference might very well be made. I should like to ask whether we are justified in attempting to enforce a particular manner of living upon men because they happen to be in the employ of the Government. We know that the Minister of Defence would not be prepared to enforce such conditions of living upon any other Government servants.

Senator PLAYFORD.—We do not provide canteens for other Government servants.

Senator MILLEN.—We do not provide canteens for the men of the Defence Forces. They provide them for themselves.

Senator TURLEY.—They pay the whole of the expense in connexion with them. Apparently, the Government believe that, by taking advantage of the position they occupy, they can force these men to becoming teetotallers whether they like it or not.

Senator MILLEN.—If a private employer were to do that, the Minister of Defence would be the first to denounce it as an act of tyranny.

Senator PLAYFORD.—There is no analogy between the two cases.

Senator TURLEY.—Let me inform honorable senators that recently a committee has conducted an inquiry in England into the existing conditions under which canteens and regimental institutes are conducted. I have before me the report of their proceedings, dated 1903. I take it that some of the men who gave evidence before this committee know something about the working of canteens. I find that, with one exception, they are agreed that drinking in the Army has not increased under the canteen system, and that it would not be wise to abolish the system in the British Army in any part of the world. A great deal of interesting evidence was given before this committee, which honorable senators can read if they take sufficient interest in the matter. I find a statement here by Lord Roberts. I do not know whether he knows anything about Army matters, but there are a good many people who believe that he does.

Senator Col. NEILD.—Does he know as much about them as Senator Pulsford?

Senator TURLEY.—I am not prepared to swear that he does. He was examined

before the Committee to which I have referred in connexion with a speech which he delivered at Meerut in 1888, in which he said—

Some two years ago, when passing through Rangoon, I had an opportunity of seeing an institute which appeared to me very much what soldiers require. On entering the building, I found myself in the temperance room—a spacious, airy apartment, in which 300 to 400 men were assembled. Some were playing games, others were talking and amusing themselves; every one seemed at his ease, and there was an air of comfort about the place which was very marked. Waiters were bustling about with tea, coffee, and light refreshments. Neither beer nor other intoxicating drinks were, of course, allowed in this room. Passing on I came to another room, with "Silence" written in large letters over the door. This was the reading and writing room, and a goodly number of men were here. Further on I found myself in the refreshment room, which was much about the same size as the temperance room. At one end of it was a coffee shop, where all kinds of oilmen's stores and regimental necessities could be purchased at a cheap rate, and where very inviting looking suppers were being prepared. Small tables were scattered about, each covered with a clean white tablecloth, and with such conveniences as could be supplied without much expense. Here several men were enjoying their evening meal, with which those who wished for it could have beer brought to them from the neighbouring canteen. On going into the canteen, I noticed that it was nearly empty; the men apparently preferred to have their beer with their suppers, or had drunk off their glass, and had gone to join their comrades in some other part of the building. Further on I was shown into a large room, which was occasionally used as a theatre. Here there were a number of men listening to a capital comic song which was being sung by a bluejacket from one of the ships in the river. There was, as I said before, an air of real comfort about the whole place; and I thought to myself, "Is a soldier likely to prefer wandering about the dirty bazaars and back slums of Rangoon to joining the fun and partaking of the comfort of the Institute?" There is little doubt, I think, what the choice of most men would be.

Lord Roberts spoke in the same way at Simla. He is a teetotaller, but he is aware that it is practically impossible to prevent the men in the Army from drinking. He states that he believes it is better that soldiers should be given facilities to obtain beer and other refreshments which they require, under the control of their officers, than that they should be permitted to go outside, as he states, "into the dirty bazaars and back slums of Rangoon," or of any other place in which they might be stationed. That is evidence to which we should pay some attention. Lord Roberts does not dream of suggesting that canteens should be abolished in connexion with the

British Army. He says that he will be glad to see the day when there is no drinking whatever by any one in the Army, but that is very different from saying that we should not give the men of the Army an opportunity to obtain the refreshments they require under reasonable, clean, and decent conditions. That they should be given facilities to obtain the refreshments they require under such conditions is all that those in favour of the canteen system advocate. Evidence was given before the committee to which I have referred by men belonging to the Royal Army Temperance Association. I believe that Lord Roberts was responsible for the establishment of that association when he was in India, and its operations have been extended to Great Britain by men who have been transferred from India. At the present time, according to the evidence of the secretary of the association, it numbers something like 35,000 of the men in the British Army. These men do not drink intoxicants, but the canteen provides for them as well as for those who do. In his examination, Lord Roberts gave this evidence:—

4711. Is there any point that you would like to bring before the attention of the Committee?—No, except to wish it all possible success in carrying out what is greatly my desire, to make the soldiers' institute a comfortable place which the men will be attracted to go to instead of visiting public houses in the neighbourhood; to make it in all matters respectable, where they can have their games and their writing and their reading, their eating, and their drinking, in moderation, and where everything is done to elevate the soldier. That is my great wish.

That is the opinion of Lord Roberts; but, knowing very well that it is impossible, he states that his idea in connexion with regimental institutes is to provide adequate accommodation and reasonable facilities for the men under his command. A number of questions were sent to Lord Kitchener, who, I suppose, knows pretty nearly as much on this subject as does Senator Pulsford. In reply to the question—

What are your views as to the organization and management of a regimental institute, especially with reference to the wet canteen?

Lord Kitchener returned the following answer:—

I think all canteens and institutes should be run on co-operative lines. The wet canteens should be dealt with separately, and though enabling men to obtain refreshment, it should not be made into an attractive lounge. It should, in my opinion, be run more on the lines of a railway refreshment-room, where tea, coffee, and sandwiches can also be obtained. The profits on the wet canteen should be higher than those

on dry goods, except in the case of one pint of beer, which, when served at the club, might be issued at the most moderate profits.

If the Minister will take the trouble to go through these reports, most of which, I think, I have read, he will find the same opinions expressed, not only by the officers in command, but also by officers generally, the men, and other persons interested. Now let us take the position in Australia. We are supposed to have a Defence Force. We have men in different places, from Thursday Island right round the coast. Annually a number of men are induced to travel from their homes, and to spend a certain time in camp for the benefit of their health, and, I suppose, to make them more efficient in their duties. Yet we have the Government acquiescing in this Bill, without even referring the proposal to their officers or seeking the opinions of the men concerned.

Senator Sir JOSIAH SYMON.—What is the opinion of the men?

Senator TURLEY.—I believe that if a poll of the men at the military establishments throughout Australia were taken, it would be found that an overwhelming majority of the officers and men are in favour of allowing the canteen system to remain as it is.

Senator Col. NEILD.—I do not think that five per cent. would be found to be in favour of the Bill.

Senator TURLEY.—The men who are constantly in barracks are under discipline all the time. It is far better for us to provide them with reasonable facilities, such as reading-rooms, writing-rooms, and places in which they could hold entertainments, or to which, with the profits from the canteen—as is done in the British Army—they could bring outside entertainers, than to say to the men, "When you go outside you can drink as much as you like, and act as you like, but in the barracks you shall not have any inducement held out to you to get a glass of beer or other liquor in moderation." Now let us take the case of the other men who would be affected by the enactment of this Bill. In each State every year a number of men are drawn together from all parts. In some cases men travel hundreds of miles in order to get to the camp. The majority of them are tradesmen, labourers, and others who, when not in camp, are accustomed, at the close of a day's work, to go into an hotel for a glass of beer, and to drink it either there or at home. By this Bill it is proposed to say to all these men, "In this camp you shall

not have any liquor, but you may go outside and drink there what you like." On this point, I have been able to get some information from a man who is well posted, and who has no objection to the publication of his name. I refer to Surgeon-Major Thompson.

Senator Sir JOSIAH SYMON.—And a very able man he is, too.

Senator TURLEY.—When I met Dr. Thompson in the street, about a fortnight or three weeks ago, I asked him to tell me what his own experience in Queensland had been. He said, "When the camps were held at Lvtton, before the canteen system was established, we used to have all sorts of persons with drinking establishments in the locality." There was not a public-house, but a number of persons used to come down, and, as is done in other places where men cannot get liquor openly, establish little shebeens.

Senator PLAYFORD.—What! Sly-grog shops.

Senator TURLEY.—Yes. Does the Minister mean to tell me that he has never come across any sly-grog shops? Even although the law is carried out by the administrators to the best of their ability, still in Australia there are hundreds of places in which liquor is sold on the sly.

Senator PLAYFORD.—I do not know where they are. At all events, there are none in my State.

Senator Col. NEILD.—They are to be found all over South Australia.

Senator PLAYFORD.—No. There is not one sly-grog establishment I believe in the whole State. I have never come across one.

Senator TURLEY.—It is no wonder that South Australia is termed the "model State," if there is not a place in it in which liquor is sold contrary to the law. I know that in Queensland there has been a fair amount of sly-grog selling going on. Now and again I have had a drink in these places.

Senator MULCAHY.—Oh!

Senator TURLEY.—I am not posing as an angel, but as an ordinary individual.

Senator DE LARGIE.—The honorable senator is really too modest.

Senator TURLEY.—I do not profess to be any better than the honorable senator. I dare say he has often had a drink in these places, although he does not care to mention the fact here.

Senator DE LARGIE.—The honorable senator is too modest when he says he is not an angel.

Senator TURLEY.—Surgeon-Major Thompson went on to tell me that since the establishment of the canteen system in Queensland they had had less trouble with the men, as they had been able to buy what they required in the camp. He said that the men preferred to hold a sort of jollification amongst themselves rather than go outside, and that it was not necessary now to send out so many picket parties at night to pick up men and bring them in.

Senator PLAYFORD.—They were picked up in the camp.

Senator TURLEY.—Picked up in the camp?

Senator PLAYFORD.—Very likely.

Senator TURLEY.—That is rather an unfortunate remark to come from the Minister. What he virtually says is that drunkenness must have been prevalent in the camp under the eyes of the officers. I do not think that officers, as a rule, are inclined to induce men to become drunk in camp. That is the reason why they wish to see fair facilities provided.

Senator PLAYFORD.—They do not induce the men to drink, either outside or in camp.

Senator TURLEY.—The officers know very well that the men are better off when they can get a glass of beer in camp than they were when they had to go outside, and probably a picket party had to be sent out to bring them home. The Minister knows perfectly well that that has been the experience, not only in Australia, but in England and the United States. It is the experience of men, I believe, all over the world that where reasonable facilities are given, the officers have far more control over the men than obtained when the men were compelled to go outside to get whatever refreshment they required. The Bill should not be allowed to go any further until the Government furnish us with the opinions of the men who are in active service, and of the officers, and say whether they are prepared to support the measure or not.

Senator PLAYFORD.—Let us refer the Bill to a Select Committee. That is the proper way to deal with it.

Senator TURLEY.—There is no need to refer the Bill to a Select Committee.

Senator PLAYFORD.—Honorable senators would get the information they want then.

Senator TURLEY.—No. The Minister wants to appoint a Select Committee, which is to proceed from Melbourne to Thursday Island.

Senator PLAYFORD.—Not necessarily.

Senator TURLEY.—Would the honorable senator bring the officers down to Melbourne to give evidence?

Senator PLAYFORD.—If the Government are to get information, am I to bring the officers here to give it?

Senator Sir JOSIAH SYMON.—Why was not the information obtained before the Bill was introduced?

Senator PLAYFORD.—Could not a Select Committee get the information by sending up a series of questions?

Senator TURLEY.—The information could be obtained by the Government without the aid of a Select Committee or a Royal Commission. All they need to do is to frame a number of questions.

Senator PLAYFORD.—A Select Committee could do that, too.

Senator TURLEY.—Is the Minister afraid to accept the onus of administering his Department? Is he afraid to tell us whether the Government are prepared to support this measure or not, and furnish us with such evidence as he may be able to collect through his officers from the men on active work all over the Commonwealth? I do not see that there is any reason why either the Department or the Government should attempt to shirk their responsibilities in this matter. It is all very well to say "appoint a Committee," but a Committee of this Senate could only make inquiries in Victoria.

Senator PLAYFORD.—A Committee could frame questions just as well as I could.

Senator TURLEY.—Is a Committee required to frame questions which may be sent out to officers in different parts of the Commonwealth? Does it require half-a-dozen members of the Senate to frame half-a-dozen questions?

Senator PLAYFORD.—The Committee could examine persons in Victoria, South Australia, and New South Wales without the slightest trouble.

Senator TURLEY.—How could a Committee undertake a task of this kind when Parliament is sitting? The Minister evidently thinks that the onus of proof is on those who are opposed to this measure. We have no evidence as to whether the Government intends to support the Bill.

Senator CROFT.—The statement was made in another place that the Government did support the Bill.

Senator MILLEN.—I saw in *Hansard* that Mr. Ewing, a member of the Government, applauded Mr. Kelly, a member of the Opposition, who opposed the Bill.

Senator TURLEY.—No vote was taken in another place. It seems to me that the best thing that can be done is for the matter to remain in abeyance until the Minister lets the Senate know whether he is prepared to ascertain the opinions of his officers and men, so that we shall not pass such a Bill in the dark. If we did we should probably find, by-and-by, that we had acted to the detriment of the interests of the Defence Forces, and that what we had done had led to intemperance and demoralization.

Motion (by Senator DE LAKGIE) negatived—

That the debate be now adjourned.

Senator CROFT (Western Australia) [5.48].—The Senate is indebted to Senator Turley for the great amount of care and trouble which he has taken in presenting a mass of evidence in regard to this Bill. While I intend to vote against the second reading, I shall not do so on the same grounds as are taken up by the honorable senator. In the first place, I object altogether to the introduction of such a Bill. It is quite unnecessary. If the Minister of Defence had before him complaints from his officers as to any of their men being addicted to drink to such an extent as to impair the efficiency of the Military Forces, he could immediately order that arrangements should be made to prevent that kind of thing occurring. He could even direct the total prohibition of the sale of liquor to our soldiers and the closing of canteens. I challenge the Minister to say whether he does not possess that power.

Senator PLAYFORD.—I could have done that by regulation.

Senator CROFT.—The Minister admits that he could control this matter by regulation. Consequently there was no need for the introduction of this Bill. Had he received any complaints from his officers or from any one else he could have put an end to the evil without any trouble. Another point which I bring under the notice of the Minister is that last week he took exception to a motion with respect to the appointment of the Lieutenant-Governor of

Papua. He said that the motion interfered with the powers of the Executive. I voted against the Government on that occasion.

Senator PLAYFORD.—There is a difference between a motion and a Bill.

Senator CROFT.—I know that. The motion in question commenced with the words, "That in the opinion of the Senate it is desirable" to do certain things. The Minister of Defence then appealed to the Senate, and took some of us to task for supporting a motion which interfered with the Executive in the exercise of its functions. To be consistent, the Minister should, on this occasion, ask the Senate to protect him against a measure which is also intended to interfere with the exercise of his authority over his Department. But I think I understand why this Bill has been introduced. As an old secretary of the Political Labour Council, and a campaigner who has had some experience on behalf of others in political fights, I have always found that in the last session of a Parliament there is what I may call a political silly season—a time when many members of Parliament endeavour to make themselves conspicuous in regard to a number of questions in order that they may placate certain organized forces in the constituencies.

Senator Col. NEILD.—Properly speaking, it is a death-bed repentance season.

Senator CROFT.—Possibly the honorable senator is right. He is a very old hand in politics, and I adopt his suggestion. It appears to me that in view of the agitation that is taking place in Melbourne just now, a number of members of Parliament think that it is good business to bring forward a Bill of this kind to placate a certain party. But I am not going to support the measure for any such reason. I do not intend to assist to pass a Bill which would have the effect of offering a gratuitous insult to a number of citizens who have banded themselves together for the defence of this country. For it is an insult to pass a Bill which involves the suggestion that there is drunkenness in the Military Forces.

Senator Col. NEILD.—There is certainly an implication of drunkenness.

Senator CROFT.—Undoubtedly. I have no sympathy with that. But while I would defend the members of our Defence Forces against such an implication as is contained in this Bill, I desire to point out that I am in no way open to a charge of inconsis-

tency. When the Papua Bill was before the Senate, I voted for total prohibition. I should do so again under similar circumstances, thereby not only keeping my pledge to my constituents, but acting in accordance with my ideas of what is right. For many years, in co-operation with some honorable senators who are present—Senator de Largie, Senator Henderson, and Senator Pearce—I fought in Western Australia—and in the end we were partially successful — with the object of securing State control over the liquor traffic, with a view to its probable ultimate abolition. Nevertheless, I do not feel justified in supporting this Bill. First of all, I repeat, it is absolutely unnecessary, because the Minister has power to control the Military Forces in this respect. Secondly, I oppose it because I consider that it is nothing better than a little cheap electioneering on the part of some members of Parliament. Thirdly, I oppose it because it conveys a stigma on the Military Forces of the Commonwealth.

Senator MACFARLANE (Tasmania) [5.56].—The subject with which this Bill deals has occupied the attention of eminent military authorities in Great Britain. Lord Roberts and Lord Wolseley are amongst the distinguished officers who have endeavoured to promote temperance in the Army, I was under the impression when this measure was first introduced that both of those officers were in favour of the abolition of canteens. But the evidence given before the Select Committee of the House of Commons, quoted by Senator Turley—to whom we are greatly indebted for much information—shows that they are really endeavouring to improve the recreations of the British soldier, not to abolish regimental canteens. For that reason and others, I find myself in a difficulty about the Bill. Personally, I think that it would be better to refer it to a Select Committee. But if we are going to deal with it, my difficulty is that the Bill would prevent men in barracks from getting the refreshment to which they have been accustomed, while it would allow others to enjoy what they want. For that reason, I think we ought to be cautious. In another place the Bill was, I think, passed by a large majority.

Senator MILLEN. — There was no vote. They suspended the Standing Orders and rushed it through.

Senator MULCAHY. — No consideration was given to it, as a matter of fact.

Senator MACFARLANE.—I think that we ought to hesitate before passing the Bill. It should be referred to a Select Committee.

Senator WALKER (New South Wales) [5.59].—I came to Melbourne to-day with an open mind on this subject. I found that there was so much to be said on both sides that I would not determine how I should vote until I had heard the arguments. I no longer have any hesitation. Senator Turley has given us such a clear speech, and has furnished such ample reasons, that we are, I think, justified in opposing the Bill. The measure, if it were necessary at all, ought to have been introduced by the Government.

Senator PLAYFORD.—There was no necessity for us to introduce it; the Government can do all that this Bill provides for without it.

Senator WALKER. — That is a very good reason why we should reject the Bill, and I expect the Government to oppose it. If they can do all that it provides for without it, clearly it is quite unnecessary. Another point against the Bill is that it infringes the liberty of the subject. The soldier has as much right to enjoy his glass of beer as I have. Personally, I am next door to a teetotaller, but I am not going to vote in favour of a measure which would treat the soldier differently from other people. I have been consulting a retired colonel with regard to this matter, and he tells me—what I did not know before—that in military canteens there is what is known as a wet counter and a dry counter. Those soldiers who do not wish to take alcoholic drinks can get what they require without mixing with those who prefer stronger liquors. In Sydney we have the Victoria Barracks in a very crowded part of the city—in Oxford-street. If the men in barracks cannot get what they require at the canteen, they will get it outside. It is known to those who live in Sydney that there are in the vicinity a number of public-houses not of the highest character. If we abolish canteens, there will be a temptation for our soldiers to go to these places. I should like to see a vote of the soldiers of Australia taken on this subject.

Senator MILLEN.—Local option.

Senator WALKER.—Yes, local option. As I say, I came here prepared to vote in the direction which I deemed to be proper; and the more I look into the matter, the

more I am of opinion that the Government ought to have introduced the Bill if they thought it necessary. However, we have been informed that the Government do not think that a measure of the kind is necessary; and I must say that the decision at which I have arrived is mainly the result of the informative speech to which we have just listened from Senator Turley.

Senator MULCAHY (Tasmania) [6.1]. —I intend to oppose the second reading of this Bill, but not because I am an enemy of temperance, or even of total abstinence, where the latter may be necessary. It appears to me that the question presented to us is not whether soldiers are to be made more temperate than they are, and drunkenness prevented, but whether we are to prevent the men from getting good, wholesome drink—if any drink may be said to be wholesome—whether we are to prevent them from getting the best of drink within barracks' boundaries, subject to military discipline, in reasonable hours, and under conditions which are not likely to lead to excess, or whether we are to compel them to go elsewhere and obtain, possibly, inferior drink at a higher price over more extended hours. Military canteens are not restricted to supplying drink, but are a social affair amongst the soldiers themselves, the profits being devoted to useful purposes for their benefit. The following is an extract from a letter which appeared in one of the Sydney newspapers:—

The canteen in the Victoria Barracks, and those at the various out-stations, are conducted on co-operative lines, somewhat akin to the Gothenburg system, all profits on the sale of liquor being returned to the men in the shape of comforts of one kind or another. Liquor is sold at the lowest possible prices, and is of the best quality obtainable. For instance, a glass of spirits, which would cost 6d. in the city, is sold to the soldier in barracks at 3d., and other articles at equally cheap rates. The gymnasium, reading-rooms, billiard-rooms, football and cricket clubs, &c., are maintained out of the profits of the canteen, and each member of the Permanent Military Forces receives a gift at Christmas to remind him of the festive season.

Rightly or wrongly, it is said that the people behind this proposal are those who deal in drinks themselves—some of the outside saloon-keepers.

Senator Col. NEILD.—That statement is openly made in the Sydney morning press.

Senator DE LARGIE.—The men who introduced the Bill would not be a party to any such trickery.

Senator MULCAHY.—We may all admit that the Bill has been introduced with

the best possible intentions; at any rate, every honorable senator will give that credit to Senator Pulsford. It must be remembered, however, that the Bill was not introduced originally in the Senate.

Senator DE LARGIE.—No honorable member of another place would be a party to such trickery.

Senator MULCAHY.—I am not imputing motives to any one; but we have seen people, actuated by the best of motives, going to extremes most injurious to a good cause which they may wish to promote. The Bill, which was passed without discussion and practically unanimously in another place, would seriously affect one of the principal Departments of the Commonwealth; and yet it is introduced in the Senate by a private member. I am a thorough believer in Government responsibility; and if the Government approved of the Bill, it should have been introduced by a representative of the Government who should have given us some reasons for that approval. There are some restrictions in which I do not believe, however strong may be the support behind them. There is a certain amount of individual liberty that the law has no right to take away. Personally, I should not allow any man, any body of men, or any legislation to rob me of anything which I conceived to be an individual liberty, so long as it did not interfere with the individual liberty of others. I should not hesitate to violate a law that would attempt to rob me of such a right or liberty.

Senator FRASER.—The question is whether the example of the honorable senator might not be injurious to others.

Senator MULCAHY.—In regard to this particular measure, my example is, I hope, one of moderation. I do not think that drunkenness can be charged against our Military Forces; but, even supposing that some men do get drunk occasionally, this Bill would prevent those who do not from indulging in good, wholesome liquor, and compel them, possibly, to drink bad liquor outside, subjecting them, at the same time, to many other temptations. The speech delivered by Senator Turley is sufficient to annihilate this Bill. It was a capital speech, and the evidence he brought forward is absolutely unanswerable. Therefore, I hope that, whatever honorable senators' views may be on the question of temperance or total abstinence, they will reject

the Bill as unnecessary, and likely to be mischievous.

Debate (on motion by Senator Col. NEILD) adjourned.

PRINTING COMMITTEE'S REPORT.

RIGHTS OF SENATE.

Consideration resumed from 19th July (*vide* page 1489).

Senator HENDERSON (Western Australia) [6.10].—I beg to move—

That the report of the Printing Committee, dated 19th July, 1906, be adopted.

I do not think that many minutes need be occupied in the discussion of this report, which, in brief language, sets forth all that could possibly be said in its defence. I desire, however, to call the attention of the Senate to the fact that, on the 14th June, the Honorary Minister, in laying certain papers on the table, made a statement to the effect that these had appeared in the *Government Gazette*, but otherwise did not appear on the records of the Senate. Thereupon an honorable member exercised a right common to each one of us, and moved that the papers be printed, in order that they might appear in our journals. That motion was adopted, and it was evident that the Printing Committee of another place considered that in ordering the papers to be printed we had done some wrong—had committed some error of judgment—in view of the expense which would attend the printing. The Printing Committee of the Senate have taken into consideration the fact that while the Printing Committee of another place had the opportunity, if it so desired, to meet with our Committee and jointly discuss such matters, it sat in judgment upon the Senate.

Senator Sir JOSIAH SYMON.—And passed a vote of censure.

Senator HENDERSON.—Yes; and asked that the Prime Minister should, practically, be the instrument to convey that vote of censure through our Printing Committee to the Senate as a whole. The Printing Committee of the Senate take the view that the Printing Committee of another place has no right to sit in judgment on any action of the Senate in regard to the printing of papers, or any similar matters affecting this Chamber.

Senator Col. NEILD.—The action of the Printing Committee of another place was a piece of imperfluent indecency.

Senator HENDERSON.—I am not prepared to go so far as Senator Neild in his expression of opinion, but I contend that another place had no right to question the proceedings of this Chamber; and it certainly seems out of place that the Prime Minister should be the means of conveying the expression of indignation to which I have referred. The Printing Committee of another place has no constitutional right, and no justification for interfering in such a matter. The Printing Committee of the Senate submit this report, believing it to be amply justified by the circumstances of the case; and it is hoped that the placing of this report on record will prevent a similar occurrence in the future. The two Printing Committees may meet jointly to decide questions of the character which arise, but I presume that, if they were to meet ten times a week, neither could interfere in the slightest degree with the rights of the other Chamber, or of its members.

Senator Col. NEILD.—The Prime Minister could not do it.

Senator HENDERSON.—We know that even the Prime Minister is not master of the rights of Parliaments, nor are the whole of the members of the Executive combined. For the reasons I have stated, we have submitted the report, the adoption of which I have moved.

The PRESIDENT [6.15].—Perhaps I may be permitted to say a few words on the motion. I deprecate any discussion on this matter. I do not think that the Senate should condescend to discuss it, because it is self-evident that the Printing Committee of the House of Representatives did not understand the position in which they were placed. Neither the Printing Committee of the House of Representatives, the joint Committee, nor the House of Representatives itself has any right to censure the Senate, and still less have they any right to ask the Prime Minister to take a part in any such censure. I think it would be as well if honorable senators passed the motion unanimously, without condescending to discuss the question.

Senator PLAYFORD (South Australia—Minister of Defence) [6.17].—I think that I should say a word or two on the subject. I do not think that the motion should be passed unanimously until all the facts have been fairly considered. We must all admit that if another branch of the Legislature considers that this branch with which it has no particular connexion, has ordered

printing involving unnecessary expense to the Commonwealth, it has a right to say something about it. I admit that the Printing Committee of the House of Representatives have exercised their right in this respect in a wrong way. If they desired to promote economy, and considered that the Printing Committee of the Senate were authorizing the printing of papers unnecessarily, their proper course would have been to ask for a Conference between the two Houses.

The PRESIDENT.—They could not ask for a Conference. They could only report to their own House. How could a Committee of either House ask for a Conference?

Senator PLAYFORD. — It would not need to be a Conference, but representatives of both Houses might have met to talk the matter over quietly; or the Printing Committee of the House of Representatives might have forwarded a representation to the Printing Committee of the Senate on the subject. In this case eight long papers that had previously been printed by the Government, covering regulations under the Post and Telegraph Act, were ordered to be printed again by the Senate. The Senate had a perfect right to make such an order, but it added unnecessarily to the cost of printing for the Commonwealth. The Senate was not entirely to blame in the matter, because the difficulty arose from the fact that instructions had not been given to the Government Printer to send copies of these regulations to each member of the Parliament when he printed them for the Government under an Act. It was necessary for the Senate and the House of Representatives to order the printing of those papers so that the members of both Houses might obtain copies of them. That involved considerable extra expense, as honorable senators are aware. Of course I cannot, and do not, pretend for a moment to defend the action of the Printing Committee of the House of Representatives.

Senator MILEN.—That is what the honorable senator is doing.

Senator PLAYFORD.—I do not defend the way in which they gave expression to their opinion on a matter of economy. They expressed a right and a justifiable opinion, so far as economy is concerned, but they did so in the wrong way, and in a way which I cannot defend. I do not know that anything will be gained by passing the motion. I understand

that a similar difficulty cannot arise again, because at the instance of Senator Neild the Senate passed a motion respecting the supply of official publications to members of the Federal Legislature, and I am informed that the Prime Minister has directed that members of both Houses are in future to be furnished with copies of all Commonwealth publications, the Acting Government Printer having been instructed accordingly. The motive which actuated the Printing Committee of the House of Representatives was certainly a good one, because their desire was to study economy, but they had no right to refer the matter to the Prime Minister, who, of course, had nothing to do with it. They made a very serious mistake in doing that. With respect to the resolutions at which the Printing Committee of the Senate have arrived, the first is—

That it is the right of the Senate to order the printing of any paper laid on the table of the Senate.

There can be no doubt that that is our right if we choose to exercise it; but I assume that we have no desire to exercise it in such a way as to involve the Commonwealth in unnecessary expense. The second resolution is—

That the action of the Senate in ordering any paper to be printed is not open to review by the Printing Committee of the House of Representatives.

Ordinarily, of course, it is not; but the members of the Printing Committee of the House of Representatives, as well as every person in the Commonwealth, have a perfect right to say so, if they consider that proper economy is not being practised.

Senator HENDERSON. — The Senate ordered the printing of the papers.

Senator PLAYFORD.—And it is open to review as to whether it was a wise action on the part of the Senate, when it involved unnecessary expense.

Senator MILLEN.—By whom?

Senator PLAYFORD.—By everybody.

Senator BEST.—By individuals, of course, but not by an official committee.

Senator PLAYFORD. — The Printing Committee of the House of Representatives might have called attention to the matter in a very nice way. Unfortunately they did not do so, and I do not defend their action. The third resolution reads—

That it is not proper that the action of the Senate should be brought by the Printing Committee of the House of Representatives under the attention of the Prime Minister.

I quite agree with that. I do not think that we ought to pass the motion. We ought not to do anything which might be a cause of friction between the two Houses.

Senator FINDLEY.—On the Minister's reasoning we should abolish the Printing Committee of the Senate, and hand over the consideration of all printing to the Printing Committee of the House of Representatives.

Senator PLAYFORD.—No. I have already said that a similar difficulty arising out of the printing of regulations under Acts of Parliament cannot again occur. I ascertained the additional and unnecessary expense involved in the extra printing ordered in this case, and I do not think it was a very large sum.

Senator Sir JOSIAH SYMON.—What has that to do with the question?

Senator PLAYFORD.—It has something to do with it.

Senator Sir JOSIAH SYMON.—No.

Senator PLAYFORD.—What I am afraid of is that this motion, if passed, may give rise to some little friction between the two Houses. We must recollect that the Printing Committee of the House of Representatives complained on the ground of economy, and honorable senators will agree that such action is always more or less popular.

Senator MILLEN.—How does the Minister know that economy was the only consideration which moved them.

Senator PLAYFORD. — I think that they were actuated by a desire to promote economy, and I certainly should not attribute their action to any base motive. The Senate has a right to pass this motion if it pleases.

Senator FINDLEY.—Does the Minister believe that the Senate is not to be trusted to consider economy?

Senator PLAYFORD.—I think that this motion will not secure economy. Attention has been called to the matter by what has already transpired, and that, I think, is all that is necessary. If, however, honorable senators desire to pass the motion, well and good.

Senator Sir JOSIAH SYMON (South Australia) [6.25]. — I think it well, and at all events I am not sorry, that the Minister of Defence has thought it necessary to say a word or two before the motion is passed. The honorable senator, it seems to me,

takes up a very curious position in assenting to every one of the resolutions submitted by the Printing Committee of the Senate, and at the same time deprecating the placing of them on record by the Senate. If we assent to the resolutions, it is our duty to back up the Printing Committee by placing them on record. We have intrusted the Committee with the duty of controlling printing, so far as it concerns the business of the Senate, and when we believe their action to be right it is our duty to support them, just as it would be our duty, if we thought they had done wrong, to criticise them, and, perhaps, to express some strong opinion against what they had done. I take the view that the Printing Committee of the House of Representatives adopted a very unwise course, not merely in form, but in substance. I am not prepared to accept the position that the Printing Committee, or any other Committee, of the House of Representatives can sit in judgment upon the proceedings of the Senate, or of any Committee appointed by the Senate. The Senate ordered the printing of these documents, and it is perfectly immaterial whether the expense involved was 5s. or £5. The Senate made the order, and the decisions of the Senate are not, it appears to me, to be called in review, as the Minister of Defence believes they may be, by the Printing Committee of the House of Representatives. I entirely disagree that the Printing Committee of the House of Representatives, or even the House of Representatives itself, is entitled to sit in judgment upon the proceedings of the Senate, except in the ordinary parliamentary way. In that respect the Minister of Defence adopts a mistaken attitude, as he does also, I think, in deprecating our taking action to maintain the dignity of the Senate and of our Printing Committee. When he says that it must cause friction with the other Chamber, I should like to know who has caused this friction? In the first place we must attribute it to what Senator Playford has very justly described as the improper vote of censure passed upon the proceedings of the Senate and of a Committee of the Senate. In the next place it was wrong for the Committee of the House of Representatives to have transmitted that censure through the Prime Minister. We cannot be wise at all times, but I think it was wrong for the Prime Minister to take it upon himself to forward the censure or to have anything at all to

do with it. It would have been wiser if the honorable and learned gentleman had intimated to the Printing Committee of the House of Representatives that it would be well for them to reconsider their position, and to adopt a better course. The censure was forwarded, and it appears to me that we should now agree to the resolutions which the Printing Committee of the Senate have submitted. I cannot understand why the course that has been indicated should not have been followed, in the event of the Printing Committee of the House of Representatives feeling that action had been taken concerning which they might make a suggestion to the Printing Committee of the Senate in relation to the conduct of the business it has been appointed to control. When we appointed our Committee we gave them power to confer with, or sit as a joint Committee with, the corresponding Committee of the House of Representatives. Every facility was, therefore, given to enable a conference of the kind to take place. Question resolved in the affirmative.

Sitting suspended from 6.30 to 7.45 p.m.

GOVERNOR-GENERAL'S RESIDENCES BILL.

SECOND READING.

Senator KEATING (Tasmania—Honorary Minister) [7.45].—I move—

That the Bill be now read a second time.

The Bill came from the other House last week, when it was read a first time, and, although it is very small in volume, it is of considerable importance for very many reasons. It will be within the recollection of honorable senators that upon the last two occasions when the Estimates of Expenditure for the year were under consideration, the question of the up-keep of the Federal Government House at Sydney received consideration. If I remember aright, it was I who first called in question the necessity or desirableness of maintaining in the Commonwealth two establishments for His Excellency, namely, one at Melbourne, and one at Sydney; but I was not vouchsafed, I may say with all respect to those who were in charge of the Estimates, the information which I have since had an opportunity of acquiring. Honorable senators can judge of the quantity of that information, if not of its quality, when they observe the file which I have at my left hand. Most of these

papers deal solely with the question of the Governor-General's residence in Sydney. Some of them certainly deal with the residence of the Governor-General in Melbourne, but the great majority of the papers, which I have gone through most carefully during the last few weeks, deal with the whole question of the residence of His Excellency at Sydney for a portion of the year. Some time ago papers were tabled, I believe in the Senate as well as in the other House, containing correspondence which had passed between the Colonial Office and the Premiers of New South Wales, and other intending federating Colonies, on the question of the place of residence and allowances of the Governor-General when he should come to Australia. It will probably be remembered, even apart from any official papers which have been tabled, that just before the arrival of the first Governor-General in Australia, communications passed between the then Premier of New South Wales, Sir William Lyne, and the Colonial Office, urging that, for various reasons, the Governor-General should for a period of the year reside in that State. The matter was submitted for the consideration of, not merely the Colonial Office, but also the Premiers of the other Colonies, and the correspondence which has been tabled in Parliament since discloses that at a Conference of Premiers a majority had decided that it was advisable that, during the recess, at any rate, the Governor-General should reside in Sydney, and should from time to time visit the other States. Those were circumstances which were not presented to me, nor did I advert to them, or have any knowledge of them at the time when I was calling in question the necessity or desirableness of maintaining two separate establishments in the Commonwealth for the Governor-General. However, the question was again referred to when the item cropped up on the Estimates last year, and then the Government promised that, so far as it was concerned, there would be no payments made in connexion with the maintenance and upkeep of the Government House at Sydney, beyond the end of the current financial year, that is the 30th June last, and that, as far as any future expenditure in connexion with the maintenance of a Government House at Sydney was concerned, it should be made the subject-matter of a Bill which could be dealt with by both Houses from the consideration of

the Estimates. This Bill has accordingly been introduced; but I should mention that between the time when the Senate gave consideration to the matter last year, and the beginning of this session, negotiations have taken place between the Government of the Commonwealth and the Government of New South Wales. As a result of the negotiations, the Government of the Commonwealth is in this position: that if the Bill be passed, it will be enabled to make an arrangement with the State of New South Wales for the acquisition of Sydney Government House, for the purpose of a residence for the Governor-General, for a period not exceeding five years, rent free, and subject only to the consideration that the house and its furniture shall be maintained in their present order and condition, and at the termination of the tenancy so handed back to the State.

Senator STANFORTH SMITH.—Are not those the existing conditions?

Senator KEATING.—Yes.

Senator WALKER.—Has the Commonwealth never paid any rent?

Senator KEATING.—No; and it has not paid any rent for the occupation of the Melbourne Government House. The terms upon which the two houses have been occupied as residences for His Excellency have not been precisely similar. So far as Melbourne Government House is concerned, negotiations were entered into between the Commonwealth Government and the Government of Victoria, and as a result an agreement was drawn up for a three years' tenancy, with the option of a two years' extension. It was drawn up so long after the tenancy had commenced that when it was forwarded for execution the Crown Solicitor of the Commonwealth pointed out that probably by the time it was executed the term would have run out, and consequently it was suggested that a five years' term, running from the original date, should be the term of the lease. A lease was drawn up accordingly, and was forwarded for execution. Although it received official approval, still, for some reason or other, it was not signed, and apparently the counterparts had not been exchanged. So that His Excellency has been in occupancy of the house upon what has practically amounted to a tenancy from year to year. When it was first contemplated that Sydney Government House should be set aside by

the State of New South Wales as a residence for the Governor-General during a certain portion of the year it incurred a considerable amount of expense. I am not quite certain about it, but if my memory serves me aright the amount expended by the State in refitting the house, and making it ready for the occupation of the Governor-General was about £20,000. I do not suggest for a moment that the whole of that expenditure was absolutely necessitated by the fact that His Excellency was going to occupy the premises. Probably a large portion of the expenditure would have been of value to the State as the owner of the property, whether His Excellency had continued to occupy it for a long or short period, or had discontinued to occupy it. But apart from that expenditure, the State took a lease of premises which have since been occupied by the State Governor as a residence, and which, situated at Rose Bay, near Sydney, are known as Cranbrook.

Senator COL. NEILD.—Built by old Captain Towns, the founder of Townsville.

Senator KEATING.—That statement is, I believe, correct. Since the last session of this Parliament negotiations, as I have said, have been taking place between the Commonwealth Government and the Government of New South Wales. The term of occupancy of Cranbrook will run out on the 30th September next. Naturally enough, in view of the attitude of the Senate towards the whole question of the maintenance of the Government House in Sydney, the Government of New South Wales is desirous of knowing as early as possible in what position it stands with regard to an extension of its occupancy of Cranbrook. When it came to negotiate with the owner for the option of an extension of the term of occupancy, it was met with a distinct refusal. He had decided that he would not let the property any longer, but would cut it up, and sell it. In view of that fact, the only thing which the Government of New South Wales could do was to ask for the right to purchase, and now it has an agreement to that effect from the owner, but it has to exercise the option at a very early date. It is for that reason that this Bill has been put in front of several orders of the day on the notice-paper. The State Government is desirous of knowing at the earliest possible date what is the position with regard to a second residence for the Governor-General. If it is desired that His Excellency shall have a second

residence afforded to him—a residence in Sydney as well as in Melbourne—then it will be necessary for the Government of New South Wales to exercise its option of purchasing Cranbrook as a residence for the State Governor, at any rate, for a period of years. The preamble of the Bill says—

For the purpose of providing residences for the Governor-General pending the establishment of a Federal Capital: Be it enacted . . . as follows.

In clauses 2 and 3 it empowers the Governor-General to enter into an arrangement with the Governors of Victoria and New South Wales respectively for the use and occupation of the local Government House as a residence for himself. It is really a Bill to enable the Commonwealth to make the necessary arrangements for securing both of these houses as residences for the Governor-General, pending the establishment of the permanent Seat of Government of the Commonwealth. The position in regard to Victoria is that at present the Governor-General is occupying Melbourne Government House on what might be called a tenancy from year to year. There is no definite agreement with the State of Victoria, nor is there any agreement with the State of New South Wales. The house that is now being used for the State Governor will soon revert to the owners of the property, who desire that the Government of New South Wales shall notify them not later than the 1st August of this year whether or not it intends to exercise the option of purchase. Both of these Government Houses have in the past been at the disposal of the Commonwealth for occupation by the Governor-General rent free, the only obligation being in each case to maintain the furniture and belongings of the establishment, and to hand them over in good order and condition at the end of the term. All that we are asking in this Bill is for power to enable us to enter into arrangements for the continued occupation of those two houses on the existing terms. Honorable senators will probably remember having seen some time ago a notification in the daily press to the effect that it was intended to claim rent in respect of the occupation of these premises by the Commonwealth. I am in a position to say that there is to be nothing in the nature of rent paid by the Commonwealth for either of the houses.

Senator STEWART.—Has not Mr. Bent made a claim for rent?

Senator KEATING.—It has been withdrawn. In the session of 1901-2 a paper was circulated, dealing with the Governor-General's establishment and the Executive Council. It was printed, and appears on page 835 of the *General Parliamentary Papers*, Session 1901-2, volume 2. There is set out an estimate of the cost of maintaining Melbourne Government House and grounds, together with the furniture and belongings of the establishment, and a similar estimate in the case of Sydney Government House. The total comes to £5,500.

Senator Sir JOSIAH SYMON.—What was the actual expenditure?

Senator KEATING.—Last year the actual expenditure was £5,868.

Senator STORY.—How much for each?

Senator KEATING.—In 1901-2 the expenditure for Melbourne was £3,101, and for Sydney £2,077, making a total of £5,178; and the proposed vote was £5,500. The expenditure of £5,868 last year included, however, what would be called non-recurring items. There was, for instance, an item for the asphaltting of a portion of the grounds. When I say "non-recurring," I mean not recurring annually. The Department has every reason to believe that the estimate of £5,500, which was in 1901-2 described as being a bed-rock estimate, will not be exceeded during the present year. I have here some figures, for which I am indebted to Mr. Dugald Thomson, formerly Minister of Home Affairs, who quoted them during the debate on this measure in another place. They afford a useful contrast with the expenditure incurred by different States in a similar direction. The honorable member did not set out in these figures, as reported in *Hansard*, particulars for any other States than New South Wales, Victoria, and Queensland, though he also mentioned the expenditure incurred by New Zealand in respect of Government Houses. In New South Wales, where there are two Government Houses for the use of the State Governor, the annual cost is stated to be £12,368. In Victoria two Government Houses are maintained for the State Governor, at a total annual cost of £8,732.

Senator GUTHRIE.—Does that include interest?

Senator KEATING.—The figures are mentioned as the total annual cost.

Senator MILLEN.—The sum clearly does not include interest in the case of New South Wales.

Senator KEATING.—I do not know whether in Queensland there is more than one Government House, but, at any rate, the total expenditure in that State is £7,132. In New Zealand the annual expenditure on Government Houses amounts to £7,000. There we have an account of the cost in three States of the Commonwealth and the Colony of New Zealand, and in contrast we have an annual expenditure by the Commonwealth on two Government Houses, one in Sydney and one in Melbourne, of £5,500. So that, from the point of view of expenditure annually incurred in housing Governors, the Commonwealth appears to be making a very excellent bargain. If it can get two Government Houses, presumably the largest and best equipped in Australia, absolutely rent free, subject only to the observance of terms and conditions which will involve an annual outlay of £5,500, the Commonwealth appears to be doing remarkably well.

Senator GIVENS.—Why should we have to "cadge" to the States Governments for the use of Government Houses?

Senator KEATING.—I do not know that we have "cadged." I may refer to some correspondence that passed between the Premier of New South Wales and the Colonial Office before the establishment of Federation. It discloses that there was a voluntary offer on the part of New South Wales to provide rent free for the Governor-General, Sydney Government House, and before the Governor-General was accommodated there to put the establishment in the best order, at an expenditure of £20,000.

Senator Col. NEILD.—That included furnishing of all kinds, including the cost of new silver, cutlery, and so forth.

Senator KEATING.—Not only did New South Wales, through her Premier, make that offer, but—what was absolutely new to me, until a few moments ago, I had an opportunity to peruse this very bulky and not altogether inviting looking file of papers—the New South Wales Government introduced into Parliament a Bill, which was passed, to provide out of the consolidated revenue of the State a sum of something like £3,000 per annum to add to the Federal constitutional allowance of £10,000 for the Governor-General.

Senator Col. NEILD.—New South Wales voted one-third of £10,000 as an addition to the constitutional allowance.

Senator KEATING.—She voted what would be her proportionate share of £10,000, over and above the sum provided by the Constitution. That fact, as I have said, was new to me until I read the papers on the file. The fact that that Bill was passed was communicated to the Home authorities. A similar Bill was introduced in Victoria for the purpose of supplementing the Governor-General's constitutional allowance, but was not passed. This action indicates the attitude of New South Wales with regard to the residence of the Governor-General in that State. I mention this in reply to Senator Givens, to show that it is not the case that the Commonwealth is going cadging to any State Government for anything of this character.

Senator GIVENS.—I object to the Commonwealth being under an obligation.

Senator KEATING.—New South Wales, at any rate, had a strong desire that the Governor-General should reside for the best part of the parliamentary recess in that State. Various reasons were given for that attitude. It was stated, as honorable senators may remember, that, although the Constitution provided that, until the Seat of Government was definitely established, the Parliament should sit at Melbourne, that in itself did not imply that the Seat of Government was at Melbourne. These were arguments advanced based on opinions that had been supplied.

Senator MILLEN.—Amongst others by Mr. O'Connor and Sir Edmund Barton.

Senator KEATING.—I do not know as to an opinion having been supplied by Sir Edmund Barton. But there was a feeling in New South Wales, over and above a desire that the Governor-General should reside there a portion of the year, that New South Wales, as of right and not as of favour, was, under the terms of the Constitution, entitled to claim that the Governor-General should reside there.

Senator GIVENS.—Does the Constitution not provide that the Seat of Government shall not be within 100 miles of Sydney?

Senator KEATING.—Quite so. But I am not prepared to argue the matter with Senator Givens from the legal point of view. What I am prepared to do is to state that the people of New South Wales not only had such a desire, but felt that, as a matter of right, they were entitled to claim that the Governor-General should reside there.

Senator GIVENS.—Not in Sydney.

Senator KEATING. — I am stating a fact, and not saying whether the people of

New South Wales were right or wrong. The people of New South Wales believed that they were entitled to claim that the Governor-General should reside in that State when the duties of his office did not necessarily call him to Melbourne; and provision was made by the State to supplement the allowance of £10,000 per annum, to which the Governor-General is entitled under the Constitution.

Senator Sir JOSIAH SYMON.—I thought that this supplemental allowance was only in respect of the initial expenditure at the inauguration of the Commonwealth?

Senator KEATING.—No, it was a permanent annual appropriation of revenue in respect of the office of the Governor-General. This provision was made, apparently, with the concurrence of, at any rate, some of the other States, who were to take a like course, and, in the whole, supplement the Federal allowance of £10,000 by another £10,000. In addition, New South Wales put Sydney Government House in the best of order and condition, and set it aside for the Governor-General, taking other quarters for the State Governor. These were the facts at the establishment of the Commonwealth. Since then, as I have said, Sydney Government House has been occupied, in conjunction with the Melbourne Government House, as the residence of the Governor-General, on the terms I have stated—terms which we may call very unsettled. Now we ask, in view of those facts, that the Government shall be empowered to make a definite arrangement with each of the two States for the occupancy of the two Government Houses on the same terms and conditions as heretofore. Those conditions will be definitely expressed, and will operate for a definite term, pending the establishment of the Seat of Government of the Commonwealth?

Senator STEWART.—The Minister does not mention any State except New South Wales.

Senator KEATING. — The only two States affected are New South Wales and Victoria.

Senator STEWART.—Why not mention the other States?

Senator KEATING.—I do not know that the Governor-General has been residing in any of the other States.

Senator STEWART. — Let the Governor-General reside three months in each of the States.

Senator GIVENS.—Is there not a condition of the Constitution which prevents any discrimination between State and State?

Senator KEATING.—These are the facts as I have them for presentation to honorable senators. The Bill is intended to enable the Government to continue, on more definite terms, and in an expressed agreement with the two States, the arrangements which have heretofore obtained. I have pointed out the amount of money that will be involved, and I have shown the cost of maintaining residences of the kind in New South Wales, Victoria, Queensland, and New Zealand. As I said, this Bill has been introduced in conformity with the promise made to the Senate last session by my colleague on behalf of the Government, that this Chamber would be afforded an opportunity to consider this matter independently of the general body of Estimates.

Senator DOBSON.—Does the Minister know, as a fact, that the two States will enter into an agreement to continue the same arrangement?

Senator KEATING.—The agreement has been entered into, subject to ratification by Parliament.

Senator Sir JOSIAH SYMON.—What are the terms—what is the agreement we have to ratify?

Senator DOBSON.—Would it not be better to make this a Bill to ratify the agreement, and to put the agreement in a schedule?

Senator KEATING.—The agreement is at present a matter of correspondence. The States have undertaken to continue the present arrangement on the terms which have obtained heretofore, and to enter into a formal agreement for that purpose.

Senator DOBSON.—Under the Bill you could enter into an agreement to pay an enormous rent.

Senator KEATING.—Yes, but this agreement has been entered into only so far as correspondence is concerned, subject to ratification by Parliament.

Senator DOBSON.—If there is an agreement, surely this Bill ought to be one to ratify the agreement?

Senator KEATING.—The agreement has not yet been drawn up. I cannot at the moment place my hand on the particular letter from Mr. Carruthers; but it is very briefly stated in eight or nine lines that a minute had been drawn up and signed by the Minister of Home Affairs and a representative of the New South Wales Go-

vernment to the effect that a formal agreement shall be prepared for a tenancy not to exceed five years, on the terms and conditions which have hitherto obtained.

Senator DOBSON.—What are the terms in regard to repairs?

Senator KEATING.—The Commonwealth Government have to maintain and keep the building and its contents in the present good order and condition.

Senator DOBSON.—If an unforeseen accident, such as a tempest, were to cause any damage, we should have to make that damage good, I presume?

Senator KEATING.—I do not know; that would be a term for the agreement to set out. I do not think I can afford honorable senators any further information. As I said before, I think we shall be getting from both States a very excellent bargain, and very generous treatment. We shall be able to maintain the conditions as heretofore, which have apparently given the greatest satisfaction to all concerned. So far as New South Wales is concerned, we shall be maintaining an attitude which, though it seemed inexplicable to me before I had familiarized myself with all that took place in the early days of Federation, now seems to me calculated to produce the greatest harmony between that State and the Commonwealth, pending the establishment of the permanent Seat of Government.

Senator STANFORTH SMITH (Western Australia) [8.25].—I intend to support the second reading of the Bill. The Honorary Minister has given us a very lucid explanation of the proposal, and I agree with him that both New South Wales and Victoria have treated the Commonwealth with the greatest generosity. It was necessary for us to provide residences suitable for a person occupying the high position of Governor-General. That difficulty was overcome by the Governments of the two States voluntarily handing over their Government Houses—which are, I believe, the finest buildings of the kind in Australia—and going to the expense of providing other premises for their own Governors. New South Wales is prepared to enter into an agreement for a further term of five years, and the arrangement which was made at the very inception of Federation has been indorsed annually by the States Parliaments since. I do not think that this is a time to propose to annul an agreement which has proved so

enormously to our advantage. It is a great pity that the Federal Capital Site has not been selected before now.

Senator STEWART.—It has been selected.

Senator STANFORTH SMITH.—Then I shall say that it is a pity the question of the site has not been settled before now; and in my opinion the fault for the delay lies with the Parliament of New South Wales.

Senator Col. NEILD.—That is perfectly true.

Senator STANFORTH SMITH.—I am sure that in our legislation we always endeavour to carry out the spirit of the Constitution; and no one will contend that the framers of the Constitution intended us to sit for five years in Melbourne without having selected the Federal Capital Site. It is provided in the Constitution that pending the selection of a Capital Site in New South Wales the Parliament shall meet in Melbourne; and putting aside the question of the apportionment of the blame for the delay, we have to consider in our legislation the interests of the whole people of Australia, and not those of any particular State. But the people of New South Wales have reason to complain of an injustice in that the spirit of the Constitution has not been carried out, so far as the selection of the Capital Site is concerned. The agreement that we shall be asked to ratify is one in which, as I have said, New South Wales is treating the Commonwealth with the greatest generosity. Each of the States Governors, who occupy positions of somewhat less importance than that of Governor-General, has two Government Houses; and that is the case, not only in Australia, but also in New Zealand. The agreement will give the Governor-General also two Government Houses free of expense; and we should be unjust to a person occupying that high position if, in view of the facts I have presented, we provided him with only one residence. We should not put the Governor-General in a worse position than that occupied by the Governors of the various States. If New South Wales is willing to continue an agreement which has enabled us to overcome a very great difficulty, we should thankfully accept the offer. I ask honorable senators to consider what would have been the result if the Government of Victoria had said, as they had a perfect right to do, that they were concerned only with

the legislation of Victoria, and provided a State Government House only for the State Governor. They might have said, "It is not for us to say where the Governor-General shall reside. That is a matter for the Federal Parliament." If they had adopted that attitude, no one could have blamed them, but we should have been obliged, at very great expense, to obtain one or two residences in which to house the Governor-General and his staff. New South Wales and Victoria in generously coming to our assistance by providing for the use of the Governor-General the two finest mansions in Australia have treated the Commonwealth extremely well. I hope that in the interests of Australia, we shall as soon as possible select a site for the Federal Capital in New South Wales.

Senator PEARCE.—I thought that we had done so.

Senator STANFORTH SMITH.—I mean that we shall reach finality in connexion with that question.

Senator PEARCE.—That the people of New South Wales will come to a reasonable frame of mind?

Senator STANFORTH SMITH.—There is a good deal in what the honorable senator suggests. I cannot help thinking that our legislation is to some extent influenced by our environment. If this Parliament were sitting in Sydney, our legislation would doubtless be influenced by the environment of Sydney. The Sydney press would, no doubt, adopt a line of action in the interests of that city. We should have deputations of Sydney residents waiting upon Federal Ministers in connexion with matters of local interest, and our legislation would, to a certain extent, be biased by local considerations. The same holds good with respect to Melbourne. I admit that Melbourne and Sydney, with their great populations, are entitled to exercise considerable influence upon our legislation; but if we met at the Federal Capital, the influence of those cities would be exercised in its proper proportion, and we should view matters, I think, from a more thoroughly Australian stand-point. It would be much better for us to legislate from our own capital than from any of the large capitals of Australia. For all these reasons, I support the second reading of the Bill, and I again express the hope that in connexion with the selection of the Federal Capital site we shall reach finality this session.

Senator GIVENS (Queensland) [8.35].—It will be remembered that when the Estimates were under consideration last year I raised the question of the upkeep of the residence provided for the Governor-General in Sydney. Honorable senators were in such a frame of mind at the time that they agreed to a substantial reduction of the item, as an indication that the Senate did not desire to sanction provision for a second official residence for the Governor-General in Sydney. Subsequently, the item was restored, but with the distinct understanding that the whole matter would be again submitted to the Senate in proper form—that we might give a decision upon it after full consideration of all the circumstances. I said last year that in my opinion we were violating the spirit, if not the letter, of the Constitution, in providing a second residence for the Governor-General outside the Seat of Government of the Commonwealth, and were in that way discriminating between State and State.

Senator DOBSON.—We are bound to do it.

Senator GIVENS.—Not necessarily in Sydney. Senator Keating, in moving the second reading of the Bill, referred to the argument that we are morally bound to provide a residence for the Governor-General in Sydney. I think that the honorable and learned senator, or any other person, will find it very difficult to point to anything in the Constitution which obliges us to provide a residence for the Governor-General in Sydney. Under the Constitution, we are compelled to establish the Seat of Government of the Commonwealth in New South Wales, but the Constitution also distinctly and emphatically provides that the Seat of Government shall not be within 100 miles of Sydney.

Senator COL. NEILD.—The Governor-General's residence is not the Seat of Government.

Senator GIVENS.—I am replying to the argument that as the Seat of Government is to be in New South Wales, the Governor-General should, therefore, have an official residence in Sydney. The Constitution provides that the Seat of Government shall not be within 100 miles of Sydney, and, therefore, whatever claim New South Wales may have to an official residence for the Governor-General, Sydney has no such claim at all. No honorable senator can dispute that.

Senator MILLEN.—Then Melbourne has no claim.

Senator GIVENS.—For the time being, Melbourne is *de facto* the Seat of Government. That is distinctly in accordance with the Constitution, which provides that until such time as the Federal Capital is established the Parliament shall sit in Melbourne, and I take it that where the Parliament sits is the Seat of Government.

Senator MILLEN.—The honorable senator may, but the Constitution does not.

Senator GIVENS.—It must be patent to any one that the Seat of Government is where the Government is located.

Senator MILLEN.—The Government is not necessarily the Parliament.

Senator GIVENS.—Despite what any Act may say, we know that, as a matter of fact, the Seat of Government is where the Government is located, and that is here in Melbourne for the time being. I am personally very sorry that the Seat of Government has been for so long situated in Melbourne. I should very much like to see the bargain entered into at the foundation of the Commonwealth faithfully carried out. This Parliament has done its duty in the matter, and if the Seat of Government has not already been established in New South Wales that is not the fault of this Parliament, but rather of certain individuals in Sydney, who desire that it should be fixed as near to that city as possible. Last year the Premier of New South Wales went so far as to say that we were trespassing upon his property in occupying Sydney Government House. He threatened to send in a very large bill to the Commonwealth, and, in fact, to kick the Commonwealth out of the possession of Government House, Sydney. I quoted his remarks last year, and also a very strong paragraph which appeared in the *Sydney Morning Herald*, and which, in an insulting way, questioned the action of the Commonwealth in occupying Sydney Government House without paying for it. Rather than have charges of that kind hurled at us, I should prefer to see the Commonwealth Government make provision for the Governor-General's residence, and pay for it. The Commonwealth of Australia should not be placed in a position in which the finger of scorn may be pointed at it by Mr. Carruthers, or by any one else. There is no reason why we should not enter into arrangements with the Government of Victoria to pay an adequate rent for a residence for the Governor-General. We should then be under no com-

pliment. We could provide a summer or a winter residence elsewhere for the Governor-General for two or three months in the year wherever he might indicate a desire to live. He might desire to live for three or four months of the year in Tasmania.

Senator COL. NEILD.—We tried to rent the Government House there, and could not manage it.

Senator GIVENS.—I have no doubt that some of the exceptionally wealthy people of Tasmania would be prepared to let a residence to the Commonwealth, and would be glad to have so illustrious a tenant as the Governor-General to occupy it.

Senator TURLEY.—If they got enough rent they would trouble very little about who occupied it.

Senator GIVENS.—Surely Government House, Sydney, is not the only house in Australia suitable for a residence for the Governor-General? There is very little difference between the climate of Sydney and of Melbourne, and if the Governor-General desired a winter trip he might find a much better place to go to than Sydney. A suitable summer residence might be provided in Tasmania, which State, I have been told, possesses the most delightful summer climate in Australia.

Senator WALKER.—What about Cairns?

Senator GIVENS.—The climate of Cairns at this time of the year is ideal, but it is rather far away from Parliament, and it would be rather far to bring the Governor-General here in the event of a sudden call due to a change of Ministry. Last year the Premier of New South Wales told us, almost in insulting language, that we were trespassing, and were taking undue advantage of that State by our occupancy of Sydney Government House free. If honorable senators cared to hear what he said, I could again quote his remarks, and also the paragraph which appeared in the *Sydney Morning Herald*. When there was such a strong feeling in Sydney last year, I should like to know what has occurred in the meantime to allay it.

Senator COL. NEILD.—They have cooled off.

Senator GIVENS.—If the Premier of New South Wales, and the men who are running that State, are subject to such ebullitions of passion, their present calm condition may be only temporary, and we may have a sudden boiling-over again immediately the proposed arrangement is entered into. We may again be reminded

of the compliment we are under in obtaining the use of the Sydney Government House free.

Senator MILLEN.—The honorable senator has some guarantee in the equanimity of temper displayed by the representatives of New South Wales in the Senate.

Senator GIVENS.—When this matter was under discussion last year, Senator Walker had to bear the whole of the burden, because the other honorable senators representing New South Wales were conspicuous by their absence. What is the reason of all the anxiety to secure an official residence for the Governor-General in Sydney? The people of New South Wales will not be benefited in the least by it. We know that it will be of no benefit even to a majority of the people of Sydney. The only persons to benefit would be the society people in Sydney. They wish to be able to attend the Vice-Regal functions, to put their knees under the Vice-Regal table, and not to trouble about the taxpayers who have to provide the funds. I have no objection to society people basking in the Vice-Regal smiles, but I have a decided objection to the people of the Commonwealth being called upon to foot the bill.

Senator STANFORTH SMITH.—It is the people of New South Wales who pay.

Senator GIVENS.—I want the society people who enjoy the luxuries of the Vice-Regal smiles, and not the general taxpayers, to pay. For that reason, especially after the insulting expressions used towards us last year by the Premier of New South Wales, I fail to see why we should go out of our way to provide an official residence in Sydney. It would be just as reasonable to ask us to provide an official residence in Adelaide, Perth, Hobart, Launceston, or Brisbane, as to ask us to provide an official residence in Sydney. The only thing which the Commonwealth has to do is to provide a proper residence for the Governor-General at the Seat of Government, wherever it may be for the time being.

Senator COL. NEILD.—There is not one at present.

Senator GIVENS.—Undoubtedly there is. No matter what may be printed on paper, wherever the Government is located for the time being is the Seat of Government. If, after providing a proper official residence for the Governor-General at the Seat of Government, His Excellency should so desire, I think it would be quite proper for Parliament to vote a sufficient

sum to furnish him with a summer or winter residence in the mountains, or in Tasmania, or wherever he might suggest. But to maintain a large official residence in the capitals of Victoria and New South Wales is to go entirely beyond our province. After the remarks which were passed in this connexion by the Premier of New South Wales, last year, I shall vote against the second reading of the Bill.

Senator STEWART (Queensland) [8.47].—I intend to vote against the second reading of the Bill. I find that it is proposed to enter into an arrangement with the Governor of Victoria for the use of Melbourne Government House as a residence for the Governor-General for a period of five years. I think it is very probable that within that period His Excellency will be living at the Seat of Government.

Senator KEATING.—That is the maximum.

Senator STEWART. — I see that the agreement is to be for a period not exceeding five years. I have always been opposed to the provision of a residence in Sydney for the Governor-General, and until some new light is thrown upon the subject I expect to continue my opposition. I listened very carefully to the speech of Senator Keating to-night. What he said failed to convince me of the necessity for maintaining a Governor-General's residence in Sydney. I think that he made a very much better speech on this subject about two years ago. In case he has forgotten what he then said, I propose to take the liberty of refreshing his memory by quoting it from *Hansard*.

Senator KEATING.—I have not forgotten it, but have learned more.

Senator STEWART.—I have no doubt that the honorable senator could give very good and sufficient reasons for changing his mind. Speaking here on the 13th December, 1904, he said—

Why should one State be singled out for special treatment? The Governor-General must, of course, have a residence in Victoria while the Seat of Government remains in Melbourne. If we maintain a separate establishment for him in New South Wales, we should do the same thing in Queensland, South Australia, and Tasmania—

I do not know why he omitted Western Australia, but apparently he did.

which he intends, I understand, to visit in the near future. If the money is paid in respect to a Government House used by the State authorities as well as by the Governor-General, I would like to know why similar arrangements

are not made in regard to the other States, all of which the Governor-General is expected to visit. Is the Commonwealth committed in perpetuity to the maintenance of a Government House in New South Wales merely for the pleasure of a few people in that State? This seems to be like throwing a sop to Cerberus.

To-night the honorable senator appears in the position of a sop-thrower to Cerberus. On that occasion he was throwing bricks at Cerberus, but now he is throwing sops.

We are trying to placate the people of New South Wales, who are dissatisfied because the Seat of Government is not fixed in Sydney, and cannot be located within a hundred miles of that city. Does the Governor-General visit New South Wales more than any other State?

To that inquiry Senator Symon said "Yes."

Is there any reason why he should do so? Victoria is the State in which he is domiciled. Even if he visits New South Wales more frequently than he visits the other States, why should we maintain a residence for him there all the year round? How many months in the year has the present Governor-General resided in Sydney? He has been in Queensland for a longer period, I think, than in New South Wales. Is there any reason why we should provide £250 for the lighting of a Government House which is used only occasionally, or £20 for flags, or £100 for china and glass, and £1,000 for the maintenance of the grounds? Surely the Government of New South Wales is able to extend hospitality to the Governor-General when he visits that State, and does not expect the Commonwealth to provide £3,000 to relieve her of that responsibility.

I might read a good deal more of what Senator Keating said on that occasion, but I think that I have quoted sufficient. The crux of the whole question lies in the last sentence which I quoted. If the Government or people of New South Wales are anxious that the Governor-General should spend a certain portion of the year in that State, then they ought to defray all his expenses. If Senator Keating were to invite any one to his house as a guest, surely he would not ask him to contribute towards the cost of his entertainment! No person would dream of doing such a thing, but that is exactly what the Government of New South Wales is doing. It is inviting the Governor-General to spend a portion of his time within its territory, but a portion of the cost of entertaining that official is to be borne by the people of the Commonwealth. I fail to see any reason why there should be a residence for the Governor-General in Sydney. If the Seat of Government were at the Capital city—at Dalgety, or wherever it might be—then Sydney would have no right to claim that His Excellency should live there during a

portion of the year. Such a claim, I am sure, would be scouted as ridiculous by the representatives of the people of the Commonwealth. The Seat of Government being in Melbourne, all that the people of the Commonwealth can fairly be asked to do is to provide a residence here for His Excellency. I quite agree with what Senator Keating said two years ago. This is nothing more nor less than a sop to Cerberus. There are half-a-dozen Cerberuses in the Commonwealth, and is a sop to be thrown to each? Is the Governor-General to live in only New South Wales and Victoria? Is the light of his countenance never to shine on any other portion of the Commonwealth?

Senator MILLEN.—Is he not in Queensland now?

Senator STEWART.—I see that His Excellency is making a flying visit to Queensland. I am glad to learn that he has been received in a right royal fashion by the people of the State, and I am sure that if they were anxious that he should live there they would not come to this Parliament, and, through it, ask the Commonwealth to bear a portion of the expense of his visit. On the contrary, they would plunk down the money, even if they had to borrow it, to pay for his entertainment. I am sure that the people of the other States would take up an exactly similar position. I am sure that we are all very economically minded. Time and again each honorable senator has dwelt upon the importance of being careful about the cash, and yet I find that considerably over £30,000 has already been expended upon the two residences for the Governor-General. Half that amount, I am sure, has been spent on the Sydney establishment. Let honorable senators consider how reckless it is to throw away £15,000 for nothing. I suppose that if I were to figure it out to the last farthing it would amount to somewhere about £20,000. This is a great country, with very magnificent possibilities, and with a huge overdraft, which is usually considered to be a sign of respectability; but it cannot afford to throw away £20,000. Let us imagine what the Senate could do with that sum. I think that I could spend the money much more effectively, and place it where it would do a much greater amount of good than by simply throwing it away upon a residence for the Governor-General in Sydney. I find that even the *Sydney Morning Herald* did not look with too favorable an eye on this

arrangement. On the 27th November, 1905, the following paragraph appeared in its columns:—

Government House, Sydney.—The end of the year will see the termination of the arrangement entered into between the first Federal Government and that of New South Wales, under which Government House was made available as the vice-regal residence of the Governor-General in this State. It is understood the Federal Government is anxious to continue the arrangement. On the other hand, it is stated that the State Government is not enamoured of the proposal to renew the agreement. In political circles also the opinion is expressed that the arrangement has proved a most costly and inconvenient one to this State. The renovation, repairs, furnishing, rent, and upkeep of Cranbrook, the temporary residence of the State Governor at Rose Bay, has involved an expenditure of over £20,000. This sum had to be expended, notwithstanding the fact that the Governor-General's residence is empty nine months in the year. It is suggested that the possession of Government House for the State Governor should be resumed, and an allowance should be made to meet the extra expenditure during the three months' stay of the Governor-General in the same establishment. The lease of Cranbrook, the State Governor's residence at Rose Bay, terminates at the end of next year. If the suggested arrangement were carried out the rental as well as the upkeep of Cranbrook would be saved. It is anticipated that something definite will be done in the matter in a few days.

I agree with the suggestion of the *Sydney Morning Herald*. It is a very sensible one. A special allowance should be granted to defray the cost of entertaining the Governor-General during such time as he may choose to live in Sydney. That would be a better plan than continually coming to this Parliament to ask for money for such useless purposes as maintaining a separate residence in Sydney. I feel very strongly upon this subject. I have come to the conclusion that the proposal is merely made for the purpose of placating the Government of New South Wales. After the insulting remarks made about the Commonwealth and the action of this Parliament by certain members of the New South Wales Government last year, I do not think that the Senate should entertain a proposal of this character for a single moment. I have not the slightest objection to provide a residence for the Governor-General in Victoria. That is a responsibility which we are bound to discharge to the very best of our ability. But if the Governor-General is to obtain a residence in New South Wales at the expense of the Commonwealth, I shall move that a residence be also provided for him in Queensland; and I am sure that senators from the other States will follow suit. Then, instead of imposing upon

the taxpayers an expenditure of £5,000 or £6,000 for an unnecessary residence for the Governor-General, we shall find ourselves landed in an outlay of about £20,000 per annum. Honorable senators should take a reasonable view of the matter. I remember that on the last occasion when it was discussed, Senator Walker stood alone as a representative of his State. All the other big guns from New South Wales were for the time being dismantled. There was only one "Long Tom" to defend the position. On this occasion, however, the New South Wales senators have assembled in force, I intend to vote against the second reading.

Senator PEARCE. — Then the honorable senator will vote against the Melbourne arrangement.

Senator STEWART.—I do not want an arrangement to be made for any term longer than a year, because it is quite possible that within two or three years we may have moved to the Federal Capital, where a residence will undoubtedly be erected for the Governor-General.

Senator MACFARLANE (Tasmania) [9.6].—The last two speakers have said that they have not heard anything new as to why the determination of last year should be altered. I was not aware until lately that the arrangement to have a residence for the Governor-General in Sydney was made before Federation was actually accomplished. When the Australian delegates were in London discussing the details of the Constitution with the Imperial Government, the Premiers of the States met in Melbourne, and telegraphed to London to this effect—

Majority agree to residence Governor-General in New South Wales during recess, but consider he should visit other Colonies.

Senator GIVENS.—Had the Premiers the right to bind this Parliament?

Senator MACFARLANE.—Mr. Chamberlain acknowledged that telegram, and our first Governor-General came out to Australia on the understanding that there was to be a residence for him in Sydney. It was an honorable understanding.

Senator PEARCE.—Was it to last for all time?

Senator MACFARLANE. — Until the Federal Capital was established. I consider that we are bound, as honorable men, to carry out the arrangement.

Senator PEARCE.—It was carried out in the case of the first Governor-General.

Senator Col. NEILD (New South Wales) [9.9]. — While I congratulate Senator Walker on the very able manner in which last year he solely represented the interests of New South Wales, I think that Senator Stewart, who has not only mentioned the fact, but rubbed it in, ought to have remembered that at the time one of the New South Wales representatives was on what was pretty generally understood to be his death-bed. If he was not here he could not be blamed for his absence. Senator Stewart also talked at large to the effect that if New South Wales wanted to have a residence for the Governor-General in Sydney she should pay for it. I have yet to learn that any State of the Commonwealth has acted with the generosity that New South Wales has done in this matter. As Senator Keating very properly and lucidly pointed out in introducing this Bill, New South Wales has not only provided for the Governor-General a residence free of charge to the Commonwealth—furnishing that residence afresh for His Excellency's occupation at very great cost to herself—but she was the only one of the Australian States which, in addition to the taxation necessarily imposed on her people by the Constitution, voted an additional sum of between £3,000 and £4,000 to augment the salary of the Governor-General. I had the honour to be one of the members of the New South Wales Parliament that passed the Bill for that purpose.

Senator GIVENS.—But New South Wales never paid the money.

Senator Col. NEILD.—Because there was no other State in the Commonwealth that was game enough to do the same. We passed the Bill, and it was only the refusal of the other States to join in a similar vote to make up an additional £10,000 that caused New South Wales not to pay over the money. The legislation was completely enacted. If Senator Keating had less lucidly explained the details, it might have been necessary for me to mention certain matters connected with the question at issue. But the Minister has so completely stated the facts, and has done that in so temperate a manner, that he has left nothing for any representative of New South Wales to add. I should not have said anything, except for, what I hope I shall not give offence by calling, the rather ungenerous remarks to which Senator Stewart gave utterance.

Senator Sir JOSIAH SYMON (South Australia) [9.11].—Last year, when we were dealing with the Estimates, we had a discussion upon this subject. At that time £2,500 was set down in respect of Sydney Government House for the year. The discussion took place upon a proposition made, I think, by Senator Givens to reduce the amount of that expenditure, and eventually a request for the reduction of the vote by £1,000 was adopted by a substantial majority. On that occasion I adopted a view which I still hold.

Senator MILLEN.—Geography has a great bearing upon this question.

Senator Col. NEILD.—The honorable senator did not express the same view when he was sitting on the other side of the Chamber.

Senator Sir JOSIAH SYMON.—Indeed I did; but unfortunately my honorable friend was not present.

Senator Col. NEILD.—Yes, I was present when the honorable senator sat on the other side of the Chamber.

Senator Sir JOSIAH SYMON.—I expressed the same view then as on a later occasion, although I suggested that the Senate would do well to pass the item on the Estimates. Last year the point discussed was as to the propriety of there being two Vice-Regal residences. Subsequently the Senate withdrew its opposition to the vote on a statement being made on behalf of the Government that an opportunity would be given to us by Bill to decide the exact method of dealing with the question. It was particularly urged at that time that nearly the whole of the expenditure had been incurred, and that, therefore, to make a reduction of £1,000 out of a vote of £2,500 was really to withdraw from the Government money which had been spent. I congratulate the Government upon having complied with the wish of the Senate by bringing down this Bill for the purpose of having the question properly determined. It is quite evident that, as Senator Pearce has pointed out, it would be difficult to vote against the second reading. It has been said that no additional information has been obtained between last year and the present time. Senator Stewart has opened up a very terrible prospect—that if we are not agreeable to limit the Governor-General's residence to Melbourne, we shall have thrust upon us an expenditure of something like £20,000, instead of £5,500.

Senator STEWART.—Should there not be a residence for the Governor-General in Adelaide?

Senator Sir JOSIAH SYMON.—Personally, I do not desire that there should be a Commonwealth Vice-Regal residence in Adelaide. I adhere entirely to the view I have always taken, that where the Seat of Government is, there the Vice-Regal residence should be. It is undesirable, not merely on account of the expense, but for other reasons, that there should be a separate Government House in another State. I am not at all convinced by the telegram which Senator Macfarlane quoted, because that was from a majority of the Premiers, who met together at a time when the delegation was already in London securing the passage of the Bill, and when arrangements were being made with Lord Hopetoun, who came out as the first Governor-General. It was always understood, and the understanding has been acted upon by Senator Keating, and also by myself when in office, that the inaugural ceremonies in connexion with Federation should take place in Sydney, and that the New South Wales Government should, as it did handsomely and sumptuously, provide for those ceremonies. It was really a stipulation, so far as I recollect, on the part of the first Governor-General himself, that he should be able to reside during the recess, or some part of the year in Sydney, but that arrangement could not be regarded as holding good in perpetuity. One great objection that I took before, and take still, was the uncertainty that existed with regard to the arrangement as to the two Government Houses. In addition to this uncertainty, there were constant bickerings, and so on—a kind of game of bluff, as evidenced by the passage that Senator Stewart read this evening from the *Sydney Morning Herald*. It was desirable on every ground that there should be some definite term put to the arrangement, if it was claimed to exist, and that there should be an end to the kind of "backing and filling" and quarrelling that was going on. I wish also to say, in support of Senator Smith, that it is extremely desirable that we should have the permanent Seat of Government settled at the earliest possible moment. One reason which has influenced me in expressing my opinion as to having two Government Houses, even temporarily, is that by refusing, or, at any rate, by showing

that we did not approve of the arrangement, we might hasten the settlement of the Capital Site question earlier than would otherwise be the case. Holding the views that I have always held on the subject, I still welcome the Bill, because even in regard to the Sydney Government House, if the Senate in Committee decides to retain the provision, it will fix a term beyond which the agreement is not intended to endure. We have had five years of the arrangement already—years of uncertainty, and of, I shall not say, negotiations, but constant bickering. If we are able to put a term to this arrangement—to which if it were to continue I should strenuously object—we shall do a good thing. In any case, I am not prepared to fight against the second reading of the Bill, which authorizes and enables the Government to make an arrangement in reference to the Government House at Melbourne.

Senator GIVENS.—A Bill is not required for that.

Senator Sir JOSIAH SYMON.—The Government prefer parliamentary sanction, and in that I think they are wise.

Senator GIVENS.—The Government ask for parliamentary sanction, not for a residence, but for residences.

Senator Sir JOSIAH SYMON.—An amendment can be made only in Committee, and Senator Givens will see that it is perfectly clear, unless we desire to flaunt the Government by refusing sanction—

Senator GIVENS.—When I see the honorable senator supporting the Bill I think it is time we did refuse.

Senator Sir JOSIAH SYMON.—Very well; I am going to support the second reading of the Bill, and I am not prepared to oppose in Committee the provision which fixes the term in regard to the Government Houses.

Senator KEATING (Tasmania—Honorary Minister) [9.20].—So far as concerns the remarks quoted by Senator Stewart, as made by me on a previous occasion, I welcome rather than deprecate their introduction into the present debate. Honorable senators will see that my attitude on that occasion was one of inquiry.

Senator Sir JOSIAH SYMON.—It was more like an attitude of condemnation.

Senator KEATING.—I then asked on what principle we were supporting two Government Houses. I did not know, and no one, not even the Minister in charge of the Estimates, gave the House one iota

of information as to the terms on which Sydney Government House was originally acquired as a residence for the Governor-General. As I said in moving the second reading of the Bill, I had not the slightest knowledge, until I went through the bulky file of papers dealing with the whole question, either of the telegram, which has been read by Senator Macfarlane or of any of the correspondence which took place between the then Premier of New South Wales, the Home Government, and the Premiers of the other States.

Senator DOBSON.—The honorable senator must have a short memory. Everybody knew that Mr. Chamberlain had telegraphed.

Senator KEATING.—That telegram had never been read by me.

Senator MILLEN.—Is the Minister in the habit of making emphatic speeches first, and inquiring afterwards? The honorable senator spoke then of a "sop to Cerberus."

Senator KEATING.—What I said was that it seemed to be a sop then. There was no explanation forthcoming, not even from any New South Wales senator; and any one who peruses the report of that debate will see that I asked repeatedly on what principle we were supporting two Government Houses, and why New South Wales was singled out. The answers to those questions might have been easily furnished; but until I had an opportunity to go through the file I was absolutely unaware of the fundamental principle on which the Sydney Government House had come into the possession of the Government.

Senator Sir JOSIAH SYMON.—Why does the honorable senator not say that he was mistaken, and be done with it?

Senator KEATING.—I was mistaken, but I was absolutely unaware of the circumstances. In moving the second reading of the Bill—which, as honorable senators will see, is down in the name of the Minister of Defence—I stated distinctly that I did not know what the conditions were until I had perused the papers. I think honorable senators appreciate the situation, and realize, as I do, that we are making a good bargain. At the time referred to by Senator Stewart I did not know, as the very words themselves show, that Sydney Government House was in the exclusive occupation of the Governor-General. As the quotation read by Senator Stewart makes plain, I asked a question, in

view of what I understood to be the circumstances, namely, that the Government House in Sydney was in joint occupation of the State and the Commonwealth authorities. I was unaware of the circumstances surrounding the occupancy, and I must say that when I asked for information no honorable senators seemed able, or, at any rate, disposed, to furnish it. I have no hesitation, in view of what I have learned since, in moving the second reading of the Bill.

Question—That the Bill be now read a second time—put. The Senate divided.

Ayes ...	...	...	18
Noes ...	...	...	2
Majority ...	...	...	16

AYES.

Baker, Sir R. C.	Pearce, G. F.
Dawson, A.	Playford, T.
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Story, W. H.
Findley, E.	Symon, Sir J. H.
Guthrie, R. S.	Turley, H.
Henderson, G.	Walker, J. T.
Keating, J. H.	<i>Teller:</i>
Macfarlane, J.	Neild, J. C.
Millen, E. D.	

NOES.

Stewart, J. C.	<i>Teller:</i>
	Givens, T.

PAIRS.

Mulcahy, E.	Croft, J. W.
Gould, A. J.	McGregor, G.
Pulsford, E.	de Largie, H.

Question so resolved in the affirmative.
Bill read a second time.

In Committee:

Clause 1—

This Act may be cited as the Governor-General's Residences Act 1906.

Senator GIVENS (Queensland) [9.30].—If clause 3 should be negatived, as I desire, a verbal amendment will be necessary in this clause. We shall have to substitute the word "residence" for the word "residences."

Senator STEWART.—The honorable senator should move the postponement of the clause.

Senator KEATING.—We can decide the matter on this clause.

Senator GIVENS.—I propose a merely formal amendment in this clause, and we can have a further fight when we reach clause 3. When I am fighting anything I

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try, if possible, to do so from every ditch. I move—

That the word "Residences," line 2, be left out, with a view to insert in lieu thereof the word "Residence."

Amendment negatived.

Clause agreed to.

Clause 2 agreed to.

Clause 3—(Arrangement for use of Government House, Sydney).

Question—That the clause stand part of the Bill—put. The Committee divided.

Ayes ...	...	...	12
Noes ...	...	...	7
Majority ...	...	...	5

AYES.

Baker, Sir R. C.	Neild, J. C.
Dawson, A.	Playford, T.
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Turley, H.
Keating, J. H.	<i>Teller:</i>
Macfarlane, J.	Walker, J. T.
Millen, E. D.	

NOES.

Findley, E.	Story, W. H.
Givens, T.	<i>Teller:</i>
Guthrie, R. S.	Pearce, G. F.
Henderson, G.	
Stewart, J. C.	

PAIRS.

Mulcahy, E.	Croft, J. W.
Gould, H. J.	McGregor, G.
Pulsford, E.	de Largie, H.

Question so resolved in the affirmative.

Clause agreed to.

Amendment (by Senator STEWART) proposed—

That the following new clause be added:—
"3A. The Governor-General may enter into an arrangement with the Governors of Queensland and Tasmania for the use and occupation by the Commonwealth, for a period not exceeding five years, of residences for the Governor-General."

Senator GIVENS (Queensland) [9.39].—The new clause proposed by Senator Stewart is an excellent one so far as it goes, but I do not think that it goes far enough. The Bill, as it stands, provides for a residence in each of two of the States of the Commonwealth. Senator Stewart's amendment would provide for a residence in each of two other States, but there would still be two more States left out in the cold.

Senator COL. NEILD.—What is wrong with British New Guinea?

Senator GIVENS.—British New Guinea is not yet a State of the Commonwealth. I hope that it will by-and-by rise to that dignity, and I trust that when that time

arrives there will be no discrimination against it. I move, by way of amendment—

That the proposed new clause be amended by inserting after the word "Tasmania," line 4, the words "South Australia and Western Australia."

Senator FINDLEY.—What is the object of the amendment? I understood that the honorable senator desired that New South Wales should be left out, and he is now proposing the insertion of other States.

Senator GIVENS.—Because I do not believe that there should be any discrimination between one State and another in this matter. If it is right that there should be a residence provided for the Governor-General in one State other than that in which the Seat of Government is for the time being situated, there should be such a residence provided in every other State. That is a right which should be specially recognised by the Senate. I desire that the Governor-General should be at liberty to reside in any of the States. He has as good a right to go to Perth as to Sydney, and to go to Hobart as to stop in Melbourne.

Senator WALKER.—What about Papua?

Senator GIVENS. — If the honorable senator were not so dense he would have understood my explanation that Papua has not yet risen to the dignity of a State. I have said that I hope the time will come when it will rise to that dignity, and if I am alive then I shall be just as strongly opposed to any discrimination which would ignore its rights.

Senator WALKER.—It is a Territory belonging to Australia.

Senator GIVENS. — But it is not a State. If the Governor-General desired to go there for a couple of months now, I do not see why we should not provide a residence for him. When the opinion of the Committee is tested on my amendment, we shall see whether honorable senators are as loyal as they profess to be to the Constitution, which provides that there shall not be any discrimination between State and State. Those who vote against my amendment will show that they desire that there shall be such a discrimination, which would be just as objectionable as a discrimination in a trade matter. They will show that they are prepared to single out one State for the enjoyment of a special distinction and favour, which apparently they are not prepared to grant to every

other State. This Parliament should not make any discrimination of that kind.

Senator MILLEN.—I ask whether the new clause is in order, seeing that it will involve an additional burden on the taxpayers if it is adopted. The clause is one which, if carried, will entail a larger expense upon the Commonwealth than would be entailed by the Bill if passed in its present form. In the circumstances, I think that it is not in order.

The TEMPORARY CHAIRMAN (Senator DOBSON).—It appears to me that the clause is only permissive, and therefore, if agreed to, it will not necessarily increase the expenditure. I therefore rule that it is in order.

Senator GIVENS.—I suppose I am at liberty to proceed now that the point of order is disposed of. I have no desire to occupy the time of the Committee unnecessarily, but I wish to emphasize my contention that honorable senators should not be guilty of any discrimination between State and State, because the Senate was constituted expressly for the purpose of safeguarding the rights of the States. It is for that reason I have sought to enlarge the scope of the new clause proposed by Senator Stewart, and I hope my amendment will be carried.

Senator KEATING (Tasmania—Honorary Minister) [9.45].—I would point out to honorable senators that, so far, no negotiations have taken place between any Government of the Commonwealth and the Government of any of the States which are indicated in the amendment. The Bill deals solely and wholly, at present, with arrangements which have been entered into by the Commonwealth Government with the Governments of Victoria and New South Wales respectively. It is for the ratification of the effective agreements which have been entered into, and the nature of which I have already indicated that it is submitted. Although the amendment might be adopted, there would be no obligation thrown upon the Executive to enter into any such agreements. It would absolutely initiate negotiations for such a purpose. I do not know that any Governor-General, so far, has indicated a desire to have a permanent or even a temporary residence in either of these States. For these reasons, I hope that the Committee will not agree to either proposal.

Senator GIVENS (Queensland) [9.46].—I wish to read to the Committee the section

of the Constitution with regard to discriminations between the residents of different States. There are three or four sections dealing with the question of discrimination. But section 117 reads—

A subject of the Queen, resident in any State, shall not be subject in any other State to any disability or discrimination which would not be equally applicable to him if he were a subject of the Queen, resident in such other State.

Senator PLAYFORD.—That relates to taxation.

Senator GIVENS.—No; taxation is dealt with in a separate section, which I am willing to quote if the Minister likes. Evidently the spirit of the Constitution is that every citizen of the Commonwealth, no matter what State he may reside in, shall enjoy every privilege which any other citizen may possess. If the society people of Sydney desire a Government House in that city, so that they may bask in the Vice-Regal smiles and sun themselves in the Vice-Regal presence, why should not the society people in the capital of every other State have an equal privilege?

Senator FINDLEY.—Does the honorable senator wish to saddle the Commonwealth with additional expenditure?

Senator GIVENS. — I am not particularly concerned—

Senator FINDLEY.—Last session the honorable senator moved the reduction of the item for the upkeep of Government House, Sydney.

Senator GIVENS.—I am not particularly concerned with providing facilities to allow any persons to bask in the Vice-Regal smiles or sun themselves in the Vice-Regal society. But I submit that if the people of one capital are to be afforded that opportunity at needless expense to the Commonwealth, then the people of every other capital should be afforded a similar opportunity.

Senator TURLEY.—More expense.

Senator GIVENS.—That being so, and seeing that the Senate was especially created to safeguard State interests, we should be particularly careful that there is no discrimination between State and State, and that we do not accord to the residents of one State a needless privilege, which we are not prepared to accord to the residents of every other State. Of course, as Senator Findley has pointed out, it would probably mean more expense. I deplore unnecessary expense.

[65]—2

Senator FINDLEY. — Then why persist with the amendment?

Senator GIVENS. — Because I would sooner be guilty of extravagant expenditure than be guilty of an injustice.

Senator DAWSON. — Where is the injustice?

Senator GIVENS.—Because it is proposed in the Bill to treat one State differently from every other State, and in that way to show an unfair and unjust discrimination between State and State, which is expressly forbidden by the Constitution.

Senator DAWSON.—Surely the honorable senator does not think that Queensland is dying to salaam!

Senator GIVENS.—No. It is an injurious discrimination between State and State which the Senate should not permit, and even if it involved an additional outlay, I would prefer to spend a little more than to be guilty of an injustice.

Senator Col. NEILD (New South Wales) [9.50].—If there was anything in the argument which Senator Givens has put forward, it would really mean, if carried to its logical conclusion, that there has been a breach of the Constitution, inasmuch as, in another place, there is a different number of representatives for each of the various States, and that the Post-offices in the States are not all of the same size, and have not the same number of letter-carriers. That only shows how absolutely silly the argument is. There is, however, no harm in adopting the amendment, because in the States referred to, I do not suppose for a moment that the Governments would find the accommodation which would be necessary to meet their obligations, supposing, of course, that the Vice-Regal residences were to be supplied on the same terms as the buildings offered by Victoria and New South Wales.

Senator DAWSON.—The furniture in the Victorian Government House is about the meanest I ever saw.

Senator Col. NEILD.—I was not referring to the furniture, but to the use of the buildings. I do not know that any Governor-General would be anxious to increase enormously his expenditure by trying to live for a couple of months per annum in each of the six States.

Senator GIVENS.—Why should he increase it by trying to live in two States at the same time?

Senator COL. NEILD.—As each of those two States provides two residences for its Governor, there is nothing unreasonable in the Commonwealth maintaining a similar line of action. Surely there is nothing unreasonable in supposing that one of the residences should be not only in the oldest city in the Commonwealth, but in the chief city of the chief State of the Commonwealth.

Senator PEARCE (Western Australia) [9.54].—The last speaker has expressed a fear that the other States which Senator Givens desires to include within the provisions of the Bill might not be able to provide the necessary accommodation for the Governor-General. I do not feel that I should allow Western Australia to rest under that insinuation. In order to relieve any fear in the minds of honorable senators, I may mention that recently, in that State, we have been able to accommodate Senator Col. the Hon. John Cash Neild, honorary Colonel of the St. George's Rifles, and that, therefore, we have no fear that we could not also accommodate the Governor-General.

Senator STEWART (Queensland) [9.55].—I intend to support the proposal of Senator Givens. I do not see any reason why, if we provide a residence for the Governor-General in another State, we should not extend that privilege to every State in the Commonwealth.

Senator TURLEY.—Did not the honorable senator say that if the people of Queensland wanted the Governor-General to visit them, they would pay all expenses?

Senator STEWART.—What I said was that if the people of Queensland invited the Governor-General to their State, I had not the slightest doubt that they would pay all his expenses, even if they had to borrow the money. But I cannot bind the Government or people of the State. What I want to know is why Sydney is singled out as a second place of residence for the Governor-General. Senator Neild has suggested that it is because Sydney is the chief city of the Commonwealth. Now His Excellency lives in Melbourne for a considerable portion of the year. The climate here is not particularly good. There is a cloud of smoke continually hanging over this city, and Government House gets a very fair share of it. What sense is there in taking the Governor-General

from smoky Melbourne, and transplanting him to smoky, dirty Sydney? If we provide a second residence for His Excellency, why not have it on the heights at Katoomba, in New South Wales, or on the Darling Downs in Queensland, or in some other place where a breath of pure, fresh air is available—that is if we have any consideration for his health?

Senator TURLEY.—Why not at Oodnadatta?

Senator STEWART.—I do not know, as I have never been there. It appears to me that the real reason why the second residence is being provided in Sydney is that in that city there is a certain clique known as members of society, who wish to have an opportunity now and again of bowing to the Governor-General.

Senator WALKER.—Basking in his presence.

Senator STEWART.—Or, as the honorable senator suggests, basking in the light of the Vice-Regal countenance. If that is the case, there must be some rare virtue in these opportunities. If they are of any value to the people of Sydney, why not extend the benefit to the society people in Brisbane, Hobart, Adelaide, Perth? It is actually proposed to give the people of Melbourne and Sydney a special advantage over the people in the remaining portions of the Commonwealth. I do not know whether that is, as Senator Givens argued, a violation of the Constitution, but if it is not, it looks uncommonly like it. I am sure that the Constitution never contemplated that the Governor-General should have a residence in Sydney. It only provides that the Capital shall be in New South Wales. So careful were the people of the Commonwealth to protect the Governor-General and the Parliament of the Commonwealth against the evil influences which so abound in Sydney that they actually said that the Federal Capital should not be nearer to that city than one hundred miles. And yet, notwithstanding their expressed will, the Government wishes to plant the Governor-General in the midst of Sydney. When it is proposed that His Excellency shall have the benefit of the balmy airs of Brisbane, the fresh and bracing atmosphere of Hobart, and the delightful climate of Adelaide, the Government oppose the proposal, and various honorable senators refuse to support it. I hope that

honorable senators will vote for the proposed addition to my amendment.

Question—That the words proposed to be inserted in the amendment be inserted—put. The Committee divided.

Ayes	...	...	5
Noes	...	...	13
Majority	...	...	8

AYES.

Guthrie, R. S.
Pearce, G. F.
Stewart, J. C.

Story, W. H.
Teller:
Givens, T.

NOES.

Baker, Sir R. C.
Dawson, A.
Dobson, H.
Drake, J. G.
Findley, E.
Keating, J. H.
Macfarlane, J.
Millen, E. D.

Neild, J. C.
Playford, T.
Turley, H.
Walker, J. T.

Teller:

Smith, M. S. C.

Question so resolved in the negative.

Amendment of the amendment negatived.

Proposed new clause negatived.

Title agreed to.

Bill reported without amendment; report adopted.

ADJOURNMENT.

DIVISION BELLS.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator PEARCE (Western Australia) [10.5].—This afternoon, when the division was taken on my Bill to amend the Electoral Act, a member of the Senate was engaged in a room upstairs, where, it appears, the division bell does not ring. It is a room at the end of the lobby used by the members of the Labour Party in the Senate. I suggest that a bell should be fixed in the room. A meeting of a section of the Tariff Commission was being held, and through the bell not ringing those present were not aware that a division was being taken.

The PRESIDENT.—I will have the matter looked into.

Question resolved in the affirmative.

Senate adjourned at 10.6 p.m.

House of Representatives.

Thursday, 26 July, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

COUNTRY POST OFFICES.

Mr. McCOLL asked the Postmaster-General, *upon notice*—

1. What conditions are required in order to have a post office established in a country district?

2. Is there any scale of business required?

3. If so, what is the business required for an office and for a daily or bi-weekly or tri-weekly mail?

4. When was the scale of business (if any) adopted?

Mr. AUSTIN CHAPMAN.—I shall be very pleased to furnish the information to-morrow.

COLLECTION OF ROLLS.

Mr. McDONALD (for Mr. WEBSTER) asked the Minister of Home Affairs, *upon notice*—

1. Is he aware that great difficulty confronts the police, now collecting the State roll in New South Wales, in connexion with signatures of persons capable of identifying an applicant for enrolment on the Federal application form, inasmuch as many applicants are personally unknown to the police?

2. Would it be admissible for any adult member of the household to personally identify and so certify?

3. If so, will he so instruct the police authorities of New South Wales forthwith?

Mr. DEAKIN.—I desire to say, on behalf of the Minister of Home Affairs, that I have been furnished with the following answers to the honorable member's questions:—

1. There should be no difficulty. It is not necessary for a claim for enrolment to be witnessed. An application to transfer or change may be witnessed by any elector of the Commonwealth. A member of the police force who is an elector has merely to satisfy himself by inquiry from the applicant or otherwise as to the truth of the statement contained in the application for transfer or change before witnessing it.

2. Yes, if he or she be an elector.

3. Complete instructions are contained in the transfer and change forms which are in the hands of the police, and are supplied for the use of the public.

TASMANIAN MAIL SERVICE.

Mr. KING O'MALLEY asked the Postmaster-General, *upon notice*—

1. Whether he is possessed of any information as to the formation of a steam-ship company

combine in relation to the tenders recently invited for the carriage of Tasmanian mails?

2. If so, will he disclose such information to the House?

3. In the event of only one tender being received for the conveyance of Tasmanian mails, and at a price in excess of that now paid, will he take immediate action with a view to having the said mails conveyed in a Commonwealth-owned ship?

Mr. AUSTIN CHAPMAN. — The answers to the honorable member's questions are as follow:—

1 and 2. The Postmaster-General is not possessed of any information to the effect referred to.

3. As the time for the receipt of tenders for the conveyance of mails between Victoria and Tasmania does not expire until 15th August next the Postmaster-General thinks it premature at present to express any opinion as to the action which will be taken on the receipt of tenders.

CAPTAIN CRESWELL'S RETURN.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

Whether, in view of Captain Creswell's explanation "that he decided to return . . . in consequence of the nature of certain confidential information which he received from the Colonial Office on the 8th June, and also the fact that the cabled permission to remain for the manoeuvres indicated that his early return was desirable"—

1. Is the Minister aware of the nature of the above confidential information?

2. Was the confidential information above referred to received from the permanent or official head of the Colonial Office, or from one of the officers of that Department?

3. Was it from this source that he derived the information, which he in an interview subsequently supplied to the *Age* newspaper, that the Imperial Defence Committee was opposed to his proposals for the creation of Australian torpedo-boat flotillas?

4. Did it refer to the nature or effect of the Imperial Defence Committee's Report on Australian Defences?

5. Was the Government's cabled permission for Captain Creswell to remain for the Naval manoeuvres worded in any grudging spirit?

6. Could the same be laid upon the table of the House?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. It was signed by Mr. H. Bertram Cox, who wrote by direction of Lord Elgin.

3. The Minister has read the published account of the interview referred to, and cannot discover that Captain Creswell said anything to the effect "That the Imperial Defence Committee was opposed to his proposals for the creation of Australian torpedo-boat flotillas."

4. Yes, in part.

5. No.

6. The wording of the cablegram was "Creswell, leave England immediately after Naval manoeuvres"—which was in reply to a telegram from Captain Collins as follows, dated 11th May, 1906:—"Naval manoeuvres will end on 2nd July. Shall Creswell wait? Clarke recommends. If not, cable latest date required in Melbourne."

POSTAL OFFICIALS' ALLOWANCES.

Mr. AUSTIN CHAPMAN.—The honorable member for Canobolas, on the 18th July, asked the following questions:—

1. In distributing increased allowances amongst Postal officials, what is the distinction between "statutory" and "deserving" officers' allowances, and on what basis are the latter determined?

2. Is it a fact that in the latest distribution of "deserving" allowance very few postmasters and telegraphists have derived benefit from this source?

3. Is it to be assumed that the officers in the lower grades of the service are not "deserving" officers; and, if not, how is it proposed to recognise their services?

4. Will he furnish a list of those deriving benefit from the "deserving" officers' allowance, with their status and salaries?

The matter comes within the province of the Public Service Commissioner, who has furnished the following replies to questions 1, 2, and 3:—

1. Statutory increments apply only to the 5th Class of the Clerical Division, Class F. of the Professional Division, and to the General Division. Increments in the higher classes of the Clerical and Professional Divisions are only given where the efficiency of the officer and the value of the work justify higher payment.

2. No; a number of postmasters in New South Wales have been granted increments in the recent re-allotment of post-offices. Telegraphists in the higher class are advanced in salary as vacancies occur in their grades.

3. No; their services are recognised in every case, unless where unsatisfactory reports are given of the officer's conduct and efficiency.

In reply to question 4, I desire to say that—

4. A list will be prepared and laid upon the table of the Library.

BOY LETTER-CARRIERS.

Mr. AUSTIN CHAPMAN.—The honorable member for West Sydney, on the 20th July, asked the following questions:—

1. Is he aware that boys are frequently employed to do the work of letter-carriers in suburban post-offices in New South Wales?

2. Is he aware that in the North Sydney district four telegraph messengers do letter-carriers' work and are delivering letters to the general public, and that similar instances may be cited in Roselle and other suburbs?

3. Is it a fact that a boy employed to deliver letters at Gordon actually destroyed valuable

scrip to save himself the trouble of delivering it to the addressee, and that at Hurstville a boy doing letter-carriers' work deposited some letters in the scrub, which were not found until eighteen months afterwards?

4. Will he cause inquiries to be made into the above, with a view of preventing the displacement of men by boys?

The Acting Deputy Postmaster-General, Sydney, has furnished the following information:—

1. As a general rule boys are not employed to do the work of letter-carriers exclusively; this work, when performed by boys, being generally combined with that of delivery of telegrams, an allowance, in addition to salary, being granted them. There are, however, some instances in which the exigencies of the service render it necessary for boys to undertake the full duty of letter-carriers; but, as opportunities offer through resignations, transfers, &c., these anomalies are being rectified; when junior members of the staff are not available boys are also sometimes employed to temporarily relieve the regular letter-carriers when absent on leave, or through illness or other emergencies.

2. Four messengers in North Sydney district are employed, and two at Roselle, in the manner shown in answer to question No. 1, and, as indicated therein, a similar practice prevails to some extent in other suburbs.

3. A telegraph messenger at Pymble (not Gordon) destroyed in 1900 some postal matter, and was prosecuted and punished; in 1905, a senior telegraph messenger at Hurstville, aged 18, in receipt of £52 per annum, and £6 for delivery of correspondence, confessed that about 12 months previously he secreted some postal articles in the bush, intending to deliver the same on his next round, but forgot them; for this irregularity he was required to leave the Department. Men employed as letter-carriers have at times committed similar offences, and have been suitably punished.

4. See answer to No. 1.

POSTAL APPEAL BOARDS.

Mr. AUSTIN CHAPMAN.—The following questions were asked by the honorable member for Kennedy for the honorable and learned member for West Sydney on Wednesday, 18th July:—

1. How are the Appeal Boards appointed to deal with matters in the Postal Department constituted?

2. Is he aware that the Appeal Boards as at present constituted are distasteful and unsatisfactory, and will he consider the advisableness of establishing a Board freed from departmental bias and influence to deal with all matters of appeal?

3. What special reasons exist in New South Wales for the appointment of the senior inspector and storekeeper on this Board?

4. How are the departmental duties of those officers discharged while they are on this Board?

5. Is he aware that at times there is considerable delay in dealing with cases, and in bringing inquiry to a conclusion?

This is a matter which comes within the province of the Public Service Commissioner, who has furnished the following replies:—

1. Section 50 of the Public Service Act provides that Boards of Appeal shall comprise a public service inspector, the chief officer of the Department or his nominee, and the appellant's divisional representative.

2. I am not aware; the Boards represent the interests of the officers, the Department, and the public, and to properly deal with cases it is necessary the Board should be constituted of persons having a practical acquaintance with the business of the Department and its officers.

3. These officers are not on every Board, each Board being separately appointed. It is necessary that the officer nominated by the chief officer should be possessed of qualifications to deal with the practical matters brought under review.

4. They are performed before and after the sittings of the Board, with the assistance of the other officers of their branches.

5. No unnecessary delay takes place, the hearing of the appeals being carried out with all the expedition possible, consistent with the proper conduct of the public business.

PAPERS.

Mr. EWING laid upon the table the following papers:—

Amended Public Service Regulations No. 104—Telephone Indoor Supervisors—Statutory Rules, 1906, No. 5.

Annual Report for 1905 of the Inspector-General of the Commonwealth Military Forces. Report for 1905 of the Director of the Naval Forces of the Commonwealth.

Report for 1905 of the Military Board.

Report on the bursting of M.L.E. rifles.

COMMONWEALTH TREASURY NOTES.

Mr. CULPIN (Brisbane) [2.35].—I move—

That, in the opinion of this House, it is desirable—

1. That Commonwealth Treasury notes should be issued, on the lines of the Treasury notes issued by the State of Queensland.

2. That a reserve fund should be established for payment of the notes on demand.

Paper money, loans, and debentures are various modes of using credit. Up to the present time the Commonwealth has not used its credit, but has drawn from the taxpayers the funds necessary to meet its requirements. Our first Treasurer, in the first session of the first Parliament, tried to obtain parliamentary sanction for the raising of a loan, and, in recommending his proposal to the House, warned honorable members that certain States would be placed in a position of difficulty if the large sums which he required had to be

provided from revenue. The Loan Bill was, however, rejected, and from then until now the necessary funds have been obtained from revenue. In a paper currency every note is to all intents and purposes a loan. Each bearer has a lien on the issuer to the amount of the note, though he does not expect to be paid interest. I sought to apply this principle last year in connexion with the taking over of properties by the Commonwealth from the several States. The present Treasurer suggested, at a Conference held in Melbourne, that a loan should be raised to pay to the three creditor States the amounts due from the three debtor States, the money to be repaid by means of a sinking fund of £40,722 per annum, extending over a period of forty-three years. I showed last session, by means of a worked-out example, that if paper currency to the amount of the debt were handed to the creditor States, and notes to the value of £36,290 were cancelled each year, the debt would be extinguished in twenty-five years. In that way, not only should we bring about a saving in the amount paid, but we should also provide for the redemption of the loan in a shorter period. I intimated that the suggestion was brought forward merely by way of example, and was only incidental to my main scheme, which was the establishment of a Commonwealth paper currency. It is one of the many ways of profiting by the credit of the Commonwealth.

Mr. JOSEPH COOK.—Has the honorable member's scheme been submitted to the financial authorities of Wall-street?

Mr. CULPIN.—The scheme is an idea of my own. I submit it in the belief that it is time that something was done to allow the Commonwealth to benefit by that provision of the Constitution which provides that the Parliament may make laws for the regulation of currency and banking. Many and various have been the attempts made in other countries to allow the State to take advantage of its credit. Honorable members no doubt are acquainted with the *assignats* issued under the notorious scheme of the French revolutionaries, and with the American greenbacks, both of which are examples of an inconvertible paper currency, and, as such, are outside our consideration. But there have been other most simple and economical means of raising money by loans, which

have proved a complete success; I refer to the Guernsey market scheme, and to the Pennsylvania scheme. Both schemes are referred to, and commented on very favorably by Mr. McLeod in his *Theory of Credit*. I shall not quote from that work. It is sufficient to say that in those cases the notes issued were, to all intents and purposes, a currency, and proved a satisfactory, though not a legal, tender, in both instances being redeemed at the rate of 10 per cent. per annum. Turning to cases of paper currency payable on demand, we have the system in vogue in the Dominion of Canada, to which I shall refer later on, the Bank of England note issue, and the Queensland Treasury notes. Under this head we may also consider the proposals of the Sydney Banking Commission, and of the Royal Commission on Banking, which sat in Victoria eight or nine years ago. The present Queensland Treasury notes have, for thirteen years, furnished a paper currency in a satisfactory, although, perhaps, expensive fashion. A complete justification of the scheme is to be found in the speech of the Colonial Treasurer of the day, who proposed its adoption. Later, I shall give honorable members figures which will show the profits which have been derived from the issue; but, before doing so, I should like to explain that the scheme was originally brought forward in order to do away with the discredit into which the currency had fallen, and not for the organization of a State currency. It was proposed as a means of alleviating the commercial troubles of the day. That was its sole reason. The statement made by the Colonial Treasurer of Queensland, in introducing the system, as reported in the Queensland *Hansard*, was as follows:—

It so happens that eight out of eleven banks in this Colony have rather suddenly and simultaneously suspended payment, the consequence of which is that the paper currency of the Colony is practically discredited, and very serious and grave inconvenience has resulted to the people. It is solely to remedy that inconvenience that these Bills are now placed before the Committee.

Those remarks show that the banks were at the time in trouble, and that the scheme was introduced by their friends in order to help them. By limiting the issue, and refraining from taking advantage of the excessive gold balance in the hands of the Government for the first three years, the experiment was made unnecessarily expensive, and another circumstance that did not help it was the fact that the three strong

banks which weathered the storm were allowed to continue the issue of their notes for a period of two years at the old rate, instead of having to pay the prohibitory rate of 10 per cent. imposed by Act of Parliament. In 1896 the bankers' organ, the *Australasian Insurance and Banking Record*, was criticising the administration and working of the Queensland Treasury note scheme, and published the opinions of Sir Hugh Nelson, who was then Treasurer of Queensland, as follows:—

That the issuing of notes and providing a paper currency for the public is a proper function of the State; secondly, that any profit arising from the issue of such currency properly belongs to the State, and not to any joint stock company; and, thirdly, that, in making any amendment in the system as now established, the object will be to build up and not to pull down.

He went on to compare the Queensland system with the Canadian system, and said—

The Dominion issues notes, the security provided being 15 per cent. in coin, 10 per cent. in bonds, guaranteed by the Imperial Government, and 75 per cent. in ordinary Dominion stock. It will be admitted that the security we provide is better than that.

Then by way of demonstrating the extraordinary superiority of the scheme he proposes, he states—and I am quoting from the *Australasian Insurance and Banking Record*—

For the present, the security is ample almost to an absurdity, at least to a superfluity, inasmuch as if it were possible for all the notes now in the hands of the public and of the banks to be presented for payment upon one day they would all be met instantly from the Treasurer's coin reserve.

I wish to call special attention to the fact that each year the Auditor-General has remonstrated and has pointed out that the reserve fund has been unnecessarily exceeded, and that £240,000 more could be used for producing revenue instead of being locked up in the vaults of the Treasury. I think that I have made clear that the scheme was looked upon mainly as affording a way out of a temporary difficulty, and not primarily as a system of paper money. There is no doubt that the Queensland scheme has demonstrated that a paper currency can be issued effectively, and at a profit, by the State. Owing to surrounding restrictions, the Queensland scheme has not been made so profitable to the State as it might have been. I now wish to direct the attention of honorable members, and particularly of New South Wales representatives, to a pro-

posal that was submitted by the Bankers' Conference, held in Sydney in 1896. The conference devised a scheme for issuing notes as legal tender, which were to be backed up by the Government. It was proposed that a board of control, composed of equal numbers of representatives of the Government and the banks, should regulate the issue. It was contemplated that £1,250,000 worth of notes should be issued for circulation, and that notes of similar value should be available as till money, making a total of £2,500,000. The banks were to plank down one-fourth of the amount, £625,000, leaving a balance of £1,875,000, which they were to guarantee by placing 4 per cent. Government bonds as security. The result of placing these bonds would be that they would derive 4 per cent. interest, £75,000, and the arrangement was that after the deduction of £10,000 to defray the cost of the note issue, the balance of £65,000 should be divided equally between the banks and the Government. This would give the Government £32,500. It was asserted that the Government would gain £7,500 by this transaction, because the composition duty on the notes would amount to only £25,000. This proposal was considered by the Royal Banking Commission, which in 1896 sat in Victoria, and I desire to read some quotations from the reports of that body. The majority report was in favour of the scheme, and a minority report was opposed to it. The majority report stated that something better could be devised. At page 117 of the majority report, the following statement occurs:—

Your Commissioners, believing that the State should have the sole right to issue paper as well as metallic money, do not see how this principle could be applied under control representative of State and private interests, as proposed by the Conference.

That was a declaration for a State issue on such lines as I am now proposing. The minority report, signed by Messrs. R. Murray Smith and F. S. Grimwade, stated—

Whatever reasons may be urged for the assumption of this function by the Government, it is pretty obvious that neither the convenience and safety of the public, nor the profit of the State, will be materially enhanced by such a change. The private issues of the banks, secured as they are, have displayed during a crisis hitherto unknown in Australian history unimpeachable quality.

That statement appears to be very much at variance with that which I have just quoted

as having been made by the Queensland Treasurer, and as a Queenslander, I take great exception to it. Certain arbitrary methods employed in Victoria and New South Wales during the bank crisis are thus referred to by the then Colonial Treasurer of Queensland—

Eight out of eleven banks in this colony have rather suddenly and simultaneously suspended payment, the consequence of which is that the paper currency is practically discredited.

I believe that a similar state of affairs prevailed in New South Wales and Victoria.

Mr. MAUGER.—No; our paper currency was not discredited.

Mr. CULPIN.—At the time of the bank crisis it was.

Mr. MAUGER.—Some of it may have been.

Mr. CULPIN.—The paper currency throughout Australia was discredited at that time, and only three banks weathered the storm.

Mr. WATSON.—The New South Wales notes saved Victoria.

Mr. CULPIN.—The action of the States in every case saved the banks. In Victoria they provided for a moratorium, in New South Wales bank notes were declared legal tender, and in Queensland the Government issued their own notes. These note proposals of the Sydney Bankers' Conference are very similar to those which led to the establishment of the Bank of England at the close of the seventeenth century. The Government wanted money, and a loan of £1,200,000 was provided, the bank receiving an annuity of £100,000, besides the grant of a monopoly of note issue for the amount of the loan. I now desire to refer to the existing Queensland Treasury note scheme. The notes are everywhere a legal tender, except by the Treasurer. A gold reserve of at least one-fourth of the value of the note issue must be held in the Treasurer's strong-room. In addition to that, Treasury bills in amount 50 per cent. more than the entire note issue have to be signed and placed with trustees ready to be sold if the reserve falls below the minimum. I have a communication which shows the satisfactory position of the reserve fund. The Under-Secretary to the Queensland Treasury writes, under date 18th July last, as follows:—

Our notes are legal tender in this State, and, therefore, our teller rarely has notes presented for redemption, except by persons leaving the State, or worn and dilapidated notes collected

and presented by the banks, who retire such and present them here, in quantities, for cancellation and destruction. We redeem in clean notes, or in gold, as the banks may desire.

We cancel and destroy from 30,000 to 40,000 per month, and, of course, issue clean ones in lieu. Our cancellations, 1904-5, were £430,490; and in 1905-6, £457,733.

If a Commonwealth note were made a legal tender throughout the Commonwealth, the number of notes presented for payment would be still further reduced. Persons leaving one State for another would not find it necessary to cash their notes, and therefore gold would have to be paid only for notes presented by persons leaving the Commonwealth. If ten-shilling notes were added to the issue, and if every paying department could pay gold for notes, and could give notes for gold, the use of notes would be very largely encouraged. In Great Britain and Canada the banks hold coin and notes equal to about one-tenth of their total liability, and a like reserve would be quite sufficient for the Commonwealth to hold against its notes, because its total liabilities would be represented by the note issue. The private banks have other liabilities besides those arising from their note issues, and yet a 10 per cent. reserve is regarded as sufficient to meet their case. The existing reserve in Queensland is unduly high. The calls made upon it during the last thirteen years have not been excessive. Timid men may ask—"What about a time of panic?" Yes, what about a panic, such as occurred in 1893? That was the product of a boom, and so far as the issue of notes was concerned, the pressure was absolutely relieved in Queensland by the use of State notes instead of those issued by the private banks. So long as the Commonwealth makes only moderate use of its notes, its credit will be sufficient to meet any emergency. Of the five or six historical schemes to which I have referred, only two proved unsuccessful in consequence of excessive and reckless expansion of the note issue. These were the French *assignats* and American greenbacks.

Mr. KING O'MALLEY.—The greenback issue was not a failure.

Mr. CULPIN.—Anything that proves unequal to its nominal gold value is, to my mind, a failure. Greenbacks were at 50 per cent. discount during the American civil war.

Mr. KING O'MALLEY.—If the honorable member has any greenbacks now, I will take them from him at face value.

Mr. CULPIN.—The honorable member would not have done so in 1866. In Canada a reserve of 15 per cent. in coin is held against the Dominion notes, and the balance is represented by bonds. But for every £49 worth of Dominion notes held, the Canadian banks can issue £100 worth of their own notes. They have no note duty to pay. The Government notes have been on issue in Canada for thirty years, and a 15 per cent. reserve has been found to be sufficient. Therefore, I hold that a similar reserve would meet our requirements. Each State should have at its capital a reserve fund provided by the Commonwealth in proportion to the circulation of notes in the State. We have the declaration of the Bankers' Conference that a legal tender note with the indorsement of the State would considerably increase the note circulation. *Coghlan* estimates that with a legal tender Commonwealth note, the issue would increase from £3,800,000 to possibly £6,750,000. I wish to give the House the facts regarding the profit which accrues from the Queensland Treasury note system. Upon 30th June, 1905, the notes outstanding amounted to £1,180,114, and this was represented by notes advanced to the bank, £388,833; gold coin in the Treasurer's strong-room, £317,600; gold coin in charge of the teller at the paying department of the Treasury, £2,159; upon fixed deposit at the Royal Bank, £45,000; invested in Government debentures, £386,522; and at current account with the Queensland National Bank, £40,000. Of these notes the banks held £635,302 worth, whilst the public held £554,814 worth.

Mr. MAUGER.—Where was this?

Mr. CULPIN.—In Queensland. I am quoting from last year's report. The Government receive by way of interest upon the notes lent to the banks, and upon the money they have invested, £22,946 14s. 1d. The total expenditure in issuing these notes and guarding and controlling their issue was only £1,851 16s. For several years past it has been averaging about £2,000 annually. The net profit upon the issue of Queensland Treasury notes for last year was £21,094 18s. 1d. In Victoria last year the bank note duty produced £16,443, or considerably less than the re-

venue obtained by Queensland from the issue of Treasury notes. In other words, Victoria, which possesses two and a half times the population and the wealth of Queensland—if not more—realized by its note system only £16,443. In this connexion I wish honorable members to recollect that the Queensland system had already paid out of its gross receipts the cost of the notes. In Victoria no such cost is involved to the Government. Here the banks have to provide their own notes, and to pay a bank note duty as well. In New South Wales the Government did better than the Victorian Government, inasmuch as it received a revenue of £26,640 from its bank note issue. In Canada no bank note duty is charged. The provision that each bank is required to hold 40 per cent. of its issue in Dominion notes is regarded as sufficient. Queensland's notes brought her—owing to the note system adopted in that State—over and above her present reserve fund, no less than £466,522, or, in round figures, nearly half-a-million sterling. In other words, there is nearly half-a-million of gold in Queensland, which is practically used to reduce her debt, because Government debentures are purchased with it. That amount was disposed of as follows:—They bought bonds to the amount of £386,522; they have at fixed deposit with the Royal Bank £45,000, and at current account with the Queensland National Bank £40,000, making a total of £466,522. If her reserve were fixed at only 15 per cent., instead of at one-fourth, she would have an additional £128,000, which she could utilize for reducing her debt, or in any other way that the Treasurer chose. The figures which I have quoted in regard to Queensland show that if a similar system were adopted by the Commonwealth, it would be as good as a loan of £4,000,000 or £5,000,000. The Queensland scheme demonstrates that, and my object is to give the Commonwealth the full benefit of its standing and importance. That is to say, with us the note issue should be used exclusively for the benefit of the Commonwealth rather than for the benefit of private concerns. With a moderate reserve we should be perfectly safe, because any issue of notes in excess of the number which business could absorb would simply return to the Treasury, owing to their being a legal tender payable upon demand. We could rely upon increasing confidence to

give our notes more and more utility and power. In the words of ex-Senator O'Connor, when introducing the Loan Bill, I would say—

The best security we can possibly have is the security of the Government.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [3.8].—As the Treasurer is engaged in the preparation of his Budget, perhaps the honorable member will consent to an adjournment of the debate.

Mr. CULPIN.—Certainly.

Debate (on motion by Mr. AUSTIN CHAPMAN) adjourned.

FIRE INSURANCE BILL.

Mr. FRAZER (Kalgoorlie) [3.9].—I move—

That leave be given to bring in a Bill for an Act relating to fire insurance.

I do not intend to make a speech in justification of this motion. I merely desire to say that I believe the position which has been arrived at in connexion with the methods adopted by fire insurance companies in the Commonwealth is sufficiently serious to warrant this Parliament in taking almost immediate action. When I move the second reading of the Bill, I shall endeavour to show that action is both necessary and urgent, and whilst desirous of safeguarding the interests of the companies from fraud and misrepresentation, I shall attempt to cut away from the policies which they issue the drag-net clauses inserted on the backs of those policies—clauses under which the companies are at the present time able to contract themselves out of just liabilities, and to inflict, by reason of their strength—numerous hardships upon that unfortunate section of the community who are overtaken by the disaster of having their premises destroyed by fire.

Question resolved in the affirmative.

Bill presented, and, on motion by Mr. FRAZER, read a first time.

ROYAL COMMISSIONS.

Mr. LONSDALE (New England) [3.12].—I move—

That there be laid upon the table of the House a return showing—

1. The number of Royal Commissions appointed during this and the preceding Parliament?

2. What are the names and subjects of such Commissions, and by which Administration they were appointed?

3. What are the names of movers and seconders?

4. What are the names of members composing them, and which of the States do such members represent?

5. What is the total cost of each Commission, giving details as to fees, personal expenses, printing, and other matters?

6. What is the total amount paid to, and what is the number of the attendances of, each member?

7. What is the aggregate cost of the whole?

It will be observed that I have incorporated in the motion the amendments of which the honorable member for Yarra has given notice. I merely desire to obtain the fullest information with regard to these Commissions. So many have been appointed that I wish to know all about the expenditure which they have incurred, and the objects for which they were appointed, in order that the facts may serve as a guide to honorable members in voting upon future proposals for the appointment of similar bodies.

Mr. THOMAS (Barrier) [3.13].—Personally I am in favour of the motion, but I should like to move an amendment to it in the shape of the following addition:—“Also stating the time that any Commissioner has spent in going from or coming to a sitting.” Such an addition, I think, would only be fair. For instance, some members of the Shipping Commission recently paid a visit to Western Australia. We were in that State ten days, and we were occupied four days upon the journey each way. It is only reasonable that that time should be included in the return asked for. It is not merely the actual attendance of Commissioners which should be taken into consideration. Whilst we were in Western Australia for ten days, we were not sitting every day. For example, we could not sit on Sunday. I presume that the religious ideas of the community would be rightly opposed to any such procedure, in addition to which we did not desire to work seven days a week. I would further point out that the Commissioners could not leave Western Australia until the departure of the boat. I think that the honorable member for New England desires to be fair to any honorable member who has served upon a Commission.

Mr. TUDOR.—The amendment which the honorable member suggests can be added to paragraph 6.

Mr. THOMAS.—I move—

That the following words be added to paragraph 6, "and also the number of days each member was absent from his home, for which travelling expenses were received."

Mr. LONSDALE.—I am prepared to accept the amendment.

Mr. FRAZER (Kalgoorlie) [3.19].—I am inclined to think that, notwithstanding the amendment, which has been hurriedly drafted, the information obtained from this return will not be satisfactory. The honorable member for Barrier has referred to the position of a representative of one of the eastern States, who proceeds to Western Australia as a member of a Commission, and whilst his amendment might be satisfactory so far as the position of such a member is concerned, it would scarcely operate fairly in the case of a representative of Western Australia engaged on a Commission taking evidence in that State. Whilst Parliament is in session the representatives of Western Australia reside in this city.

Mr. MAUGER.—But honorable members do not draw fees as members of a Commission whilst Parliament is in session.

Mr. FOWLER.—As a member of the Tariff Commission, I was away from Western Australia during the whole of last recess.

Mr. FRAZER.—And it would be perfectly justifiable to state in this return that the honorable member was away from his home during that time. I am satisfied that the representatives of the western State are not likely to figure in an unfavorable light, but I think that the motion might be differently worded. It is not of sufficient importance, however, to warrant a lengthy debate.

Mr. KING O'MALLEY (Darwin) [3.21].—I should like to know whether the honorable member for New England, in moving this return, is actuated by a desire to secure an addition to the allowance granted to honorable members? If he is, the honorable member is a Christian; if he is not, then he must come under the ban of heathenism. As a member of the Old-age Pension Commission, I received £70 in respect of allowances, whereas my out-of-pocket expenses amounted to £125. Is the honorable member prepared to make good the difference? When travelling with a Commission, one has often to make a loan to a man in difficulties whom he will never see again. Is the honorable member

for New England prepared to make good my outgoings in that regard? Members of Royal Commissions toil early and late to secure information for the benefit of the people, and I should like to know whether the honorable member is anxious to obtain this return in order that, when on the hustings, he may score off opponents? If that is his motive, God help him! His days in this House are numbered. The handwriting on the wall tells of his doom. The return asked for will not affect me, but will it deal fairly, for example, with the members of the Tariff Commission who have devoted nearly two years to the work with which they were intrusted? They have been making exhaustive inquiries with a view to protect the great industrial world of Australia. I dare say that some people will imagine, on reading the information supplied in the return, that the members of that Commission have taken a lot of money out of the purse of the community. Then again, the honorable member for Barrier, as chairman of the Shipping Service Commission, has travelled all over Australia seeking information for the benefit, not of this Parliament alone, but of posterity. Would any one say that the paltry allowance which he received by way of travelling expense was adequate compensation? The Royal Commission on Old-age Pensions was the greatest that ever sat—even a "king" took part in its inquiries. Mr. Devlin, M.P., who represents the great cause of the people, will take to England a copy of the report of that Commission, and I have no doubt that after King Edward and Mr. Chamberlain have seen it, we shall have an old-age pension scheme put forward for Great Britain. In view of the position can it be said that the Commission has not done something not merely for Australia, but for the Empire? Then we have the report of the Shipping Service Commission, whose recommendations may be of service in Europe. And so with the report of the Tariff Commission, which may lead to protection becoming the fiscal policy of the Empire. I appeal to the honorable member for New England, for the sake of his ancestors, who, joined with mine hundreds of years ago, in courting the same girls, and drank out of the same cup, swam in the same rivers, and vowed undying friendship, to withdraw his motion. I am afraid, however, that his soul is hardened. The responsibility will rest with him, and the time

may come when no honorable member of this House will be near him, and he will regret his action, and desire to apologise to honorable members.

Mr. FISHER (Wide Bay) [3.28].—The only objection that could be raised to the passing of this motion is that the preparation of the return will involve expense. Nothing could be more satisfactory to a representative House like this than the furnishing of the most complete information in the direction sought. We have nothing to do with the motive of the honorable member who has moved for the return. It is a sound principle that the national expenditure should always be keenly scrutinized, although I venture to assert that the return will furnish much detailed information which few of us will read, and in which very few will be interested. I trust, however, that the House will agree to the motion.

Mr. WILKS (Dalley) [3.30].—I am glad that the honorable member for Wide Bay, on behalf of the Labour Party, has said that he does not object to the publication of the information sought.

Mr. FISHER.—The honorable member for New England could obtain from the Treasurer the information he seeks.

Mr. WILKS.—The honorable member said a few moments ago that the preparation of this return would entail considerable expenditure, and now he asserts that the information could be readily obtained from the Treasurer, the inference being that it can be secured without cost. I do not understand whether the honorable member for Wide Bay believes that it will cost something to prepare this information, or thinks that it can be obtained from the Treasurer without cost. What motive influenced the honorable member for New England in moving for the return, I know not, but I support the motion in order to give publicity to the cost of Royal Commissions. I do not desire an inquisitorial search, with a view to proving that some members have received so much in travelling allowances, or that the travelling allowances of some Commissions have been greater than those of others; I wish to show the cost of Royal Commissions, and I care not whether they have been Commissions appointed by the Deakin Administration, the Reid Administration, or the Watson Administration. There is too great a tendency in Australian politics for Ministers who are in re-

ceipt of large salaries, and should have the assistance of well-equipped staffs, to avoid responsibility by supporting the appointment of Select Committees, and allowing those Committees to be converted into Royal Commissions. Some little time back, I opposed the appointment of a Commission asked for by the honorable member for Kooyong, to inquire into financial questions. You, Mr. Speaker, were to be a member of that Commission. I also opposed the appointment of the Shipping Committee moved for by the honorable member for Barrier. Last Parliament, on my motion, a return was prepared, giving the amount of money expended upon Royal Commissions and Select Committees, though not in the detail now asked for. The public have a right to this information. In my opinion, large sums have been wasted in connexion with the inquiries of Select Committees and Royal Commissions. I do not know of one instance in which the adoption of the report of a Select Committee has been moved in this House.

Mr. TUDOR.—The adoption of the report of the Decimal Coinage Committee was moved.

Mr. WILKS.—At any rate, it was not carried, the discussion being adjourned. I have no desire, by supporting the motion, to injure any honorable member who has been a member of a Royal Commission or a Select Committee. I admit that there are times when the appointment of a Royal Commission is a wise and prudent step for a Government to take; but these inquiries should not be set on foot whenever they are asked for, and merely to shelter Ministers. In supporting the motion, I do not question the value of the services which have been rendered by those who have been members of Royal Commissions and Select Committees. I believe that they have acted to the best of their ability, and have given a great deal of time to the performance of their duties, for which, perhaps, the payments made have been no sufficient compensation. I hope, however, that the return will afford honorable members an argument for resisting future motions for the appointment of Royal Commissions or Select Committees.

Sir LANGDON BONYTHON (Barker) [3.34].—As one who was a member of the Old-age Pensions Commission, I desire to express regret for what the honorable member for Darwin has said. I think with the honorable member for New England that it is desirable that the information

asked for should be furnished, though, of course, care should be taken in framing the terms of the motion, to prevent injustice being done by a wrong presentation of the facts. If care is taken in that regard, the information asked for will be valuable in the highest degree. The honorable member for Darwin said that an allowance of 25s. a day is not sufficient to cover travelling expenses; but that sum should be large enough for any man who lives reasonably. As the honorable member for Wide Bay, who is a member of the Labour Party, has, in my opinion, said exactly what should be said on the whole subject, I shall content myself with supporting the motion without further comment.

Mr. MAUGER (Melbourne Ports) [3.35].—I think that every opportunity should be given for the preparation of this information. If those who have been members of Royal Commissions and Select Committees hold the opinion that I do, they will be exceedingly hard pressed before consenting to undertake similar work in the future, because, as the honorable member for Perth has stated, it means a great sacrifice of time and effort. The return should be valuable, since many members of the public are under the impression that members of Royal Commissions are paid for their services, although, as a matter of fact, only travelling expenses are given, and these only when members are travelling in some State other than that in which they reside.

Mr. FOWLER.—Members lose a great deal more than they gain.

Mr. MAUGER.—The number of sittings attended by a member should be shown in a return of this kind.

Mr. TUDOR.—That information will be given if the motion, in its amended form, is carried.

Mr. MAUGER.—The Navigation Commission sat for months in Melbourne, and its members had to give up ordinary business time, and frequently their bed time, to attend to its work, but received nothing in return for their services. The more information given to the public on this subject, the better it will be for all concerned. The honorable member for Dalley need not be alarmed at the number of Royal Commissions and Select Committees, because the sacrifices which have to be made by those who are members of them are not likely to make others desirous of a similar experience. I have in my possession quite

a number of telegrams, urging me to go at an hour's, or less than two hours', notice to Sydney, or to Adelaide, to form a quorum for the taking of evidence, and compliance with such summonses involved trouble and cost which cannot be estimated and set forth in figures. If we wish to prevent the appointment of Royal Commissions, it will be better to pass a resolution to that effect than to try to do so by the means advocated by the honorable member for Dalley. I hope that the information asked for will be set forth clearly and distinctly, and in as full detail as possible. The members of the Tariff Commission — of the nature of whose labours I know something—the members of the Navigation Commission, and other Commissioners, have done work and made sacrifices of the extent of which the people of the Commonwealth have very little idea.

Mr. LONSDALE (New England) [3.38].—I should not have risen but for the remarks of the honorable member for Darwin, whose statements were sufficient to condemn his arguments. The House is entitled to the fullest information on this subject, and if I had felt doubtful of the wisdom of my proposition, the speech of the honorable member for Darwin would have convinced me that my action was the right one. What I have to say in this House I am prepared to say to any one. It is known that I have not moved the motion from any wrong motive. I ask for the information so that it may guide honorable members in dealing with future motions for the appointment of Select Committees and Royal Commissions. I admit that those who have been members of such bodies have made great sacrifices, and the nature of those sacrifices will, as far as possible, be shown in the return. Many honorable members have given the whole of a recess and other spare time to the work of Commissions, and have had very arduous employment.

Mr. FISHER.—What the honorable member aims at is to secure economy.

Mr. LONSDALE.—Yes, and to prevent the increase of expenditure in this direction. A Commission or Select Committee should not be appointed to inquire into every trivial matter. I have been ready to accept any amendments which would cause the return to be more complete or clearer, and would prevent invidious distinctions. The remarks of the honorable member for Darwin regarding myself I treat with the utmost contempt.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

Resolved—

That there be laid upon the table of the House a return showing—

1. The number of Royal Commissions appointed during this and the preceding Parliament?

2. What are the names and subjects of such Commissions, and by which Administration they were appointed?

3. What are the names of movers and seconders?

4. What are the names of members composing them, and which of the States do such members represent?

5. What is the total cost of each Commission, giving details as to fees, personal expenses, printing, and other matters?

6. What is the total amount paid to, and what is the number of the attendances of, each member, and also the number of days each member was absent from his home, for which travelling expenses were received?

7. What is the aggregate cost of the whole?

ADMINISTRATION OF PAPUA: LIEUTENANT-GOVERNOR.

Debate resumed from 5th July (*vide* page 1077), on motion by Mr. WILKINSON—

That, in the opinion of this House, the present administration of British New Guinea is unsatisfactory; and, in the interests of good government and the effective development of the Territory, it is advisable that, on the issue of the Proclamation bringing the Papua Act into force, an Australian citizen, in close and recent touch with the aspirations of the Commonwealth and of the Territory, should be appointed Lieutenant-Governor.

Mr. WILKINSON (Moreton) [3.40].—It is not my intention to abuse the courtesy of the House in allowing me to continue my remarks in support of the motion by making a long speech. I asked for leave to continue chiefly to enable one or two honorable members whom I knew wished to speak to do so without being interrupted by an adjournment. Although I have received many complaints from residents in New Guinea, I have always made it a practice not to bring individual grievances before the House, because I think that they should be referred to the Ministers to whose Department they relate, and to the officers under them. Therefore, neither in Committee on Supply, nor on grievance day, nor on any other occasion, have I made these grievances public, and I do not intend to depart from that course to-day. It might, perhaps, have been better if I had spoken of want of proper administra-

tion instead of maladministration as the cause of the retardation of the development of the Territory. When a comparison is made between what has taken place there and what has taken place in other tropical countries, and in German New Guinea, there is very just ground for complaint. Personally, I think that it would be possible to formulate direct charges of maladministration since Sir William McGregor left. My chief object, however, is to endeavour to secure the appointment of an Australian as administrator of Papua.

Mr. DEAKIN.—On what special grounds?

Mr. WILKINSON.—Because I consider an Australian likely to be better fitted for the work than any one whom we can import from elsewhere.

Mr. LONSDALE.—Simply because he is an Australian?

Mr. WILKINSON.—Because Australians have done a great deal of pioneering work, and know what is required of the position. I call Australians, not merely those who have been born here, but also those who have made their homes here, and have helped to develop the country, and refer to men like the Jardines, who went out into the wilds of the Cape York Peninsula, the Mossmans, and others whose names are household words in tropical Queensland; men who have combated all the difficulties of tropical life and exploration. I advocate the appointment of a man who will be in sympathy, and in recent touch, with the aspirations of the Commonwealth, and able to bring a knowledge of the conditions to be faced to the task of developing Papua. I have taken some trouble to look into this matter, and I find that countries which require to be developed along lines similar to those that will have to be followed in Papua, instead of obtaining the men they require from Great Britain or America, come to Australia. The great Raub gold mines, the largest in the Malay Peninsula, were discovered and developed by Australians. Then, again, the Tronah tin mines, the largest in the world, are managed by an Australian, and all the shift bosses are Australians. The company say that they prefer Australians, because they are more resourceful and adaptable than are men of other countries. A short time ago an advertisement was published inviting applications from surveyors and civil engineers

for one of the Eastern countries, and stating specifically that Australians would be preferred.

Mr. DEAKIN.—We fill up every vacancy for surveyors and others by employing Australians.

Mr. WILKINSON.—The Government fill every position but the highest by engaging Australians. The Prime Minister is one of the most patriotic of Australians, and I am very sorry to notice that he has thought it desirable to approach Sir William McGregor upon the subject of again taking up the administration of Papua. I have the highest opinion of the work performed by that gentleman in the past, but I do not think that, in view of the future development of the Territory, his administration would be the best. He devoted his energies principally to the control and protection of the natives, and did not engage in work of a developmental character.

Mr. DEAKIN.—Matters had not then reached that stage.

Mr. WILKINSON.—I could not, even though I might wish to do so, say one word derogatory to the administration of Sir William McGregor, but I think that, seeing that we have found among ourselves men competent to fill the highest positions on the Judicial Bench and elsewhere—to say nothing of the fact that an Australian native is now Prime Minister of the Commonwealth—we should be able to select an Australian fit to act as Lieutenant-Governor of Papua.

Mr. DEAKIN.—Hear, hear; always given a suitable training.

Mr. WILKINSON.—I think that I am on safe ground when I claim the support of some members of the Government. I have here a copy of a speech delivered by the Treasurer at the Melbourne Convention, in 1898, in which he advocated the appointment by the Governor-General in Council of Lieutenant-Governors for each of the States. I notice further that you, sir, had something to say upon that question. The Treasurer went as far as language would carry him in advocacy of his proposal, and I think it will be admitted that, if we can find men amongst us fit to act as Lieutenant-Governors of States—much more important positions than that of Lieutenant-Governor of Papua—no difficulty should be experienced in carrying out my suggestion.

Mr. DEAKIN.—In the Territory there is much more to do, because the Lieutenant-Governor has no advisers, to relieve him of

responsibility, and will require to be an active official.

Mr. WILKINSON.—That is a phase of the question that will be dealt with by some honorable members who will follow me. I stated previously that I thought it desirable that the white settlers should have some voice in the choice of those who were to represent them in the Legislative Council. The Prime Minister assured me that two of the three persons who had been nominated would certainly be elected by the miners, if they had their choice. It is very easy to assume such a thing.

Mr. DEAKIN.—That is the information we have from Papua.

Mr. WILKINSON.—I realize that the Prime Minister is speaking in perfect good faith, and considers that he has good reason for the view he holds. I do not wish to labour the question, and I shall content myself by thanking honorable members for the courtesy which they have shown in permitting me to continue my remarks to-day.

Mr. BAMFORD (Herbert) [3.53].—Papua is in close proximity to the district I represent—in fact, under the new subdivision, a portion of my electorate obtrudes upon New Guinea waters. I have for a considerable time past taken a deep interest in the Possession, and I feel impelled to give the motion my hearty support. In view of the fact that the Government have opened up negotiations with Sir William McGregor, with a view to inducing him to again take up the administration of New Guinea, we may discuss the whole question without any special delicacy, so far as the acting administrator is concerned. I assume that Captain Barton will certainly be removed from his present position.

Mr. DEAKIN.—That does not follow.

Mr. BAMFORD.—I should imagine that it must follow.

Mr. DEAKIN.—Captain Barton has been an acting administrator.

Mr. BAMFORD.—So far as Sir William McGregor is concerned, I have nothing to say of him, except by way of commendation. I have read some of his reports, and I must admit that his conduct, at any rate in relation to the natives of Papua, was of the most admirable character. He acted most tactfully and carefully in all his dealings with them, and any little friction that may have taken place was not due to any fault of his. It must be recollected, however, that during the time Sir William McGregor was

administering the Territory no development took place, and the interests of the white settlers were to some extent disregarded. That complaint has frequently been made, and an old resident of the Territory, whom I met recently in Northern Queensland, told me that Sir William McGregor was very unsympathetic towards the miners and the white population generally. I should like to read an extract from a report, dated 30th March, 1886, and written by Mr. Seymour Fort, who acted as private secretary to Sir Peter Scratchley. There is much interesting reading in the report, but I desire to quote one very pertinent paragraph. Mr. Fort says—

Having been annexed, it is the duty of the annexing power to protect the natives.

No doubt Sir William McGregor carried out that policy.

It is doubtful if the country can ever be self-supporting. Nothing can be done towards systematically administering the country and developing its resources, until it is made an integral part of the Anglo-Australian political system, and the position of the officer administering its government, both with regard to the country itself, and also the authorities to whom he is responsible, shall have been more definitely determined.

I think that the position of the Administrator has been definitely determined by the measure recently passed by us, and that his responsibility has to a great extent been increased. Therefore, it is absolutely necessary that we should appoint as Lieutenant-Governor a man capable of administering the laws in the interests, not only of the natives, but also of the white settlers. In view of the past administration of Sir William McGregor, I do not think that he would be sufficiently in sympathy with the policy of this Parliament under the altered circumstances. If he did not go to Papua in the first instance with preconceived notions, he left it when the policy which he had initiated was in full swing, and it is only reasonable to suppose that he would still be imbued with the ideas he had when he departed from the Possession. We desire that the Territory shall be developed to a far greater extent than it has been in the past, and we shall not be content to perpetuate the policy pursued by Sir William McGregor. I wish to refer somewhat fully to the report prepared by Mr. Atlee Hunt. In his remarks, with regard to the policy for the Possession, he says—

It will be generally agreed that the time has now arrived when a goal should be set up to

Mr. Bamford.

the attainment of which the Government officials should be instructed to employ their best endeavours.

I do not think Sir William McGregor, in view of his past associations with New Guinea, would be the best man to act as is there suggested.

Mr. DEAKIN.—I am very much afraid that we shall not be able to secure him.

Mr. BAMFORD.—I do not regret that, but I hope that the cause has no relation to Sir William McGregor's health.

Mr. DEAKIN.—No; it is due to the Colonial Office.

Mr. BAMFORD.—Mr. Hunt continues—

In the following paragraphs I set out different policies that have at various times been suggested :—

- (a) Having achieved ownership, to remain content with the fact that foreign nations may not use the territory as a base from which operations against Australia might be organized and conducted.

This, he says, is impracticable. One suggestion which has been made is that the Territory should be handed over to a chartered company, and I am pleased to learn that Mr. Atlee Hunt does not indorse it. Another recommendation which he makes is that the natives should not be interfered with, and that the Government should limit their interposition to cases in which it is necessary to secure protection to white settlers. That has also been done to the fullest extent. I now come to the question of the land laws of the Possession. Owing to the courtesy of the Prime Minister, I have been afforded an opportunity of seeing some of the Ordinances which are now under consideration in this connexion, but, so far as I am able to judge, those which are at present in existence are ample, provided that the administration is what it ought to be. The fresh Ordinances which it is proposed to issue are very desirable indeed, so far as a layman can judge, but, of course, it must be understood that they involve a great many legal points. There is one matter, however, to which I must take exception. As honorable members are aware, we allow no freehold in land in the Possession. But leaseholds may be granted, and it seems to me something in the nature of a contradiction that a higher rate should be charged for a short leasehold than for a long one. I think that the reverse ought to be the case. If a man is given security of tenure he should pay for the advantage which he enjoys.

Mr. CAMERON.—Are any persons taking up the lands of the Possession under leasehold conditions?

Mr. BAMFORD.—I believe so, but the honorable member must recollect that the Constitution Act of Papua is not yet in operation. Mr. Hunt further says—

The colonization of a large territory, inhabited more or less thickly by a difficult race, is a serious task, and one whose completion must occupy many years; one, moreover, which, if it is to be carried out properly, demands the expenditure of substantial sums. In Australia millions have been and are being spent in opening up the country to prepare it for occupation. It would be unreasonable, therefore, to expect that we can open up Papua, a country where natural obstacles are far greater than in most parts of the Commonwealth, by spending a very few thousand pounds each year.

I desire to point out that if we increase the expenditure, as suggested by the loan of so much per annum for a definite period, it is very desirable indeed that the administration should be such as to inspire confidence in those who intend to invest their money in the Possession. I do not suggest that they would not have confidence in Sir William McGregor, but the development which has taken place has not been sufficient to justify the expenditure of very much money in developing new industries in the Territory. Mr. Hunt's report contains one very significant recommendation, which, I think, is worthy of the special attention of honorable members, particularly in view of the terms of the motion. Upon page 20, he says—

It is of course not money alone that is necessary, but I feel confident that we in Australia can find the men possessed of the foresight, industry, and ability necessary to guide this great enterprise to a successful issue.

I commend that statement to the notice of the Prime Minister and of those who oppose this motion. Great value has been set upon Mr. Hunt's report by the Prime Minister and others. That officer was specially despatched to New Guinea to investigate the conditions which obtain there, and to furnish a report, and when he states that we can find the men who are possessed of the necessary foresight and ability I quite agree with him. There is no reason for us to go further afield. Moreover, it is not fair for us to ask Sir William McGregor, at his time of life, to come from a temperate climate into a torrid zone, and to spend the remainder of his days there. It must be recollected that he is now well up in years—he must be

almost 60 years of age—and that he has spent most of his time in the tropics. Surely he deserves something better than to be sent back to New Guinea. Personally, I think that he should be granted a retiring allowance. At any rate, in his own interests it is better that he should not return to the Possession. As I have already said, the administration of the Territory in regard to mining has not been as sympathetic as it might have been. In referring to mining, Mr. Hunt says —

The matter has received my best consideration, and I have come to the conclusion that the mining industry ought to be encouraged, and that the best means of encouragement at the disposal of the Government is the establishment of a prospecting vote, to be employed as I have indicated. Further, that to provide the necessary funds an export tax on gold ought to be instituted.

Evidently the mining industry has not been fostered under previous administration to the extent that it might have been. There seems to have been in the minds of the administrators the idea that the native was being taken advantage of by the miner. I give credit to past administrators for having protected the natives in every way, but from information which I have received from men who have worked in the Possession the natives have been very well treated indeed. At any rate, there has been no attempt made to obtain their services through the influence of drink. The miner, equally with everybody else, has been careful to prevent the natives from obtaining intoxicants. Mr. Hunt, upon page 22 of his report, points out that certain things should be done — the assumption being that in the past these things have been neglected. All these comments constitute an indictment of past administration. Mr. Hunt complains that, owing to the easy conditions of life which obtain in the Territory, the natives there are becoming lazy and unwilling to work. He therefore suggests the imposition of a hut tax. I should strongly oppose any tax of that character. It seems to me that civilization is working in cycles. The imposition of a hut tax is suggested as a means of compelling the natives to work. In other words, they are to be required to work for the settlers, in order to obtain money with which to pay that tax. The object of the settler, I need scarcely point out, is to secure sufficient money to enable him to dispense with work, and it certainly seems curious that a man who is

able to dispense with work, owing to the conditions under which he lives, should be obliged to labour for an individual who desires to possess sufficient means to enable him to do without work. In South Africa, and in western Africa the imposition of a hut tax has produced great trouble, and I should be very sorry to see a similar tax levied in the Possession.

Mr. DEAKIN.—Should not the native pay something towards the cost of protecting him? We have stopped war in the Territory, and we give him perpetual peace and just tribunals.

Mr. BAMFORD.—But the native enjoyed the tribal wars in which he was formerly engaged. They were the spice of life to him. Moreover, it was not at his request that we have assumed certain duties. We have gone to the Possession quite voluntarily to occupy his land.

Mr. DEAKIN.—We give him a judicial system, and protect him from plunder.

Mr. BAMFORD.—But there are people who do not desire to be protected in that way. We are told that in India the British Administration has removed war, but we have reason to believe that the Indian would prefer to live under his own system of Government—as it previously existed—and be permitted to engage now and then in a row, and, in short, to cut his neighbour's throat whenever he felt inclined to do so. Mr. Hunt goes on to say—

An important question facing the intending New Guinea settler is, where he is to sell the product of his labours.

A few days ago when the honorable member for Lang submitted a motion in favour of abolishing the fiscal barrier which exists between Australia and the Pacific Islands, I objected to the inclusion of Papua. I did not object to the Tariff wall being entirely removed so far as Papua was concerned. I merely objected to the first portion of the motion, and I felt that if I allowed it to pass without dissent it might be held that I was desirous of seeing the fiscal barrier removed from the whole of those islands instead of from a part of them. I think that we ought to abolish that barrier so far as Papua is concerned. The Administration should provide bounties for the production of certain commodities—especially rubber. We should also enact that rubber shall not be exported anywhere but to Australia. A similar policy has been adopted by the United States in respect to the products of the Philippine Islands and of Cuba.

They have so framed their Tariff that not a pound weight of hemp can be exported from Manila except to the United States. We should be following a very good example if we provided that the products of New Guinea should be exported only to Australia. There is no doubt that there is a splendid field in Papua for the production of rubber and other tropical products. I do not think I need comment upon Mr. Hunt's report much further. He recommends that in future those to be employed in the public service of the Territory shall be between the ages of 21 and 25 years. That is a significant recommendation in view of the fact that the Government contemplate offering Sir William McGregor the position of Administrator. If it be desirable that only young men shall be employed in the minor positions of the public service of the Territory, it is surely equally desirable that young men should fill the superior positions. It may be urged that if a young man were appointed, he would have to gain the experience already possessed by Sir William McGregor, but we need not necessarily appoint as Administrator a gentleman not more than 25 years of age. We might materially increase the age limit without departing from the spirit of the recommendation. At the same time, I think that the suggestion is worthy of notice in this connexion. I do not propose to refer further to Mr. Atlee Hunt's report, but I have received most opportunely a letter from a valued correspondent in New Guinea, which I shall hand over to the Prime Minister, so that he may satisfy himself as to the *bona fides* of the writer. The gentleman in question has resided in Papua for twenty years, and, therefore, it is only reasonable to assume that he knows something of what is going on there, and that he should be competent to express an opinion as to what is necessary in regard to the future administration of the Territory. He complains that Mr. Atlee Hunt, during his visit to Papua, was, to some extent, under the thumb of officialdom. Having regard to the fact that Mr. Hunt's stay on the island was not a lengthy one, one can well understand that it was difficult for him to obtain information from other than official sources; but, at the same time, it is unfortunate that he could not go beyond them.

Mr. DEAKIN.—He did his best, but he admits that he had not an opportunity to see all whom he would have liked to meet.

Mr. BAMFORD.—My correspondent writes—

There are here two main causes for the state of affairs as they are at present found, viz.:—The unwillingness or incapacity of our Government to either open up the country itself, or to assist in any way even by information, or the making easy the acquirement of land to outsiders in their efforts towards that end. This, together with the pull back policy which has been always the object of our controlling mercantile firm, Messrs. Burns, Philp, & Co., has up to the present successfully prevented anything in the shape of settlement in the Possession.

It is, to say the least, peculiar that every one speaks of Burns, Philp, and Company's connexion with New Guinea in most condemnatory language.

Mr. DEAKIN.—They are giving a very much better service.

Mr. BAMFORD.—That is so, so far as the mail service is concerned, but the writer was referring to something more. He goes on to say—

That the Government service is utterly demoralized has been already shown in the Richmond and other cases, and at present all the departments seem conducted on the principle of "pull baker, pull devil." Our Lands Department seems to be in an utter state of chaos. As to what lands are available for settlement, no information can be obtained, nor is any description of the country or particulars as to where certain classes of country may be found available. The ridiculous system of delay that has been general has in many cases so disheartened would-be settlers that they have abandoned their intention, and sought investment for their capital in other parts.

He then proceeds to justify this statement by giving, not only his own experience, but that of another man who applied for land—

A. Gabriel, a coloured man, was granted a section of land, with building improvements. His improvements, he was told, were satisfactory, and when he wished to pay up the purchase money, he was told that notification would be sent him when his deed was ready, and he could pay then. He resided on the section for three years, and then went west. About a year after he had been here he received a notification to clear out of the section, and remove his house within 30 days, or the Government would throw it away.

I presume that that expression is commonly employed in dealing with coloured men—

I took the matter up, and went to Port Moresby, and after much trouble got the man his title. If this man had had no one to speak for him, he would have undoubtedly lost his land, as it was currently rumoured that some other party had been promised the land by a high official here. This was the matter over which the Richmond episode of the altering of minutes arose, and there seems little doubt but that Richmond was right in his allegation.

The House is aware of the nature of the allegation to which he refers—

Here is an instance where the Government not only waste a considerable sum of money, but fail to assist in providing profitable employment for the natives, which is now a most serious trouble here. We outside traders are always at a difficulty to find employment by which new tribes that we bring into connexion may be able to obtain trade. In New Guinea is found an unlimited supply of sago, more especially in this Gulf district. This is a food greatly esteemed by all the natives, and can be supplied in any quantity in a condition in which it will keep good for years. I have on three occasions written the Government on the matter, offering to supply at a price that would cost them about one half what they now pay for rice for the prisoners and the police, and the rice bill of New Guinea is a big item. Once I was deigned an answer to say that the Government did not want sago, other twice I received no reply. When the Governor (Captain Barton) was once west at Orokolo, he saw sago being dried by the missionary (the London Missionary Society use it throughout all their stations, manufacturing it at Orokolo, and from thence distributing), and asked him if he would supply the Government. Note the Government could not deal with a trader. He promised at a price arranged to send some five tons. He sent one ton, explaining that it was an order from His Excellency, and the officer in charge of the store department wrote back and told him to send no more, as he did not want to handle sago. These sort of things go to show that our present head of affairs is a man not strong enough for his position, and it is current talk that not he, but a certain unpopular Government official, is the actual power. This sago preparation is eagerly sought by all white men having constant native labour, and as before stated, is the food staple throughout the stations of the London Missionary Society. We have had in the Central Division a very dry season, and native gardens are failures. The Government will be in all probability compelled to supply some food assistance, and in April last to a village called Kaili, where, in addition to their food failure, they suffered by fire, the Government donated two tons of rice. Now, two tons of sago would have done just as well, would have cost half the money, and would have assisted in the only hope of holding these natives after they came under white influence, viz., the providing them with some congenial employment.

That is to say, it would have provided them with congenial employment in the cultivation of sago.

Mr. DEAKIN.—Sago is grown there.

Mr. BAMFORD.—Yes, it is indigenous to New Guinea. My correspondent continues—

Here is a trivial matter, but which shows how utterly careless the Government are as to how things go. Last year a number of boys went from this district to the Mambare to work; some few died. About a month since a Government officer visited us, and sought out the relatives of the dead boys for the purpose of

handing over the pay that had accrued. Now this pay is handed to the Government by the employer in cash, but when the money reached the native here, who, as a matter of fact, has not the remotest idea of the value of money, it was in the shape of Government cheques drawn on Brisbane. Two cheques came to me at the same time, one for 16s. 3d., and one for £5 14s. 11d. The natives simply knew they had a piece of paper that was worth something, and asked me to give them what I would for them.

It is absurd that a cheque should be given to a native on the island. In the eyes of these natives the two pieces of paper were exactly alike, but whilst one man received a considerable quantity of goods in exchange for his cheque, the other obtained comparatively few stores—

To the natives the two papers represented exactly the same thing, yet one man got only a few things, whilst the other became a millionaire, much to his astonishment. I have been amongst these people many years, and they know me, and were, I believe, satisfied that I had not robbed them, but it is not a position that is advantageous to a trader, and it is a most outrageous absurdity to pay almost uncaught natives in cheques upon Brisbane. One thing I was surprised to notice was that the cheques were not made payable to order.

Then follows something so uncomplimentary to the administration that I shall suppress it. I intend, however, to hand over the letter to the Prime Minister, and I hope that he will read it carefully.

Mr. DEAKIN.—Hear, hear.

Mr. BAMFORD.—The writer proceeds—

Absolutely nothing has been done in the way of making roads by the Government, and men who have to get inland have yet either to cut their own tracks, or use the native trails. Had the prison labour even been used for this purpose with any degree of common sense, by this time many parts of the interior would have been thoroughly prospected. Now there are no people here to do it. All who could have cleared out of the country, mostly financially broken, and all utterly disheartened.

That is owing to the maladministration—

Even round the capital there is not a decent road to be found—

For twenty years we have been spending considerable sums of money in British New Guinea. The first vote, to which Fiji and New Zealand contributed, amounted to £15,000. That grant was subsequently increased to £20,000, but notwithstanding these votes, and the expenditure locally of the revenue derived from British New Guinea, a considerable sum, there is not a good road to be found there—

Even round the capital there is not a decent road to be found, and it is a journey of pain

and discomfort, even from the town to the Government House. One of our most serious difficulties is the matter of the great expense and delay in getting our produce to Sydney.

That, however, is a personal matter to which I shall not refer. I would emphasize, however, the point that the writer is thoroughly competent to speak of the position in regard to the administration of New Guinea. Another matter with which I desire to deal relates to the petition from a number of white settlers which was presented to this House last session, and in which we were asked to grant elective representation and trial by jury to the white people of the Territory. If, when the Papua Bill was before us, I had been in possession of the information now at my command, I should have urged the Government to give the white settlers at least two or three representatives in the Legislative Council. They are honestly entitled to such representation. It has been clearly shown that the officialdom, such as exists in the Territory, is practically under the control of one man, and is not beneficial to the country. The white settlers are subject to great disadvantages, and if we gave them elective representation we should largely remove the feeling of dissatisfaction that now prevails. When the Bill was before us, however, we did not have that information which we ought to have possessed. As a matter of fact, we had no means of obtaining it unless we had paid a special visit to Papua, and that, of course, was out of the question, so far as the bulk of the House was concerned. But a suggestion has been made to the Prime Minister, by which elective representation can be extended to these men in a roundabout, although perfectly legitimate, way. If a plebiscite of the miners were taken, three of their number might be selected to make recommendations to the Prime Minister, and those who were nominated or elected might then be given seats in the Legislative Council of Papua. In that way I think we could get rid of the present dissatisfaction. It may be urged that the process would be a costly one, and should be provided for in an Act; but I do not think that it would be any more costly to initiate now than it would have proved if we had provided for it in the original Act. When at Townsville some time back, I was waited on by a resident of New Guinea, who pointed out to me that it would be a

great convenience if a bank were established at Samarai for the convenience of miners, traders, and others. I, therefore, wrote to the Prime Minister on the subject. He replied to my letter, and, later, forwarded me a copy of a letter received from the Administrator of New Guinea, together with the report upon the proposal of the Acting Treasurer of the Territory. The Administrator's letter is dated 5th May, and in it, referring to the report of the Acting Treasurer, he says—

It will be seen that he regards the establishment of any such bank here as impracticable, and I share his opinion. In paragraph 7 he hints at the possible feasibility of an arrangement to enable the Government to buy gold from the miners, or sell it for them on commission; but the objections he foresees to such an arrangement are sufficiently forceable, in my opinion, to render it undesirable.

The Acting Treasurer says—

I do not consider the establishment of a bank by the Government to be practicable.

To be of any use, branches would need to be at Tamata, on the Yodda, on Woodlark Island, at Samarai, and a head office at Port Moresby.

Only one bank is asked for, although this officer assumes that banks are required all over the Possession. I see no reason for so many. He continues—

The resident magistrates and assistant resident magistrates could not be expected to carry on banking business in addition to their other duties.

I have taken the trouble to look over the civil list of New Guinea, and it seems to me a very full one. In my opinion, there might very reasonably be additions to their present duties.

Mr. DEAKIN.—Magisterial functions occupy only a comparatively small part of the time of these officials. They are really administrators and residents, representing all the Government activities.

Mr. BAMFORD.—The Acting Treasurer continues—

One reason being that they could not give the close attention that is absolutely necessary for such a business, and another being that they know nothing about banking.

Possibly there are several other things about which they do not know much—

It would be necessary, therefore, that new officers should be got to perform the duties.

That is a very good suggestion. If we decided to establish a bank, it would, no doubt, be necessary to place in charge of it some one conversant with banking business. It is stated by residents of New

Guinea that a bank at Samarai would pay. The letter continues—

A great number of the miners lead a sort of hand to mouth existence, and depend on support from the storekeepers on the fields, who advance them stores on no security, and receive the gold found in payment.

It would be much better if the miners and traders could sell their gold for cash, and pay what they got into a bank, instead of having to resort to a system of barter. The Acting Treasurer is of opinion that—

The bank could not possibly meet half its expenses from commissions and exchanges, and I see no other business it could do.

The fact that none of the banking companies in Australia have thought it worth while to open branches in British New Guinea goes to show that there is nothing to be made at it.

It might possibly be arranged that the Government buy gold from the miners, or sell it for them on commission; but this would probably be considered by storekeepers and others to be a gross interference with "private enterprise."

That is a remarkable reason to put forward in an official document. The writer concludes—

To do anything else, however, in the way of banking seems to me quite out of the question.

The honorable member for Brisbane this afternoon dilated to some extent on the advantages of a Commonwealth note issue, and the proposal to establish a bank at Samarai affords an opportunity to take advantage of his suggestions. In my opinion, banking business might very well be provided for in connexion with the post office, something in the nature of a savings bank being established. At the present time, the miners have no way of banking any money received from gold, and thus saving it, and possibly they are inclined to spend it in ways which are of very little profit to them. In conclusion, I wish to make a strong appeal to the Prime Minister in support of the proposition that a man conversant with the conditions of New Guinea, who would go there as an enthusiast, though not filled with the enthusiasm of ignorance, shall be appointed to administer the affairs of the Territory. Whoever is chosen should be acquainted with the conditions of the country, and should be willing to bend his best energies to its development. I am perfectly certain that men who possess all the necessary acquirements for the post are to be found in Australia; men with the requisite tact, experience, and physique, who would be prepared to work

hard, and to shoulder all the responsibilities of the office. Such men would be much better able to satisfactorily acquit themselves of the duties attached to the position than would men taken from the Public Service of the old country, who would, to some extent, consider themselves in exile while at their post, who would find their surroundings uncongenial, and whose only desire would be to get away again as soon as possible. I am sure that if the motion goes to a vote, the House will carry it, and I hope that the Ministry will take that as an indication that honorable members wish to see an Australian appointed. I am certain that as capable a man is to be found in Australia, if proper search be made, as could be found elsewhere. I also wish to urge upon the Prime Minister the necessity of providing for trial by jury, at any rate, so far as the white settlers of New Guinea are concerned. Speaking as a layman, I think that there is nothing in the Act to prevent that being done. It could be provided for by an ordinance, and the people living there are entitled to it. I also trust that the honorable and learned gentleman will see if steps cannot be taken to provide for electoral representation. Recently, when in Cooktown and Cairns, I met men with whom this was a burning question. They regard it as a blot upon a democratic institution that this Parliament, which has been elected on the votes of the people of the Commonwealth, has not given representation to the residents in New Guinea. Practically all the white men living in New Guinea formerly resided in Australia, and most of them in Northern Queensland, and they desire to enjoy the electoral advantages to which they were accustomed in that State. I hope that this small boom will be granted to them.

Debate (on motion by Mr. HUME COOK) adjourned.

TOLL TELEPHONE SYSTEM.

Debate resumed from 19th June (*vide* page 1551), on motion by Mr. WEBSTER—

That, in the opinion of this House, it is necessary and advisable to adopt the toll or call system throughout the telephone service of the Commonwealth at the earliest possible date.

Mr. LONSDALE (New England) [4.42].—I wish to know from the Postmaster-General whether it would not be advisable for the Department to carry out experiments in connexion with automatic telephone systems, which seem to be successful in other parts of the world, judging by the

reports which have been put before us. These systems appear to be cheaper than other systems, and might very well be experimented with in connexion with some country town exchange. I believe that the honorable gentleman stated last session that a company controlling an automatic system was prepared to make an experiment at its own cost, though I do not know what would be charged if we adopted such a system. That, of course, would be a matter for consideration later on. We should, however, try to obtain the best system available. Telephone connexion is of the highest importance to people in country districts, because they are anxious to obtain information as quickly as possible, and to be put in easy communication with the outside world. The Department seems to throw every obstacle in the way of establishing these services. I referred upon the last occasion to a case in which the Department had actually refused a cash gift of £100 that was offered to induce them to establish a line in respect to which they required a guarantee of £22 per annum. Although the amount of £100 would have been equivalent to a five years' guarantee they declined to accept it.

Mr. AUSTIN CHAPMAN.—What became of that case?

Mr. LONSDALE.—The service has since been established, but I had to resort to certain steps which should not have been necessary. I do not see how the introduction of the toll system would help the people in the country to obtain new services, because at present they are called upon to pay according to the extent to which they use the service. They have to pay for each separate message. I think that in connexion with the telephone service a business balance-sheet should be made out, so that we might arrive at a clear understanding as to the actual cost of erection and maintenance. I am quite satisfied that the amount which persons in the country are asked to pay by way of guarantee in connexion with the establishment of trunk lines is in many cases exorbitant, and that the whole system requires to be improved. The principal trouble arises at present over the excessive initial cost, and I trust that the Minister will make the fullest inquiry into the matter, with a view to introducing desirable reforms. The charge for maintenance at the rate of 25s. per mile is also excessive. If a dozen wires are carried by the one

set of poles, the Department charge 25s. per annum for each mile of wire, or £15 per mile of line, and it seems to me that that is monstrous. If the Minister will give his serious attention to the requirements of the people living in the country districts, he will be remembered with feelings of gratitude long after he has left office.

Debate (on motion by Mr. HUME COOK) adjourned.

MAIL SERVICE TO EUROPE.

Debate resumed from 25th July (*vide* page 1819), on motion by Mr. AUSTIN CHAPMAN, *as amended*—

That this House approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons, Limited, for the carriage of mails between Adelaide and Brindisi, with the following modifications:—

That at the end of clause 3 the following proviso be added:—Provided that, in the event of the Postmaster-General requiring the "period of transit" on the voyage from Brindisi to Adelaide to be reduced to six hundred and twelve hours, the period of six hundred and twelve hours shall thenceforth be deemed to be the "period of transit" for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period.

That clause 15 be amended by inserting after the words "with the consent of" in the second proviso, the words "or subject to approval by," and by inserting after the word "Parliament" the words "by resolution."

Mr. WILKS (Dalley) [4.52]. — The Prime Minister opened his speech last evening by saying that he merely desired to make a few general observations. He then occupied an hour in adding his contribution to a debate which had already extended over two and a half days. He also informed us that the consensus of opinion in this House was that the contract embodied the greatest bargain that the Commonwealth had ever been able to make. If his statement were true, it should not have been necessary to occupy such a long time in impressing the advantageous character of the contract upon honorable members. I should like to know what power is possessed by the party by the name of Croker, who has signed the contract on behalf of Sir James Laing and Sons? The names of other well-known firms, such as Armstrong and Sons, and Vickers, Maxim and Company, and others were bandied about by the Prime Minister as among those connected in some way or other with

the mail contract. It should have been easy for the Prime Minister to ascertain by cable whether any of these firms were really at the back of Mr. Croker. The Prime Minister informed us that the proposed new steamers were to be of a tonnage of 11,000 tons, to maintain an average speed of 16 knots an hour, and that a considerably shorter service would be provided. But it seems to me that there are two sides to the question. Mr. Croker is reported to have made a very good thing out of the Butter Commission, and it cannot be claimed that he or those for whom he is acting are philanthropists. They are not going to rush in and build ships out of love for the people of Australia. They are lynx-eyed business men, and, judging by the reputation that Mr. Croker enjoys, we may presume that he considers he is in for a very good thing. It is rumoured that his scoop out of the pool will amount to £10,000. I do not wish to cast any aspersions upon Mr. Croker. I wish him good luck if he is keen enough to obtain such a large sum of money. I think, however, that it is absurd for honorable members to put a wreath round his head, and represent him as a philanthropist who has come to the rescue of the Commonwealth Government in this matter. I never knew of a case in which a mail contract was presented but that it was represented to be the best ever entered into. I am becoming rather tired of this kind of thing, and further proof must be produced before conviction will be carried to my mind. If the bargain is such a good one, it is remarkable that two and a half days should have been occupied in trumpeting its virtues. The Select Committee of the House of Commons which sat in 1902 to inquire into the whole question of subsidies, bounties, and subventions with regard to mail services stated that the question whether a subsidized mail service was, or was not, a good bargain could not very well be determined. Their reason for saying this was that the granting of a subsidy almost invariably shut out all competition. It was pointed out that the shipping companies themselves, by arrangement, did not compete at all, and consequently it was left to some proprietary to obtain the contract at their own price. That being the experience of a Select Committee appointed by the House of Commons only three years ago, the Government have no right to declare, as they do, that they have made a great bargain

on behalf of Australia. I admit that the statement that no tenders for the mail contract would be received, other than from the Peninsular and Oriental and Orient Steam Navigation Companies, has proved to be a myth. But nobody who had given the matter serious thought ever entertained that idea. A subsidy of £125,000 annually may not seem a very large one until it is closely analyzed. I propose to show that the contractors, and not the Government, have made a remarkably good bargain for themselves. They have entered upon an undertaking which will afford them an excellent investment for any of their loose capital. I need scarcely point out that £125,000 represents exactly 5 per cent. upon £2,500,000. To-day British consols are returning only $2\frac{1}{2}$ per cent., and I venture to say that the construction of the eight vessels which will be required to undertake our new mail service will not cost more than £312,500 each. At any rate, that sum will be much nearer the mark than any which has been mentioned during the course of this debate.

Mr. CARPENTER.—What about the cost of running the service?

Mr. WILKS.—I will deal with that matter presently. Surely the honorable member does not contend that in the running of their vessels the Orient Steam Navigation Company have had to depend entirely upon the subsidy which they have received from the Government. That is not their only source of income. The subsidy is merely in the nature of an assistance to them to run their vessels.

Mr. CARPENTER.—The honorable member is putting it simply as a matter of the payment of so much interest upon so much capital.

Mr. WILKS.—I am endeavouring to show the other side of the picture. All those who have previously addressed themselves to the financial aspect of the question have endeavoured to make us believe that we should go down upon our marrow bones, and thank heaven that the contractors have been good enough to tender, and to accept our subsidy of £125,000 annually. I am utterly tired of hearing that sort of talk. I contend that these speculative shipbuilders have made a very excellent bargain for themselves. The £125,000 which we are required annually to pay them merely represents the Australian subsidy to the new mail service. As I have already pointed out, it is equi-

valent to a 5 per cent. return upon a capital of £2,500,000, and I venture to say that £312,500 is a reasonable estimate of the cost of constructing each of the eight vessels which will be required to carry out the contract. Personally, I am absolutely opposed to the payment of any subsidy whatever in connexion with the carriage of our mails. I can quite understand that some thirty or forty years ago, when shipping communication between Australia and the old world was not what it is to-day, the payment of a subsidy was necessary. Of course, I have heard honorable members exclaim, "Oh, the press are unanimous in the opinion that a subsidy is necessary." To my mind that fact conveys nothing. It does not prove that the contract is either good or bad. It simply shows that the newspapers believe that certain facilities should be continued, and that the payment of a subsidy is necessary for the maintenance of our present oversea mail system. That is merely the opinion of some writer or writers who have no more opportunity of acquiring knowledge upon the matter than has any honorable member. I contend that the commercial classes are more interested in our mail contracts than are any other section of the community. But it is my duty to view this matter from a broad stand-point, and—seeing that the entire community will be called upon to contribute the proposed subsidy—I ask whether it is right that they should be taxed for the benefit of a particular section. In discussing other questions, some honorable members never lose sight of that aspect of the case, although they conveniently forget it upon the present occasion. No disability would be imposed upon the commercial classes if their mails were delivered here upon Thursday instead of upon Tuesday, because to-day all transactions of any magnitude are conducted by means of the cable. Business men have their advisers in the old country. The latter cable them as to the state of the market, and they are then advised whether they are to purchase or not. Consequently, I contend that the payment of a subsidy is in the interests or pseudo-interests of the commercial classes. Simply for the purpose of having our mails delivered upon a Tuesday instead of upon a Thursday the people of the Commonwealth ought not to be asked to continue the payment of a subsidy. The terms "subsidy," "bounty," and "subvention,"

all spell the same thing. They are pecuniary aids to some concern with which the Government are connected. The party to which I belong has been vigorously engaged in fighting the granting of bounties—

Mr. FISHER.—They intend to support every one of them.

Mr. WILKS.—The honorable member did not allow me to conclude. The party with which I am associated are opposed to bounties, subventions, and subsidies. I cannot understand any party in this House fighting for the continuance of a mail subsidy. As I have already declared, the time when Australia lacked shipping facilities has long since passed away. To-day our coast-line is penetrated by steam-ship companies from all parts of the world—companies which come here prepared to accept the risks of commercial competition. Yet we are asked to sanction the payment of a subsidy of £125,000 annually to a particular company, and we are told that we should go down upon our knees and thank the Government for having concluded the greatest bargain ever made on behalf of Australia. It took the Prime Minister an hour and a half to dilate upon that fact.

Mr. FISHER.—I do not see that in the contract.

Mr. WILKS.—The Prime Minister expects us to fall down and worship the Postmaster-General as a heaven-born genius of finance. Personally, I do not care to worship at the shrine of any idol. The Postmaster-General does not know definitely whether Messrs. Vickers and Maxim are at the back of the contractors. He merely knows that a gentleman named Croker is the agent for them. Mr. Croker is the very smart man who recently made £4,000 out of the Butter Commission, and Dame Rumour says that he will make £10,000 out of this contract.

Mr. FISHER.—He did good work in connexion with the Butter Commission.

Mr. WILKS.—I do not blame him if he can make such fat fees, but I do say that honorable members are blamable for regarding the proposed contract as an excellent bargain for Australia.

Mr. THOMAS.—What about the construction of the vessels which will be required to carry out the contract?

Mr. WILKS.—I will deal with that matter in due course. I have already shown that an annual subsidy of £125,000 is equivalent to a return of 5 per cent. upon a capital of £2,500,000. I now desire to

point out that the contractors will derive an equal amount in connexion with the mails from Egypt, Ceylon, the Straits Settlements, and the Pacific Islands. The revenue from those sources is estimated by the Orient Steam Navigation Company at about £125,000. In other words, the contractors will receive a subsidy of £250,000 yearly—which is equal to a return of 10 per cent. upon a capital of £2,500,000—for undertaking the proposed contract for ten years. We have been assured that a contract for a less period would not have recouped them for constructing such expensive vessels. I invite the House to look this matter fairly and squarely in the face. The leader of the Labour Party has told us that he would favour the limitation of the contract to a period of five years, but for the belief that if the period fixed were less than ten years, the shipbuilding firm concerned would not undertake the expense which the contract necessarily involves. It seems to me that as the result of the combination of the two services the company, with a ten years' contract, would just clear the capital cost of their fleet. The contractors are shrewd business men, and I am endeavouring to show that, instead of our securing a great bargain, an excellent bargain has been made by them. The difference between what we should have to pay for the carriage of our mails under the poundage rate system and that which we are to pay by way of subsidy is £80,000. In other words, under that system we could secure almost the same regularity of delivery at a cost of £40,000, so that we are asked to pay the additional £80,000 in return for the privilege of having an Australian mail service. The mere possession of a mail contract is a great advantage to a steam-ship company; it is an advertisement which materially assists them in obtaining passengers and freights. People naturally assume that the best service is afforded by a line of mail steamers, and as a rule that is so. In these circumstances, shipowners make a good thing out of the carriage of our mails, and that is an argument against the granting of a subsidy. The Postmaster-General has told us that, under this contract, we shall derive three advantages. In the first place, we shall have mail steamers of not less than 11,000 tons burthen; that, in the second place, we shall have an accelerated service; and, in the third place, we shall have a fleet of mail steamers flying the Australian flag.

The Prime Minister referred last night, with evident pride, to the fact that under this contract we should have mail steamers leaving this country flying the Australian flag. Apparently, for that privilege alone we are to pay £125,000 per annum. As to the condition that the steamers engaged in the service shall be of not less than 11,000 tons, the tendency to-day is to build large steamers for the sake of economy in the handling of cargo. It is well known that a large "tramp" steamer can be more easily worked than can three or four vessels aggregating an equal carrying capacity. The provision in the contract as to the size of the vessels, therefore, does not indicate that the Postmaster-General has made a very good bargain; it simply shows, as I have said, that the tendency of ship-owners to-day is to build large steamers in order to swell their profits. As to the reduced time of transit, I know very well that after a speed of fourteen knots is attained, the consumption of coal per knot is enormously increased, so that something more should be granted for an accelerated service; but I do think that the suggestion made as to the flying of the Australian flag is absurd. The Australian flag, unlike the Union Jack, has not associated with it centuries of traditions about which we can become enthusiastic, and another point is that, although these vessels are to be registered in Australia, that does not necessarily imply Australian ownership.

Mr. JOSEPH COOK.—We are to have the Australian flag floating over British vessels.

Mr. WILKS.—Exactly. The Prime Minister has told us that the policy of his Government is "Australia for the Australians," and that, under this contract, the mail steamers will be registered in Australia, and fly the Australian flag. When a vessel is registered in America it must be manned and officered by Americans, and must also be docked for repairs in America.

Mr. DUGALD THOMSON.—And built there.

Mr. WILKS.—Quite so. That is the policy of "America for the Americans," and, however weak it may be, it is, to say the least, honest. It means something more than the mere flying of the Australian flag over a British ship. The only Australian feature associated with the contracting company is "a party by the name of Croker," who will make a big commission out of the venture. If the Postmaster-General is so solicitous for the welfare of

Australia, as he would have us believe, he ought to have inserted in the contract a provision that the vessels of the service shall be manned and officered by Australians. So many of our laws have been fashioned on the pattern of American legislation that I am surprised that the Government failed when arranging the details of the contract to take as their guide the American practice to which I have referred. I am opposed to subsidies, believing them to be synonymous with bounties or subventions. In the course of a day or two we shall be called upon to deal with a Bill to provide for the payment of bounties on the production of certain Australian products. The raising of those products will not give employment to a great deal of labour, whereas the adoption of my amendment would lead to the employment of hundreds of men. We find the Government prepared to grant £125,000 per annum, which is equal to 5 per cent. on £2,500,000 to a foreign company—foreign in the sense that it is not Australian—in return for the carriage of our mails to Europe two days quicker than under the present system. For twenty-five years or more the Orient Steam Navigation Company has battled gallantly for Australia, and, without any legislation dealing with the subject, has employed only white crews. It is now to be left in the lurch.

Mr. JOHNSON.—Did it not have the same opportunity to tender as this company had?

Mr. WILKS.—I propose to state my case in my own way. For years the Orient Steam Navigation Company, without receiving any subsidy, did much to develop Australia, and, eventually, in return for a subsidy of £120,000 a year, they gave us a service which is only slightly inferior to that which we are to obtain under this agreement. When the Reid-McLean Government entered into a contract with the Orient Steam Navigation Company for the payment of that subsidy, many honorable members declared, through the medium of the press, that it was an iniquity. What has caused them to change their views? No one seems to be bold enough to do honour to a company whose services to Australia merit words of recognition—I refer to the Orient Steam Navigation Company. It is well known that that company has not behind it the capital which is said to be behind this supposed company. It

has for years struggled along under adverse conditions, and, according to the evidence of its representative here, has on many occasions not paid a dividend. In the first instance, it was, I believe, allied with the Pacific Steam Navigation Company, and is now in partnership with the Royal Mail Steam Navigation Company, most of whose boats trade from England to the West Indies. The Orient Steam Navigation Company appears to have been wholly a shipping firm, and not a shipping-cum-ship-building firm. It has had to buy its steamers from ship-builders, and to run the ordinary risks of the business. In my opinion, the company has been badly treated. I say that without knowing any one connected with it. The Postmaster-General has not told us whether it tendered for this contract, or whether it put in too high a tender. We should, however, exercise a good deal of caution before parting with an old friend to throw ourselves upon the mercies of a company of whose *bona fides* we know nothing. According to the Postmaster-General, Mr. Croker says that it is all right.

Mr. THOMAS.—Who is Mr. Croker?

Mr. WILKS.—That is what I wish to know. As I have mentioned, he has drawn a large amount of money from the Victorian Treasury, but beyond that I know nothing of him. £27,000 is not a very large sum to put down to cover a risk of over £2,500,000. No doubt, if the promoters find that they cannot profitably build vessels to carry out this contract, they will be prepared to lose that amount, and it may be that the honorable member for Parramatta was not far from the mark when he suggested that a concession is being obtained from the Government to be hawked through the London financial world. The eloquence of the Prime Minister last night did not remove from my mind the belief that there is reason for suspicion, because the Postmaster-General has not put beyond question the *bona fides* of the contractors. By communicating with the firms whose names have been mentioned, he could easily ascertain whether they are behind the proposal. In private business, no man would enter into an arrangement of this kind without cabling to ascertain the *bona fides* of those with whom he was asked to contract, and I do not know why the Government have not taken that course. Parliament will

shortly be asked to vote bounties for the production of rice, cocoa, coffee—

Mr. SPEAKER.—I ask the honorable member not to refer to that matter.

Mr. WILKS.—I wish to do so only incidentally. I was about to point out that the Commonwealth will get some return for the money proposed to be expended in bounties in the employment which will be given to our people by the establishment of industries, and in the development of the country which that will create. But for the proposed subsidy of £125,000 we shall get no advantage of that kind. It is stipulated that white men only shall be employed on the mail steamers, but there is not a provision requiring that Australian rates of wages shall be paid, and that the ships shall be manned by Britishers or Australians, and not by Dagoes, Scandinavians, and men of other races. The Labour Party, who are voting for the subsidy, will secure no return for the class which they represent, though the commercial community, on the other hand, will be benefited by the establishment of speedy and regular mail communication between Australia and Great Britain. I intend to move for the addition of a proviso in the contract requiring the construction or docking of the mail steamers in Australia.

Mr. AUSTIN CHAPMAN.—At what place?

Mr. WILKS.—I do not care, so long as the work is done in Australia.

Mr. McWILLIAMS.—Is there a dock in Balmain?

Mr. WILKS.—Several; and some Government docks very close to that suburb.

Mr. DUGALD THOMSON.—The principal Government dock is in my electorate.

Mr. JOSEPH COOK.—They are real, good, socialistic docks.

Mr. WILKS.—The honorable member for Parramatta will not be asked, in supporting the amendment, to depart from his free-trade principles, so far as any free trade principle exists in this House. The amendment does not raise the fiscal question. During the last five years we have been repeatedly told by the Prime Minister, the Attorney-General, and other protectionists, that we should support their proposals in order to get in a blow at the foreigner. They have said, "Do not admit foreign goods. Build up Australian industries, and keep Australia for the Australians."

Mr. ISAACS.—We do not desire to strike at foreigners, but we do not wish them to strike us.

Mr. WILKS.—I have been so influenced by the arguments of honorable members opposite that I wish now to strike at the foreigner, which, in this instance, means at the ship-builders who are carrying on their operations outside Australia. I desire that the proposed mail steamers shall be built in Australia. The supporters of the Ministry, when dealing with fiscal matters, have always regarded Great Britain as a foreign competitor, from whom our manufacturers should be protected, and, in this instance, I am prepared to do as they have taught us to do, namely, to strike a blow at the foreigner, especially as it will cost us nothing, since the vessels will be built at his expense.

Mr. THOMAS.—Why not build them ourselves, out of the money raised by Customs duties, which, we have always been told, is paid by the foreigner?

Mr. HUTCHISON.—Does the honorable member for Dalley term Britishers foreigners?

Mr. WILKS.—Those who are opposed to us invariably regard the people of Great Britain as foreigners, and the honorable member himself voted the other day to prevent them from dumping their goods in Australia. I ask him to assist me in having these vessels built here, especially as it will not cost the country any more than to have them built in England.

Mr. JOSEPH COOK.—Why should £4,000,000 worth of steam-ships be dumped in Australia?

Mr. WILKS.—That is a very pertinent question. I am turning the arguments of honorable members against themselves. Of course, I shall be told that the vessels cannot be built here, but the Postmaster-General has not tried to provide for that. The Prime Minister told us last night that the designs and plans for the steamers are to be submitted to a representative of the Government, with a view to satisfying him, I suppose, that the vessels will be of a certain type and character. Why should we not go further, and require that they be built in Australia?

Mr. HUTCHISON.—Should we make a dock at the Federal Capital to provide for that?

Mr. WILKS.—We already have the docks. No doubt some honorable members are afraid to support the amendment, because the work may be done in New South Wales. The other day, when a deputation which waited upon the Premier of Victoria was informed that wire netting is

not made here, although it is made in New South Wales, the members expressed a preference to have it made here by prison labour rather than use netting made in New South Wales. When we are told by protectionists that we should vote to give work to Australians, are we to understand that what is meant is that we should support only proposals protecting Victorian industries? I ask honorable members to deal with my proposal from an Australian point of view. I am prepared to allow these vessels to be built in South Australia, or in Victoria, if that is possible.

Mr. HUTCHISON.—Should not the honorable member have voted for the nationalization of the service before making this proposal?

Mr. WILKS.—I hear the little weak voice of the honorable member again. The Royal Commission, whose report he supported, made no such recommendation; but now he says, in his little piping way—

Mr. SPEAKER.—References to the personal characteristics of an honorable member are likely to be offensive, and should not be made. These expressions, therefore, are not in order.

Mr. HUTCHISON.—I do not mind the honorable member's rasping voice.

Mr. WILKS.—A Scotchman should deem it a compliment to be told that he has a piping voice. The Royal Commission did not recommend the building of these vessels in Australia. Protectionists have told us that the iron industry is the basis of all others, and should be amongst the first fostered in any country. Under these circumstances, I should like to know why the Government have not arranged that some, if not all, of the new vessels required under the contract should be built in Australia. I scarcely expect that my amendment will be agreed to, but I have put it forward as an expression of my view that the Government have not been sufficiently keen in giving effect to their protectionist principles in connexion with the framing of the contract. I am quite consistent, as a free-trader, in bringing forward such a proposal, because free-traders desire that industries shall be carried on in every hamlet. They object, however, to the whole of the community being penalized in order to foster certain enterprises. The Prime Minister has told us that we shall have the Australian flag at the masthead of the vessels engaged in the new service. But I should prefer to hear the ringing of thousands of hammers.

Mr. AUSTIN CHAPMAN.—Trade follows the flag.

Mr. WILKS.—Not in this case, because the vessels are to be built at the other end of the world. I admit that under present conditions it would cost more to build the large steamers required in Australia than in the old country, but any loss that might be incurred would not fall upon the Commonwealth. It may be urged that we have not the necessary mechanics to carry out the work here, but I believe that in Australia we have as expert men as are to be found in any part of the world. Most of the iron-workers in our various dockyards have come from the great ship-building establishments on the Clyde, at Belfast, and elsewhere, and have already taken part in the construction of ships in Australia. One vessel built in Sydney many years ago—I refer to the *Governor Blackall*—has yielded more service than, perhaps, any other steamer of her size in Australian waters. Those who think that the iron industry should be protected should not lose sight of the importance of the ship-building section of it. Under the operation of the Tariff, thousands of iron-workers have been thrown out of employment, and no class of workmen would appreciate a provision such as I have suggested more fully than those connected with the ship-building industry. In the United States of America it is compulsory upon ship-owners to build within that country the ships that they propose to employ in carrying on subsidized mail services. If the Postmaster-General does not see his way to insist that the new steamers shall be built in Australia, I trust that he will at least stipulate that they shall be docked within the Commonwealth. I find that the general conditions of tender contain the following provision:—

In order to determine whether the Postmaster-General may declare any mail ship unfit for service or whether the Contractor shall be able to show cause to the contrary a special examination shall be made of the hull and machinery of any such mail ship by such person or persons as may be mutually approved by the Postmaster-General and the Contractor, and his decision shall be binding on both parties.

Apparently, it is intended that the inspection shall take place periodically in the old country, and a highly-paid official will have to be employed to act on behalf of the Commonwealth. It is desirable, however, that the inspection should be carried out in Australia under the direct eye of the Commonwealth authorities.

Mr. FRAZER.—At Mort's Dock, for instance,

Mr. WILKS. — I do not care whether the ships are docked there or in any other Australian port. The honorable member may recollect that I voted against every protectionist item in the Tariff, and that I have never fought in the interests of Mort's Dock. We have a Government Dock at Sydney, and there is also a dock at Williamstown. I believe that it is intended to build a dock at Adelaide, and another at Fremantle. The Sutherland Dock, in Sydney Harbor, and Mort's Dock, at Woolwich, are capable of accommodating the largest vessels that visit our ports. We have been reminded of the great advantages conferred upon us owing to the large amount of money spent upon supplies for the mail steamers visiting our shores. I would point out, however, that no class of vessels spend less money than do the mail steamers. The bulk of their victualling supplies are drawn from abroad, and the money which they lay out here does not confer any special benefit upon the community. Eight steamers will be engaged in the new service, and if each vessel has two dockings per annum, sixteen dockings will take place every year.

Mr. THOMAS. — The honorable member opposed my amendment, which, if carried out, would insure the performance in Australia of all the work in connexion with the mail steamers.

Mr. WILKS.—But we should first have to nationalize the mail service. No one can say that the difference between the cost of docking in the old country and here would be so great as to endanger the contract, and I trust that the plea that I am now making on behalf of a large number of poorly-paid men, namely, the dock hands, will prove successful. I suppose that upon a steamer of 11,000 tons in dock it would be necessary to employ about 250 men for at least four days, and that if any repairs were necessary other labour would have to be engaged. The Government have told us that they are anxious to establish an Australian Navy, and, that being so, they should do everything they can to encourage the ship-building industry, so that we may be able to construct our own ships. If I chose to follow out the protectionist argument, I could show that the construction of the steamers amongst us would be beneficial not only to the iron-workers, but to many other classes in the community. Although we could not, with our present facilities, build the whole of the eight steamers required, there is nothing to prevent us from constructing at least two of

them, because many of our engineering shops are equipped with all the necessary plant, such as rolling mills, lathes, hydraulic riveting machines, and other appliances for turning out the most intricate work in connexion with a ship. The mere construction of the hull, although a vast work, is not a difficult one. Even though men might have to be imported to assist in carrying on the work of construction we should gain by the introduction of sturdy immigrants of a desirable class. Australian ship-builders could construct these vessels. I am very pleased to submit the amendment, because, to my mind, it is upon an altogether higher plane than is the proposal to sanction the payment of bounties upon tropical and semi-tropical products. I hold that the time has arrived when we should discontinue the payment of a mail subsidy. Australia is a country of so much importance that ships will come here for the trade which they can get without any inducement being offered to them in the shape of a mail subsidy. The American liners do not receive a subsidy from the United States Government, and the people of that country experience no difficulty in connexion with their mail services. I fail to see that the average elector of Australia will gain anything whatever from the proposed contract. I suppose that the number of persons in my electorate who are concerned in the delivery of postal matter from England is comparatively small. But every one of them is concerned in the payment of this subsidy. Included in their ranks are hundreds of men who have never faced a worse time than that which they have experienced since a protective policy for the Commonwealth was inaugurated. Here is an opportunity for the Government to put into practice their cry of "Australia for the Australians." Of course, I realize that the House will not support my amendment, but I do hope honorable members will agree that I have, at least, made out a sufficiently strong case for the work of docking these vessels to be done in Australia. Consequently I move—

That the following words be added:—"Provided that the proposed steam-ships shall be constructed or docked in Australia."

Mr. WILSON (Corangamite) [6.3].—I am very glad that one after another of honorable members who have been professed free-traders are gradually coming into line with the settled policy of Australia, namely, that of protection. I have noticed

that from time to time honorable members go wrong upon various points of their fiscal policy. For example, the honorable member for Maranoa went wrong upon bananas, the honorable member for Grev upon salt, the honorable member for Echuca upon three-legged gluepots, and now the honorable member for Dalley has gone wrong upon ships.

Mr. WILKS.—I believe in providing work for our own people.

Mr. WILSON.—The honorable member may put the matter in any way that he chooses. In common with every other protectionist in Australia, I desire to see all the work which can be done locally, at a reasonable price, undertaken here. I fail to see any reason why the ships required for the new mail service should not be built in the Commonwealth. At any rate, some of them should be constructed locally. The honorable member for Dalley has urged that the Postmaster-General might well agree to at least two of the vessels being built in Australia. I entirely agree with him. In regard to the second portion of his amendment, I see no reason why the vessels should not be docked in Australia. We know very well that the contractors for the new mail service have practically obtained from the Government a concession, and it is almost certain that they will assign that concession to some other firm. Almost of necessity that will be the case, because the present contractors will scarcely run a line of steam-ships in opposition to some of their best customers, for whom they have constructed ships. Consequently, they will get rid of this concession, and if an assignment of the contract is made, why should not the Australian capital which we have been told will be sunk in the enterprise, be spent in Australia? For many years we have been doing something in the ship-building line. Some honorable members appear to regard as a joke the suggestion that ships will yet be built at the Federal Capital. But as a boy I well recollect seeing a fairly large vessel built at the corner of Latrobe and Queen streets, Melbourne. It was placed upon a trolley there, and taken down Elizabeth-street to the bay.

Mr. POYNTON. — It must have been a pretty big trolley.

Mr. WILSON.—I admit that it was not an 11,000-ton vessel, but it was a vessel of fair tonnage.

Mr. WEBSTER.—Was it flat-bottomed?

Mr. WILSON.—It was neither flat-bottomed nor flat-headed. It was built of iron plates. As a lad, I also remember seeing vessels of a larger size constructed at Foreman's and other works. The steamers required to carry out the proposed contract could be constructed in Australia, when once their lines had been laid down. I know for a fact that all the knees, the keel, ribs, girders, and plates either can be obtained in Australia now or will be obtainable in a very short time, because very large furnaces are being established at Lithgow. We are all aware that the Postmaster-General and the Minister of Trade and Customs have exhibited great interest in the proposal to establish iron works in the Commonwealth. The amendment of the honorable member for Dalley affords the Government an opportunity to get some of these ships constructed locally. If they cannot see their way to fall in with that portion of his proposal, they might at least adopt the second part of it, which provides that the steamers shall be docked in Australia. Why should the work of docking them be done in the old country? Why should it not be done here regularly? I rose simply for the purpose of seconding the amendment of the honorable member for Dalley, which I hope will receive a large amount of support.

Mr. HUTCHISON (Hindmarsh) [6.11].—I am very glad that the honorable member for Dalley has been half converted to the principles which are held by the protectionists in this House. I intend to propose, by way of amendment to his amendment, the addition of the words, "in a Commonwealth Government dockyard." I desire to see the vessels which will be required to carry out the proposed contract constructed in a Government dockyard, for the reasons which prompted a Royal Commission in Victoria to recommend the construction of railway locomotives in the Government workshops.

Mr. JOSEPH COOK.—But if we have not the power to construct a dockyard, what then?

Mr. HUTCHISON.—If the members of the Opposition would only assist the Labour Party, we should be able to get the power to establish a Government dockyard immediately. I believe in consistency. Of course, there is not much consistency in the amendment which has been submitted by the honorable member for Dalley. We

know that it was moved for a certain purpose—

Mr. WILKS.—For what purpose?

Mr. HUTCHISON.—I do not care what the honorable member's purpose was, so long as the objective of his proposal is a good one. The honorable member for Corangamite has said that the steamers should be built in Australia if the work could be undertaken at a reasonable price.

Mr. JOSEPH COOK.—Where does the honorable member propose to insert his amendment?

Mr. HUTCHISON.—I propose to add, after the word "Australia," the words "in a Commonwealth dockyard."

Mr. JOSEPH COOK.—I have a prior amendment.

Mr. HUTCHISON.—Then the honorable member's proposal will be dealt with before my own. I agree with the honorable member for Corangamite that if the construction of these vessels is to be undertaken in Australia, the work should be done at a reasonable price. In connexion with the construction of railway engines, our experience leads us to believe that if we trust to private enterprise to build the vessels, we shall have to pay through the nose for them. I extract from the report of the Royal Commission which investigated the cost of making railway locomotives at the Phoenix Foundry, Ballarat, and at the Newport workshops, the following statement:—

Taking as a basis the actual cost of the "AA" class engines, which had been completed about this time by the Phoenix Foundry Company, and which ran out at about £80 per ton, Mr. Woodroffe estimated the cost of the thirty-nine "DD" class locomotives, if made by the Phoenix Foundry, at £191,138, which, as will appear, was almost exactly the amount at which the company tendered two months afterwards, namely, £190,437. He concluded his report by remarking that "£80 per ton I think altogether too high. I should be glad to send in a tender for these to be made at the Newport workshops."

If honorable members will take the trouble to peruse that report, they will find that twenty locomotives were manufactured at the Newport workshops, at an average cost of £3,945, as against the sum of £5,020 which was asked by the Phoenix Foundry Company, and £5,036 by the Austral Otis Engineering Company. If, under this amendment, we are to pay for our steamships at the same rate as we have to pay for our locomotives when constructed by private firms, they will cost us far more than they would if they were

built in a Government dockyard. The tender of a private firm for the construction of the twenty locomotives required by Victoria was £1,000 per engine in excess of the price at which the Government workshops were prepared to build them. I think that the honorable member for Dalley must come to the conclusion that a great saving would be made by the construction of these vessels in a Government dockyard.

Mr. DUGALD THOMSON.—I notice that the honorable member has not referred to the Fitzroy dock.

Mr. HUTCHISON.—I trust that we shall have a Government dockyard, conducted, not as the Fitzroy dock has been carried on—

Mr. DUGALD THOMSON.—Which is a Government dock.

Mr. HUTCHISON.—Not as the Lands Department of New South Wales has been administered—

Mr. DUGALD THOMSON.—Which is a Government Department.

Mr. HUTCHISON.—And not as many other Government Departments have been conducted, but that it will be carried on upon lines similar to those on which the Newport workshops are conducted.

Mr. DUGALD THOMSON.—In the way that Government institutions are conducted in South Australia?

Mr. HUTCHISON.—Exactly.

Mr. DUGALD THOMSON.—There is nothing like self-righteousness.

Mr. HUTCHISON.—The honorable member's interjection reminds me that in South Australia also private enterprise has done that which ought not to have been done. Some time ago it was decided by the Government of that State that a number of locomotive boilers should be constructed. Martin and Company, of Gawler, sent in a tender, but the Government—which, I am happy to say, is not in power to-day—would not receive it. After the tenders had been opened, that company was allowed to amend its offer, and it secured the contract at a sum £8,000 in excess of that at which the Chief Mechanical Engineer of South Australia was prepared to carry out the work.

Mr. DUGALD THOMSON.—That was Government enterprise.

Mr. HUTCHISON.—The Government workshops did not secure the tender.

Mr. DUGALD THOMSON.—But the Government of South Australia decided to accept the tender of Martin and Company.

Mr. HUTCHISON.—Their action in allowing that firm to amend its offer after

the tenders had been opened was, in my opinion, a most extraordinary and corrupt one. Engines have also been built in the Government workshops of South Australia, and I believe that the work done there will compare favorably with that carried out by private enterprise. Whether it be in Victoria, New South Wales, South Australia, or any other State, the advantages are all on the side of the Government workshops. The Phoenix Foundry, which tendered for the construction of the locomotives required by the Victorian Government, admitted that they were asking more than a fair thing; at all events, they were prepared later on to reduce their tender by 5 per cent. Notwithstanding that reduction, their price was £455 per engine in excess of the price at which the engines could be made in the Government workshops. Surely I have brought forward sufficient evidence to convince the honorable member for Dalley that if his amendment is a good one, it would be infinitely better if amended as I propose.

Mr. JOSEPH COOK. — The honorable member knows that he wishes to destroy the honorable member for Dalley's proposal. That is his only object.

Mr. HUTCHISON. — I challenge the honorable member to show that my proposal is not wholly in accordance with the principles I have advocated here and elsewhere.

Mr. JOSEPH COOK.—Quite so; and it is because they are impracticable that the honorable member makes this proposal.

Mr. HUTCHISON.—What is the motive of the honorable member for Dalley in moving this amendment? Has he moved it because he believes in it?

Mr. WILKS.—Yes.

Mr. HUTCHISON.—Is it in accordance with the honorable member's doctrine as a free-trader? Is it not the honorable member's doctrine that if engines, ships, or anything else, can be built cheaper in Japan than in Australia, they should be built there? I am glad that, like his leader, the honorable member is running away from his principles.

Mr. WILKS. — It would not cost the country anything if my proposal were embodied in the contract.

Mr. HUTCHISON. — Nor would my proposal cost the country anything.

Mr. JOSEPH COOK.—I hope that the honorable member for Dalley will run away from the definition of his principles given by the honorable member for Hindmarsh.

Mr. HUTCHISON. — The honorable member does not like it.

Mr. WILKS. — The honorable member could not get a pig in a fix, let alone any one in this House.

Mr. HUTCHISON.—I have not sought to place any one in a fix. The honorable member for Dalley, unless he has decided to follow his leader—the right honorable member for East Sydney—who has also abandoned his free-trade principles—

Mr. RONALD.—If he ever held any.

Mr. HUTCHISON.—The right honorable member for East Sydney is abandoning his free-trade principles if, as the honorable member for Southern Melbourne remarks, he ever held them. If the honorable member for Dalley is anxious to throw in his lot with the protectionists, I shall give him a hearty welcome. So far, however, he has gone only half way; I wish him to go on.

Mr. WILKS. — As a member of the Labour Party, the honorable member has never had any views on the fiscal question.

Mr. HUTCHISON.—I have always entertained a strong view with regard to the fiscal question. Although my party chooses to sink the fiscal issue, it does not call upon me to do so.

Mr. WILKS.—The honorable member has to sink it.

Mr. HUTCHISON. — Our party has much more freedom than honorable members of the Opposition appear to have. Whenever their leader cracks the whip, they have to do exactly what he desires. On the other hand, the members of the Labour Party are not asked to do anything of the kind. Notwithstanding all that the Opposition have said about the "caucus," when the division on the honorable member for Barrier's amendment took place last night we found a section of the Labour Party on one side and another section on the other side of the House.

Mr. JOSEPH COOK.—That was because a general election is pending.

Mr. HUTCHISON. — No; it was because the members of our party are not dominated by the caucus as the honorable member would have us believe. We have a freedom which the Opposition do not enjoy.

Mr. JOSEPH COOK.—During the last six months the honorable member's leader has been running away from Socialism as fast as he can.

Mr. HUTCHISON.—We were divided last night because we have a freedom

which the Opposition do not enjoy. The honorable member for Dalley would not have been allowed to move his amendment, but that it was thought that it would place the Labour Party in an awkward position. I am sure, however, that if it be amended as I propose, the Labour Party will be delighted to support it.

Mr. WILKS.—Will the honorable member give us a guarantee that his party will support it if it be amended as he proposes?

Mr. HUTCHISON.—I cannot say how many members of my party would support it; we are not bound by the caucus. My proposal has not been discussed by the caucus. I am free to vote as I please on any question which is not a plank in our platform. I am free to vote for or against the whole contract, and I claim that not only the honorable member for Dalley, but all those who think with him should agree to the addition which I propose to make to the amendment, since it would result in a great saving, and do much to further the interests of the community. I move—

That the amendment be amended by adding the words "in a Commonwealth Government dockyard."

Mr. WEBSTER (Gwydir) [6.25].—The speeches made this afternoon by the honorable member for Dalley and the honorable member for Corangamite might well be expected to startle any ordinary member of this Chamber.

Mr. WILKS.—The honorable member is an extraordinary member.

Mr. WEBSTER.—I realize that, although the honorable member is too dull to comprehend the fact that his assertion is not complimentary to himself. His statement that it would not cost the country anything to carry his proposal into effect might reasonably lead me to the conclusion that he has not studied the question. If the ships necessary for this service are to be constructed in Australia they will cost more than they would if built in Great Britain. Any one who knows anything about the conditions associated with the building of vessels of this character will recognise the force of my contention. The honorable member for Dalley, however, assumes that they could be built here as cheaply as in the ship-yards of England.

Mr. WILSON.—I do not think that any one made that statement.

Mr. WEBSTER.—I am not discussing the speech made by the honorable member for Corangamite, because there was nothing in it calling for comment. When the honorable member for Dalley makes such an assumption—

Mr. WILKS. — I did not assume anything.

Mr. WEBSTER.—The honorable member said that it would cost us nothing to give effect to his proposal.

Mr. WILKS.—I said that it would cost the contractors something, but not the people of Australia.

Mr. WEBSTER. — If the honorable member desires to impose such a condition he might just as well vote against the contract, because it is absurd to suggest that the building of these ships in Australia, instead of in England, would not result in additional expense. If the honorable member thinks that he is going to throw dust in the eyes of the people, and make them believe that the contractor and not the public would have to bear the additional cost, he must be very innocent. If such a proposal were practicable I should support it.

Mr. WILKS.—Is the honorable member opposed to my proposal in regard to the docking of the steamers in Australia?

Mr. WEBSTER.—Decidedly not. I think that that work ought certainly to be carried out in the Commonwealth.

Mr. WILKS.—The contract does not provide that it shall be done here.

Mr. WEBSTER.—I think that, apart from anything that may appear in the contract, the docking of these steamers will take place in Australia.

Mr. WILKS.—The mail steamers are not docked here at the present time.

Mr. WEBSTER.—The honorable member overlooks the fact that this is to be an Australian line of mail steamers, and that it will mark a new era in Australian development. It is going to carry the Australian flag, to employ Australian seamen, and to make practically a special business of the carriage of Australian produce. According to the Prime Minister, who is an authority on everything Australian, all that is essentially Australian is going to be done here, and therefore one might naturally conclude that the docking and repairing of these steamers would be carried out in the Commonwealth. The amusing feature of the amendment is that it came from a member of the Opposition. I cannot understand why the honorable member for

Dalley has seen fit to put such a proposal in the political shop window for the observation of those before whom he will shortly have to go.

Mr. WILKS.—The honorable member spoke just now of my innocence.

Mr. WEBSTER.—I know that it is characteristic of the honorable member. His proposal shows how well he is able to judge of what is essential for New South Wales.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. WILKS (Dalley) [7.30].—The honorable member for Hindmarsh has moved as an amendment to my amendment the addition of the words "in a Commonwealth Government dockyard," but I presume that he means that the vessels shall be constructed and docked under Commonwealth direction. I would point out to him that ships are docked, not in dockyards, but in docks, and are constructed, not in docks, but in dockyards. In Australia, we have both private docks and a State dock; but I do not care whether the vessels performing this service are docked in a private or in the State dock. All I ask is, that they shall be docked in Australia. The Commonwealth does not possess a dock, so that the intention of the honorable member for Hindmarsh could be carried into effect only by the construction of a Commonwealth dock, the purchase of one of the private docks, or the acquisition of the New South Wales Government dock. It would take about four years to construct a dock of the dimensions necessary for the docking of a vessel of the size of those which are to be used in the proposed service, and this service is to be begun within less than two years. Therefore, the honorable member's proposal is impracticable. Furthermore, if an attempt were made to carry it out, the jealousies of the States would at once be aroused over the question of the situation of the Commonwealth dock. The honorable member, moreover, seems not to have fully stated his intention. I presume he desires that these vessels shall be docked in a Commonwealth dock by Commonwealth officers. To do that, we should have to create a special staff, although at the present time we do not employ Commonwealth officials even for such small matters as the repairing of windows. If his amendment were carried as it stands, something similar to what occurs in New South Wales might

take place. There the State leases its dock at so much a day, and private persons contract to carry out the repairs required by the vessels which are docked. No doubt, the honorable member, in moving the amendment, was as serious as I am, but while his proposal is impracticable, all I ask is that the vessels shall be docked in Australia. I do not wish to make it impossible to perform the contract by absolutely insisting that they shall be built here, though, sooner or later, we must commence ship-building operations on a large scale, and I should like the Postmaster-General to try to secure the building of one or two of these steamers in Australia.

Mr. JOHNSON (Lang) [7.37].—I do not know if we are expected to take either amendment seriously, because neither imposes practicable conditions. The vessels which are to perform the new mail service must commence running within eighteen months from the present time. I ask the honorable members for Dalley and Hindmarsh if they know of the existence in Australia of facilities for the construction of vessels of 11,000 tons register. I claim to be fairly well acquainted with what has been done in the ship-building way here, and with the facilities available for the construction of vessels; but I do not know of any ship-building yards in the Commonwealth sufficiently capacious for the construction of steamers of so large a size, nor of the existence of the plant necessary for the work. It is not for me to assume that either honorable member wishes to make the contract impossible of performance; but that would be the effect of carrying either amendment. Before the Commonwealth could commence the building of vessels of the size contemplated, it would have to acquire land of sufficient area and situated suitably for the purposes of a dockyard. Then it would have to enter upon the erection of necessary buildings, and to import appliances and machinery for the carrying out of the work in hand. This alone could not be done within two years. Nor could a private firm make similar arrangements within any shorter period. Furthermore, it would be necessary to bring here large numbers of skilled workmen, and men of great experience in touch with the most modern ideas and developments in the ship-building trade to supervise their operations. Some of our enthusiastic protectionist friends may vote for the

amendments, because, from their point of view, it does not seem to matter how difficult or expensive an undertaking would be, or whether it would pay or not, so long as it is carried out in Australia. Those who hold the view that all work incidental to Australian enterprise should be performed in Australia have been placed in a rather difficult position by the moving of these amendments, because they favour the ratification of the proposed contract, and know that the carrying of the amendments would make it impossible to have the conditions of the contract performed. Under the circumstances, the best thing that can be done is for the honorable members for Dalley and Hindmarsh to withdraw their amendments, and let us deal with the terms of the contract seriously.

Mr. CARPENTER (Fremantle) [7.45].—I do not know whether I am justified in occupying time in discussing the amendments. I am not certain that the honorable member for Dalley was serious when he moved his amendment.

Mr. WILKS.—I am as serious as usual.

Mr. CARPENTER.—That may not be saying much, because the honorable member has some reputation for jocularly, and therefore we never know whether or not to take him seriously. The impression is gaining ground that the amendment has been moved with a view to embarrass the Government, but I should not like to accuse the honorable member of having any such object. I would point out, however, that he is proposing to add to the agreement a condition which would assuredly prevent it from being ratified. I feel very strongly upon the question of having our work done in Australia, and I do not wish to see the subject trifled with. If I thought that the amendment would serve any good purpose I should certainly support it, but I feel that it would only place obstacles in our way. If the amendment is pressed I shall support the honorable member for Hindmarsh in amending it.

Mr. MCCAY.—The proposal would then be more impracticable than ever.

Mr. CARPENTER.—That is a matter of opinion. The honorable member for Dalley is evidently not an expert in the matter of docks and dockyards. He has endeavoured to make it appear that a dock and a dockyard are so distinct that the honorable member for Hindmarsh does not know what he is proposing. There would be no more difficulty in establishing a Commonwealth dockyard than in building in

Australia the ships to constitute the new mail fleet. The establishment of a Government dockyard is bound to be brought about in the very near future. I believe that we shall very soon have the nucleus of an Australian Navy, but the equipment of a dockyard for the purposes of building a mosquito defence fleet would be a simple matter compared with the establishment of the works necessary to enable us to build large sea-going vessels. The time may come when we shall have to enter upon the construction of large steamers, but we had better begin by merely making provision for the building of the vessels essential to our defence. I shall vote against the amendment unless the honorable member for Dalley consents to the addition of the further words proposed by the honorable member for Hindmarsh. I should prefer to see both amendments withdrawn, because the question is too big to be adequately considered at this stage.

Mr. KELLY (Wentworth) [7.51].—The honorable member for Fremantle is apparently amazed at the want of practicability of the proposal of the honorable member for Dalley, and yet he suggests that it should be made still more impracticable by the addition of the words proposed by the honorable member for Hindmarsh. It seems extraordinary that a member of the Labour Party, and a pillar of the protectionist party, should accuse an honorable member of jocularly because he brings forward a proposal under which work would be provided for thousands of Australian workmen.

Mr. HUTCHISON.—Does not the honorable member think that, under the honorable member for Dalley's proposal, private dock-owners would be able to fleece the taxpayer?

Mr. KELLY.—Honorable members of the Labour Party appear to be unwilling to permit any one to make a profit out of their enterprise.

Mr. HUTCHISON.—We want to secure the profit to the taxpayer.

Mr. KELLY.—I am not supporting the amendment, but am merely expressing my astonishment at the attitude of certain honorable members, who pose as protectionists, who claim to be supporters of Australian industry, who are always waving the Australian flag, and who advocate the construction of an Australian Navy. They are now characterizing as frivolous and jocular a proposal that would undoubtedly develop Australian docking facilities, and

give employment to thousands of our workers, although that result would certainly be brought about at the expense of the general taxpayer. The honorable member for Fremantle seems to think that it should be our main anxiety to secure a locally constructed navy, and therefore I cannot understand why he should oppose a proposal such as that brought forward by the honorable member for Dalley. If I were a protectionist, I should be delighted to support the amendment, which is more worthy of attention than are many of the proposals brought before us from time to time. I am not a protectionist, however, and I desire that every enterprise should stand by itself. I do not wish to see any section of the Australian people benefited at the expense of the whole community. Moreover, I desire that the contract should be ratified. Although I am frankly astonished at the attitude of some of my honorable friends in the Labour corner, I feel that, for the moment, they have become staunch free-traders and advocates of private enterprise.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General) [7.55].—I should like to ask the honorable member for Dalley whether he intends to persist in his amendment. Many reasons have been urged against it. First of all, with regard to the building of the mail steamers within the Commonwealth, we all know that honorable members of the free-trade party have rendered it impossible to comply with any such condition, because they have consistently opposed measures designed to encourage our local industries. Personally, I should be delighted if we could build the steamers here, and I hope that, when the protectionist policy has become more firmly established amongst us, we shall be able to undertake work of that kind.

Mr. WILKS.—Will the Minister arrange for the docking of the ships within the Commonwealth?

Mr. AUSTIN CHAPMAN.—Does the honorable member seriously contend that, in the event of a ship urgently requiring repairs when at the other end of the world, the contractor should be compelled to bring the vessel on to Australia before taking it into dock?

Mr. KELLY.—The ships would have to be refitted after every round voyage.

Mr. AUSTIN CHAPMAN.—The contractors will no doubt arrange to refit their

ships wherever it is most practicable to do so, paying due consideration to the time available. It is very easy for honorable members opposite to laugh and waste time.

Mr. KELLY.—I rise to a point of order. The Minister has just accused honorable members on the Opposition benches of having wasted time.

Mr. SPEAKER.—If the honorable member feels personally aggrieved, I am sure that the Minister will withdraw his remark.

Mr. JOHNSON.—If we provide docking facilities, and our prices are reasonable, the contractors will take advantage of them.

Mr. AUSTIN CHAPMAN.—I am assured by the agent for the contractors that when necessary the vessels will be docked in some Australian port at which the best facilities are offered.

Mr. WILKS.—Do I understand that the agent for the contractor stated that whenever possible the vessels would be docked in Australia?

Mr. AUSTIN CHAPMAN.—Yes, when necessary.

Mr. WILKS.—Then I am satisfied.

Mr. AUSTIN CHAPMAN.—Then I trust that the honorable member will withdraw his amendment.

Amendment of the amendment negatived.

Amendment negatived.

Mr. KNOX (Kooyong) [8.0].—As I am anxious to see this business disposed of to-night I do not intend to delay the House by making a long speech. My feeling in the matter is that if the terms of the proposed contract are faithfully carried out the Government are to be complimented upon having secured a most satisfactory agreement from the stand-point of the Commonwealth. Indeed, I think that all parties to the contract are deserving of congratulation. I think that Mr. Croker—whose name is attached to it—merits commendation for having been a party to an instrument the results of which ought to be favorable to the whole community. There is no doubt that when the terms of the contract were first made known, considerable apprehension was felt by many persons in regard to its conditions—apprehensions which the clear statement made by the Prime Minister last night effectually removed. When he intimated that the agreement did not mean the payment of £27,500 for a twelve months' option to

carry the mails of the Commonwealth for a period of ten years, and that other large firms besides Sir James Laing and Sons were interested in it, I, in common with many others felt considerably relieved. I submit that during the course of this debate many valuable suggestions have been made which are deserving of the consideration of the Government. That modifications in the contract may be made has been conclusively shown by the Ministry themselves making two amendments in it. I desire to say that, in my opinion, we ought to make perfectly clear what is meant by the term "registered tonnage." I do not believe that that term—as it is used in the contract—is intended to mean anything other than the gross carrying capacity of the vessels. But as the position is capable of being misunderstood, I invite the attention of the Government to section 78 of the Merchant Shipping Act, which reads—

In the case of any ship propelled by steam or other power requiring engine room, an allowance shall be made for the space occupied by the propelling power, and the amount so allowed shall be deducted from the gross tonnage of the ship ascertained as in the last preceding section mentioned, and the remainder shall (subject to any deductions hereinafter mentioned) be deemed to be the registered tonnage of the ship, and that deduction shall be estimated as follows (that is to say)—

- (a) . . . and in ships propelled by screws in which the tonnage is above 10 per cent. and under 20 per cent. of the gross tonnage, the deductions shall be 32-100ths of the gross tonnage.

The contract provides for vessels of 11,000 registered tons, but if it is the gross tonnage which is referred to in the agreement, the vessels would require to be more than one-third larger than that. In the Act from which I have quoted there are a series of rules which set out the manner in which the tonnage of a vessel is to be measured, and which show what constitutes "registered tonnage." I have no desire to enter into the details of the question, but I submit that, inasmuch as the Government are prepared to make some modifications in the contract, the term "registered tonnage" should be clearly defined, because it is quite certain that it is capable of misconstruction.

Mr. JOHNSON.—We do not want the vessels to be of a smaller size than those for which the contract provides.

Mr. KNOX.—The whole spirit of the agreement is that the vessels should contain 11,000 tons of space for the purposes indicated under the Merchant Shipping Act. The Prime Minister has stated that the contract, in providing for the construction of vessels of 11,000 tons registered tonnage, means what it does mean; but we should make the position perfectly plain. People would then know what class of steamers we are to secure under the proposed contract.

Mr. JOHNSON.—The Prime Minister told us that they will be larger vessels than those which are at present employed in carrying our mails.

Mr. KNOX.—They will be very much larger vessels. However, it would be idle for me to debate the question, seeing that there are honorable members in this House who are associated with shipping matters, and who have a much more intimate knowledge of them than I possess. The point which I desire to emphasize is that there is a clear difference between the registered tonnage and the net tonnage of any vessel. If the steamers which are to be employed under the new contract are to be of 11,000 tons "registered tonnage," plus the deductions to which I have already referred, they will be very large vessels indeed. I share the Prime Minister's regret that a suitable arrangement was not arrived at with the States in regard to the freights chargeable by these vessels for the carriage of perishable products. I do suggest to him that the opportunity is still open to obtain control of the space available for the carriage of those commodities by inserting in the contract a provision that not more than a certain price shall be charged for it, so as to prevent the possibility of our producers being "squeezed." It would be a decided advantage if some arrangement of that kind were arrived at. There is still another matter which might have been dealt with in this contract. As honorable members are aware, strong efforts have been made in Great Britain to reduce the Suez Canal charges. This matter has received a good deal of attention at the hands of commercial bodies in the old country. I hold in my hand the last annual report of the Liverpool Steam-ship Owners' Association, which contains the following statement:—

Last year the country received in dividends upon its holding in the shares of the Suez Canal Company the sum of £900,000. The country has, therefore, now received £9,500,000 in return

for its original investment of £4,000,000. The whole of the first cost to this country of such shares, with interest at the rate of 3½ per cent. per annum, had been repaid out of dividends received before the end of the year 1890. Since that date the country has received, with last year's dividends, a sum of upwards of £5,500,000, three-fifths of which has been paid in dues by British vessels using the Canal. These extraordinary profits are only made by the levy of charges which exceed by 100 per cent. the cost of working the Canal, and the association submit that means should be found by which this country's share in such extraordinary profits should be applied for the benefit of the trade from which they are drawn.

Feeling that we should endeavour to reduce the cost of the means of communication between Australia and the mother country by every means in our power, I think that the Government might have embraced this opportunity to draw particular attention to the serious nature of the charges which are imposed upon vessels coming to the Commonwealth by the Suez Canal route.

Mr. DEAKIN.—Those representations are in the hands of the British Government now.

Mr. KNOX.—I am very glad to hear it. That being so, the point has not escaped the attention of the Prime Minister, and, if any reductions of that character are made, the contractors may reasonably be expected to give the Commonwealth the benefit of the saving thus effected. It is obvious that during the currency of the proposed contract it might aggregate a very considerable sum. I ask the Prime Minister to give this matter his serious consideration. Last evening the honorable and learned gentleman, by his able exposition of the terms of the contract, dispelled many objections which were previously entertained to it. He demonstrated to the House—and I make the statement without derogating in any way from the work of the Postmaster-General and of the Vice-President of the Executive Council, who acted for him during his absence in Europe—that he had followed very closely every detail connected with the contract.

Mr. McCOLL.—I think that he has done all the work.

Mr. KNOX.—He showed such a close knowledge of every detail that it is evident he has been co-operating with the Vice President of the Executive Council, who acted as Postmaster-General during the absence of the Ministerial head of that Department, throughout the progress of the negotiations. I also desire to say that

I am very sorry our old friends, the Orient Steam Navigation Company, are not interested in the new contract. At the same time, we, as large exporters, must embrace every opportunity which presents itself of improving the means of communication between Australia and the motherland, and of securing reduced charges for the producers. There is another matter to which I desire to call attention. We find in the contract provisions relating to the supervision to be exercised by representatives of the Commonwealth over the construction of these steamers. If skilled men are to be intrusted with the work of supervision considerable expense must be involved. In the first instance, the plans are to be submitted to a Commonwealth officer. A mere cursory examination of those plans by representatives of the Commonwealth would be of no advantage to us. It will be necessary for us to employ a recognised authority to insure that our requirements are properly attended to. I should have been glad to hear the Prime Minister state last night what the Government intended to do in this regard. It must be recognised that if the supervision is to be complete considerable expenditure will be necessary. I trust that careful consideration will be given to the requirements of Australia in respect to the carriage of perishable products—that care will be taken to see that every facility is afforded for the carriage of our fruit and other perishable products, under the most approved conditions, to the markets of the old world. I recognise that the contractors themselves, as business men, are likely to take every precaution, but a well-informed officer might be able to give the ship-builders very important advice as to what we require. Various matters to which I intended to allude were dealt with last night by the Prime Minister, who removed many of the objections which some honorable members entertained to the scheme. I trust that the contract will be satisfactorily carried out, and that the fears which have been expressed in many well-informed circles will not be realized. I hope that, as a result of this contract, we shall have a new and fully equipped line of steamers engaging in the Australian oversea trade. Such a service would be hailed with satisfaction by the producers of Australia, who are, after all, at the foundation of our wealth and progress, and whose interests should therefore be considered. Throughout this de-

bate, there has been a tendency to assert that a saving of a day or two in the time of transit is not very material. One of the principal representations by people in Great Britain doing business with Australia is that the voyage is a very long one, and every reduction that we make in the time of transit must tend to improve our position. The more we curtail the time occupied in making the journey between Australia and the old country, the closer shall we come in touch with the rest of the Empire, and the sounder will our position become. If the contract be carried out it will reflect the greatest credit on both parties—on the Government and those instrumental in arranging it here. I trust that no time will be lost in ratifying it. I have been requested by the honorable and learned member for Parkes to move the amendment, of which he has given notice. Notwithstanding our friendship, I should not have undertaken this task had I thought that it would tend to impede the making of this contract. I believe that I express his own views when I say that he, too, is desirous of seeing the agreement carried into effect, and at his request I propose, by leave, to somewhat modify the amendment, as printed, by substituting for the words "without any extra expense," which appear in paragraph 1, the words "at a sum to be named in the contract." I should have preferred the amendment to commence, "That this House is of opinion that the following modifications should be secured," and so forth, so that, whilst the proposed modifications would receive consideration at the hands of the Government, they would not be absolutely mandatory, or interfere with the acceptance of the contract. However, I shall move it in the form proposed by the honorable and learned member for Parkes. My honorable and learned friend contends, very justly, that Brisbane should be made a port of call, so that the people of Queensland would enjoy the same privileges as other States, at the expense of the whole Commonwealth, since it has to contribute *pro rata* to the subsidy. Such a determination on the part of this Parliament would show that it was desirous of allowing all the States to participate in the advantages of the service, to the cost of which they all contribute. Last year an arrangement was made between the Government of Queensland and the Orient Steam Navigation Company, by which the vessels of that company made Brisbane a

port of call. It would have been well had it been provided in this contract that the steamers, which I think are likely to make Sydney the terminal point, should go on to Brisbane. Honorable members ought to realize that Queensland is destined to be, if not the best, certainly one of the best of our States. Its natural advantages are illimitable, and I therefore agree with the honorable member for Oxley that the requirements of its people in this regard should receive consideration. There ought to be something in the contract to indicate that it is intended that these steamers shall call at Melbourne, Sydney, and Brisbane.

Mr. R. EDWARDS.—It is not too late to secure such an amendment.

Mr. KNOX.—I do not think it is. It is for that reason that the honorable and learned member for Parkes has requested me to submit his amendment.

Mr. McWILLIAMS.—Tasmania not only fails to secure the calling of the steamers at one of her ports, but has to pay for the mails.

Mr. KNOX.—There ought to be some consideration for Tasmania. Then, again, in the contract as it stands, it is provided that the consequences of a breach of it shall be limited on the side of the contractors to £25,000, and unlimited on the side of the Commonwealth.

Mr. KELLY.—If they are satisfied with that, why not leave it mutual—

Mr. KNOX.—I am referring to the position of the Commonwealth. Evidently the honorable member for Wentworth does not understand the suggestion. As the contract now stands, the contractors will be able to get out of it at a cost of £25,000, whereas if the Commonwealth were guilty of a breach of it its liability would be unlimited. There should be a modification in the direction proposed by the honorable and learned member for Parkes. With the fullest desire to believe in the *bona fides* of the contractors, I would point out that the mere sum of £27,500 which is involved—

Mr. AUSTIN CHAPMAN.—There is something more than that involved.

Mr. KNOX.—I know that there is a condition as to the payment of £50,000, but the contractors are a ship-building firm. They have the option for sale in the London market with this contract in their hands, and can, if they please, arrange very satisfactory terms for themselves. On the other hand, they may have entered into

the contract with the intention of making a profit out of the carriage of the mails.

Mr. KING O'MALLEY.—They may sell the concession to make money.

Mr. KNOX.—I do not think that that is the intention. No doubt the building of eight steamers, each costing from £450,000 to £500,000, is excellent business for the shipbuilders. I do not wish to throw suspicion upon the intentions of those connected with the contract, but it must be remembered that we are dealing with business men, whose object is to make money, and we must protect our own interests. The Vickers Maxim Company is a large public company, managed by persons who are not now closely related to either Vickers or Maxim, and, similarly, the directors of the firm of Armstrong and Company are keen business men, who will look sharply after their own interests, and it behoves us to do likewise. It is very necessary that there should not be a limit to the responsibilities of the other party to the contract while those of the Commonwealth are unlimited. But that is the position as the agreement stands. The third paragraph of the amendment asks that the right of the contractors to determine the contract, or to be paid for actual or prospective diminished earnings, or increased expenses, arising from Commonwealth legislation, shall be limited to legislation dealing directly with shipping, and shall not apply to all legislation merely relating to shipping. This matter was referred to last night incidentally, and the want of clearness which exists in article 15 was referred to by several honorable members. As the article has been framed, it might successfully be contended that the Australian Industries Preservation Bill, and legislation altering the Tariff, relate to shipping. I should like to see some such words as these employed—"Legislation directly affecting shipping." The fourth paragraph of the amendment provides that, if war is declared or entered upon by Great Britain against any first-class naval Power, the contractors shall have the right, not to terminate the contract, but only to suspend its operations for a reasonable time. With reference to that proposal, the honorable and learned member for Parkes has written to me to say that it seems to him to be most fair, because only the other day England was on the eve of declaring war against Turkey, and, if she had done so, the contractors might have had the power

to cancel the contract, and so put the Commonwealth in immediate difficulty. To provide for the suspension of the operation of the contract until a reasonable time after the termination of hostilities, or to make the right to terminate mutual, and not possessed by one party only, is only fair to the Commonwealth. To make the contract equitable, any penalties provided for should be liable to apply to one party as much as to the other, while the privileges should be equally distributed. I regret that the honorable and learned member for Parkes has been unavoidably detained in Sydney by professional engagements, because I feel that I have not submitted these amendments so clearly and forcibly as he would have done. Each proposal deserves consideration by the Ministry.

Mr. AUSTIN CHAPMAN.—Does the honorable member seriously suggest that we shall open up negotiations again?

Mr. KNOX.—That has become necessary by the carrying of the amendments moved by the Attorney-General last night.

Mr. AUSTIN CHAPMAN.—The alterations which we propose are very different from those proposed by the honorable member.

Mr. KNOX.—As the matter is to be opened up again, I think we are justified in making suggestions. I have made the reservation clear and distinct that we do not wish to jeopardize the contract; but some of its provisions deserve further consideration. The service will be a splendid one if carried out according to the terms agreed upon, and those responsible for the contract deserve that their work shall be recognised. I hope that the matter will be finally settled as soon as possible. I move—

That the following words be added:—

“And subject to the following modifications in its provisions:—

1. That the contractors should be required (under clause 2) to call at the ports of Melbourne, Sydney, and Brisbane, at a sum to be named in the contract.

2. That the consequences of a breach of the contract should be mutual, instead of being limited on the side of the contractors to £25,000 (as in article 10), and unlimited on the side of the Commonwealth.

3. That the right of the contractors (under article 15) to determine the contract or to be paid for actual or prospective diminished earnings or increased expenses, arising from Commonwealth legislation, should be limited to legislation which deals directly with shipping, and not apply to all legislation which merely ‘relates to shipping.’

4. That in the event of war being declared or entered upon by Great Britain against any first-class naval power (as provided by article 16), the contractors should not have the right to terminate the contract, but only to suspend its operation until a reasonable time after the termination of hostilities, or that, in such an event as is contemplated under article 16, the right to terminate the contract should be mutual and not possessed by one party only.”

Mr. McCOLL.—Will the paragraphs of the amendment be put separately?

Mr. SPEAKER.—They may be discussed together, as they have been moved as one amendment; but, as they deal with separate matters, I shall put them *seriatim*.

Mr. JOHNSON (Lang) [8.39].—I have only a few words to say in regard to the amendment, because, in speaking to the main question, I dealt with most of the matters covered by it, and honorable members who wish to know my views can read the *Hansard* report of my speech. I do not know if I should be in order in referring to the subject of tonnage, about which I have received some expert information?

Mr. SPEAKER.—The honorable member cannot do so in addressing himself to the amendment, though he may raise the question later.

Mr. JOHNSON.—In that case, I shall content myself now with saying that the wording of the amendment is so clear and concise, and the merits of the business proposals involved so obvious, that it should commend itself to honorable members without further discussion.

Mr. AUSTIN CHAPMAN (Eden-Monaro — Postmaster-General) [8.41].—I might intimate, in the first place, that, although we think that the wording of the contract is perfectly clear, the Government, to remove a doubt which has been expressed, intend to insert the word “directly” between the words “legislation” and “affecting,” in clause 15. That will meet the objection sought to be met by paragraph 3 of the amendment. The gentleman who represents the contractors has consented to the alteration. As regards the other matters affected by the amendment, they have been discussed so fully that I do not propose to occupy time in dealing with them again. The contract has been the subject of negotiations for a considerable time past; the parties with whom we are contracting are at the other end of the world; and it will take a long while to build the vessels required for the service. Under these circumstances, I ask

honorable members to determine as quickly as possible whether the contract shall or shall not be ratified. If the arrangement is as good a one as its critics have admitted it to be, it is most desirable that we should proceed to carry it into effect as soon as possible. We should not reopen the subject by attempting to insist on provisions which will mean an increase in expense. The honorable member for Darwin has asked what about the responsibility? Does he mean the responsibility of the contractors? Is there no responsibility attaching to the lodging of the deposit of £27,500, and the liability to swell that amount by another £25,000? Are we not safeguarded by the character of the contractors? So far as we can ascertain, no stronger combination could possibly be dealt with, and surely we have as solid a guarantee as could reasonably be expected. It seems to me that we have taken every precaution. The contractors have shown that they are very much in earnest. They are men of very great reputation, and of good financial standing, who have proved that they can build ships. I do not think that there is any need to re-open the contract with a view to imposing conditions which might involve us in the payment of large additional sums of money. The Government have shown a desire to meet the wishes of honorable members. When a doubt was expressed last evening, with regard to the effect of one of the provisions of the contract, the representative of the contractors was approached, and undertook to make the position quite clear. I hope that we shall ratify the contract at the earliest possible moment, so that the contractors may be able to immediately proceed with the construction of the steamers. I believe that we shall have every reason to be proud of the new fleet. We shall have a number of very fine vessels flying our own flag, and providing accommodation which should be of the greatest advantage to our producers, and to the community generally.

Mr. FISHER (Wide Bay) [8.47].—No one desires to detract from the credit due to the Postmaster-General and other Ministers for having made a good bargain; but I have yet to learn that even a good contract cannot be improved upon. It is difficult for the representatives of Queensland to regard the new contract with unalloyed satisfaction, because that State is the only one that has been entirely shut out from the

benefits of the service. Although I admit that arrangements have been made for a purely mail contract, we cannot disguise the fact that underlying the agreement is an understanding that a shipping service shall be afforded that will provide suitable accommodation for the conveyance of our perishable products to the markets of the world. The Postmaster-General asks why the whole question should be re-opened, but I would point out that it is merely proposed to ask the contractors to render additional services for a further consideration. No one should be in a better position than the Government to conduct the necessary negotiations. The contractors have shown their desire to perform certain services for a given sum, and no doubt they will be willing to further meet our requirements if we are prepared to increase the subsidy. The contractors are not proposing to bring their vessels out here for the good of their health, but because they believe that they will be able to make the service a payable concern. No doubt the steamers will proceed as far as Sydney, and I think that the amendment is entitled to receive the fullest consideration of the Government. I venture to say that the question of extending the service to Brisbane has been discussed by the representative of the contractors and the Government, and that the only reason why it has not been dealt with in a broader spirit is that the Government fear that if they were to propose the payment of a further subsidy the contract would not be accepted by Parliament. As a matter of fact, a number of the members of the Queensland Government have announced that they prefer to have a service of their own rather than continue the payment of a high subsidy to the Orient Company. They cannot be reasonably expected to go on paying £1,000 per fortnight to the Orient Company in order to secure the presence of the Orient steamers in a port whose trade is so rapidly increasing. I was surprised at the offhand manner in which the Postmaster-General dealt with the amendment. If it had been suggested that Sydney should be passed over, he would, doubtless, have taken a much more serious view of the matter. The question would have been discussed fully and freely without any regard to the time that might be occupied. I am at one with those who hold that we should not argue this question merely for debating purposes. The contract is of a practical character, and my point is that the service proposed to be rendered could be

made still more satisfactory if we were prepared to pay an additional sum in order to secure an extension to Brisbane. The Government should be the last to place obstacles in the way, and they should experience no difficulty in renewing negotiations before the contract has been finally ratified by both Houses of Parliament.

Mr. AUSTIN CHAPMAN.—The amendment proposes that the service should be extended to Brisbane "without any extra charge."

Mr. FISHER. — The Postmaster-General has evidently not been following the discussion. The amendment now before us proposes—

That the contractors shall be required under clause 2 to call at the ports of Melbourne, Sydney, and Brisbane at a sum to be stated in the contract.

That is the amendment, as proposed to be altered by the honorable member for Koo-yong. The Government might very well ascertain from the contractors what extra subsidy would be demanded by them in the event of their being required to extend their service to Brisbane and Hobart. When the last mail contract was under discussion, I strongly urged that the steamers should go on to Brisbane, but I could not convince the House of the justice of my claim. Queensland certainly had some small concession made to her in connexion with the mileage rates, but it would be preferable to impose conditions such as those now proposed. If the House approve of the amendment, I am sure that their decision will be received with satisfaction in the two States which are at present excluded from direct advantage under the contract.

Mr. DUGALD THOMSON (North Sydney) [8.57].—I regret that I cannot agree with the honorable member for Wide Bay. I am not concerned for the interest of any particular State, but I am paying regard to that equality of treatment which should be extended to all the States. If the contract provides that the steamers engaged in the new mail service shall proceed to ports beyond that at which they would connect with a railway line communicating with the other States, the ports of every State should be included. That is not proposed in the amendment, and, to that extent, the proposal would be unequal in its operation. I warn honorable members of the complications in which they will be involved if they adopt a proposal of this character. If it is agreed to, we shall be compelled to provide that the vessels engaged under

every mail contract must visit every State in the Commonwealth. For example, the steamers engaged in the Vancouver service must go, not only to Queensland and New South Wales ports, but to those of Victoria, South Australia, Western Australia, and Tasmania. The same thing would apply to the vessels engaged in the Island mail services.

Mr. R. EDWARDS.—Look at the difference in the amount of the subsidy paid for the Vancouver service.

Mr. DUGALD THOMSON.—That has nothing to do with the principle. In order to insure equality of treatment, we must provide either that the mail steamers shall visit every State, or that they shall stop at the port at which they are able to first establish communication with the railway systems of the other States. A clear course lies before us under the contract, as now proposed; but if we adopt the alternative suggested in the amendment, we shall be involved in enormous extra expense. The honorable member for Wide Bay stated that, although this was a purely postal contract, provision was made under it for the carriage of produce from certain States. I would point out, however, that the steamers will proceed only to those ports at which there is a prospect of their obtaining profitable trade. Surely that is all that should be required.

Mr. WEBSTER.—It is all that is practicable.

Mr. DUGALD THOMSON.—I hope that the representatives of Queensland will not imagine that in taking up this attitude, I desire to injure their State.

Mr. DAVID THOMSON.—The honorable member is not improving it.

Mr. DUGALD THOMSON.—I am ready to improve it in any way in which it can be equitably done, but by improving it, in the manner suggested, we shall create inequalities in other contracts.

Mr. R. EDWARDS.—The other ports of the Commonwealth are named in the contract.

Mr. DUGALD THOMSON.—Neither Melbourne nor Sydney are named in the contract.

Mr. R. EDWARDS.—They were mentioned by the Prime Minister.

Mr. DUGALD THOMSON.—I am not responsible for the action of the Prime Minister. My point is that neither Melbourne nor Sydney are named in the contract. I wish to point out—and this is no new question to me because it was threshed

out at the Hobart Conference—that if we are to treat each State equitably, we must either be prepared to send the vessels which are employed under the proposed agreement and under every other mail contract, to the chief port of each State, or we must adopt the principle of providing in our mail contracts for the delivery of our mails at the first port the vessels touch in Australia, from which those mails can be forwarded by rail to all parts of the Commonwealth.

Mr. STORRER.—At the present time Tasmania has to pay for the carriage of her mails by rail.

Mr. DUGALD THOMSON.—That ought to be altered. The mails are forwarded by the Commonwealth to Queensland free of charge.

Mr. AUSTIN CHAPMAN.—They will be.

Mr. DUGALD THOMSON.—Under the new contract they will be forwarded at the expense of the Commonwealth. I think it is fair that they should be delivered free to every State.

Mr. FISHER.—It cannot be avoided.

Mr. DUGALD THOMSON.—The proposed contract has been specially drawn for postal purposes. Into that contract we are asked to introduce a clause to compel the mail steamers to visit other ports, irrespective of whether their trade requirements would take them there or not. If that principle is to be equitably applied, it must be applied to every State of the union, including Tasmania, and to every oversea postal contract into which the Federation enters. In other words, the vessels engaged in the Vancouver service, and in the Island service, should be sent all the way round to Western Australia.

Mr. FISHER.—That is scarcely a good illustration because the proposed subsidy is to be paid specifically to enable us to get into close touch with Great Britain.

Mr. DUGALD THOMSON.—All our mail subsidies are paid for a similar purpose.

Sir JOHN FORREST.—The honorable member is right in his contention. If the mail steamers are obliged to call at Brisbane, Western Australia has an equal right to demand that the steamers employed in the Vancouver and the Island services should call at Fremantle.

Mr. DUGALD THOMSON.—Exactly.

Mr. FISHER.—Western Australia can have the advantage which would be conferred by those vessels calling at the chief port of that State, so far as Queensland is concerned.

Mr. DUGALD THOMSON.—Was the Federation established to make our mail contracts infinitely dearer than they were formerly, and to send vessels to ports where the trade which they would receive upon calling is not sufficient to attract them?

Mr. FISHER.—Upon general principles I am opposed to waste labour.

Mr. DUGALD THOMSON.—If the mail steamers will not visit those ports of their own accord, because the trade which they would receive does not constitute a sufficient inducement for them to do so, what is it but waste labour that is involved if we compel them to go there? Personally, I should like to see the mail steamers visiting every State.

Mr. DAVID THOMSON.—The honorable member knows that they will visit four of the States.

Mr. DUGALD THOMSON.—I do not know anything about it. Probably they will, because the trade of those States is large enough to attract them. But I have no guarantee that they will, and I do not want one. If it suits them to miss Sydney, let them do so. I repeat that we must decide in favour of one principle or the other. To my mind, we shall be acting wisely by adopting the principle to which effect has been given in this contract. We should allow our mail services to terminate immediately the steamers have landed their mails at the first port of call from which they can be conveyed by rail to the various States of the Commonwealth. I think that that is a fair and wise provision to make. It will remove from us the reproach of having greatly increased the cost of our mail services, and of having unjustly treated any State.

Mr. THOMAS (Barrier) [9.12].—I am opposed to the first portion of the amendment, because I have always held that our mail contracts should be contracts for purely postal services. I am glad that the proposed agreement is for a service of that description.

Mr. McWILLIAMS.—Then why all the talk which has been indulged in regarding the provision which should be made for the carriage of cargo?

Mr. THOMAS.—The agreement provides that the mails shall be delivered at Adelaide, and that the service shall terminate there.

Mr. FISHER.—Not if the ships go further.

Mr. THOMAS.—They are not bound to go further. If they go further, they will carry the heavy postal parcels, and thus obviate the necessity for them being forwarded by rail. If the amendment be agreed to, it must necessarily reopen the whole question of the carriage of our mails, because a great many other conditions would have to be considered. Take, for example, the proposal that the mail steamers should visit Brisbane. Before any such arrangement could be entered into, it would be necessary for the Government to know what amount of trade the vessels would be likely to obtain there. The contract between the Queensland Government and the Orient Steam Navigation Company was made upon the understanding that the whole of the exporters of butter from that State would ship their commodity by the mail steamers. The reason why the vessels of the Orient Steam Navigation Company were willing to proceed to Brisbane for a subsidy of £26,000 per annum was that they were assured of a certain amount by way of freight upon the butter exported from Queensland. The Commonwealth Government, however, could give no such guarantee. Last night the Prime Minister read the communications which he had received from the various States Governments in reference to the carriage of perishable produce, and the reply of the Queensland Government offered him no guarantee that a single pound of butter would be exported by the new mail vessels if they called at Brisbane.

Mr. R. EDWARDS.—The Queensland Government cannot give him any such assurance while the present contract is in existence.

Mr. THOMAS.—If any proposals were made by the Government in the direction suggested, the first question they would be asked by the contractors is, "What quantity of cargo can we obtain from Brisbane?" If they could secure a paying cargo, they would visit that port without a single penny being added to the subsidy. It will thus be seen that a large number of questions would be raised immediately if the contract provided for other than a purely postal service. When the Shipping Commission was taking evidence in Adelaide, three witnesses appeared before it, one being an agent, and the other two being fruit exporters. These witnesses assured us that if they desired to ship fruit to the old country, either by the vessels of the Peninsular and Oriental Steam Navigation Company or the Orient Steam Navigation

Company, they had to enter into an undertaking to allow that fruit to be sold by the agents of those companies in London.

Mr. MCWILLIAMS.—That condition does not obtain in regard to the export of Tasmanian fruit.

Mr. THOMAS.—The Shipping Service Commission was told by a witness that it applied to Adelaide, and that it cost him 1s. 6d. per case more to have his fruit sold in London through the agents of these companies than it did under another arrangement open to him. He was consequently forced to ship his fruit to England by other steamers. Any one who has a knowledge of the export trade in perishable products is aware that our exporters find it advantageous to ship by the mail steamers, because of their speed and regularity. That being so, it is only fair that the advantage of being able to ship by such steamers should be extended to exporters in every State capital. If it be true that the Peninsular and Oriental Steam Navigation Company and the Orient Steam Navigation Company are able to impose on shippers in Adelaide conditions which they cannot enforce in Melbourne, Sydney, or Hobart, owing to the larger consignments of fruit offering there, it will be necessary for us, if this question is to be dealt with in the contract now before us, to provide that every person shall be at liberty to avail himself of the cool chambers on board these steamers, and to ship his perishable produce by them without any condition as to its sale in England. If we were to enter upon these questions we should also have to determine whether or not the company should be required to reserve a certain area of cool storage for shippers in each State capital. The company might otherwise allow all the cool storage space on a steamer to be occupied by a shipment from Brisbane or Sydney, leaving no space whatever for shippers at Adelaide. If this is not to be a purely postal contract, we shall have to give consideration to all these questions. They are so important that, even if their discussion extended over a week, no complaint could be made, but I do not think that the Post and Telegraph Department should have to pay for more than the carriage of the mails. Under the existing contract with the Orient Steam Navigation Company, Queensland has had a sentimental, but certainly not a legitimate, grievance. That

contract provides that the mail steamers shall call at Sydney and Melbourne, but the provision does not cost the Commonwealth a penny more than it would otherwise have to pay.

Mr. FISHER.—It is a good thing that Broken Hill is not on a river.

Mr. THOMAS.—If I made an unjustifiable claim on behalf of Broken Hill, it would not be said that I was right in doing so.

Mr. DAVID THOMSON.—Of course nothing must go beyond Sydney.

Mr. THOMAS.—That is not a fair statement. Even if we inserted in this contract a provision that the mail steamers should call at Melbourne and Sydney, we should not be called upon to pay an additional subsidy, but Brisbane takes the stand that such a provision would be unfair to itself. This contract, therefore, does away with the sentimental grievance under which the capital of the northern State has labored. It says, in effect, to the contractors, "Your steamers need not go beyond Adelaide, unless you desire that they shall do so." There is no doubt, however, that they will proceed to Melbourne and Sydney. As Brisbane's sentimental grievance has been removed, I hope we shall agree that this contract shall be purely a postal one, providing for nothing more than the delivery of the mails at Adelaide.

Mr. JOHNSON.—By way of personal explanation, Mr. Speaker, I wish to state that when I rose to second the amendment I was under the impression that it had been proposed in the form in which it stands on the notice paper. I was not aware that the first clause had been so altered as to give it an entirely new complexion. I wish to take this opportunity of stating that I do not agree with the alteration in question.

Mr. JOSEPH COOK (Parramatta) [9.21].—There can be no question as to the strictly accurate statement of the equities of this case by the last two speakers. If we are to regard this as a purely postal contract, I admit that what has been said by the honorable member for North Sydney and the honorable member for Barrier is not open to exception. But, after all, is this only a postal contract? The Prime Minister did not say so last night. In his eloquent oration, extending over an hour—

Mr. DEAKIN.—I am very sorry.

Mr. JOSEPH COOK.—I am not; I was delighted to hear it. We listened for fully an hour to a very eloquent oration by the Prime Minister, who occupied about ten minutes in dealing with the postal side of the contract, and the remaining fifty minutes or more with an enumeration of the advantages which will accrue from this service to exporters of Australian products. The stipulation in the contract that the steamers shall be of 11,000 tons register cannot be designed purely for postal purposes.

Mr. DEAKIN.—It was not a condition of the contract; it was the company's own proposal.

Mr. JOSEPH COOK.—That may be; but it is an inducement to the ready acceptance of the contract.

Mr. DEAKIN.—Hear, hear.

Mr. JOSEPH COOK.—As the honorable and learned gentleman said last night, these steamers will provide three times the cool storage now offered to us by the Orient Steam Navigation Company. That was one of his chief arguments for the acceptance of the contract. Indeed, the contract was not submitted to us as being for purely postal purposes. Throughout the Prime Minister's speech we heard little as to its postal side, but we had an enumeration of the advantages that might possibly accrue to Australia if cool storage space could be found on the mail steamers for all our perishable produce. So eloquent did the honorable and learned gentleman become in the enumeration of the advantages which these steamers would give us, that I had to ask him to come down once more to solid earth. He sailed away, as he usually does, into the vague empyrean, and talked "in liquid lines melliflously bland" about our exports of perishable produce. As is customary with him when discussing politics generally, he applied the doctrine of political universalism. We were told last night that our produce would be trebled as the result of dry farming, which was to make us rich and happy and prosperous. The honorable and learned gentleman drew for us a picture of emigrants streaming hitherwards from other countries, and ships, laden with our produce, chasing each other over every sea. It was really grand to hear him speaking of the prosperity of Australia, and of the huge population that she was to secure. The honorable and learned gentleman could not refrain from referring to his favorite topic, "land for

the people, and people for the land." He defended the northern parts of Australia, and he did all this in referring to the contract, which has been entered into, as my honorable friends would have us believe, for purely postal purposes.

Mr. DAVID THOMSON.—He gave the show away.

Mr. JOSEPH COOK.—Surely that was an argument for the calling of these vessels at every port in Australia. He told us that they would provide an abundance of cool storage space, and that he regretted that arrangements could not be made with all the States. I understand that in making that observation, he referred to Queensland, in common with the other States.

Mr. DEAKIN.—Yes.

Mr. JOSEPH COOK.—The Government really took the initiative in regard to the carriage of produce from Queensland. Had that State entered into the co-operative arrangement which the Prime Minister suggested, and as to which he read several documents last night, would not provision have been made for the carriage of produce?

Mr. DEAKIN.—The arrangement would have meant the calling of the steamers at Brisbane under an additional contract.

Mr. JOSEPH COOK.—Then it seems that the Government themselves, in the genesis of this contract, contemplated Brisbane being made a port of call for the mail steamers. Therefore, in proposing by this amendment that the steamers of the service shall go up to Brisbane, we are simply carrying out the original intention of the Ministry.

Mr. DEAKIN.—Provision would have had to be made under a separate contract for their going to Brisbane. The postal contract would have stood, and there would have been another contract in relation to cool storage.

Mr. JOSEPH COOK.—Queensland will not object if another contract be made.

Mr. DEAKIN.—Hear, hear.

Mr. JOSEPH COOK.—So long as they can secure the conditions which they desire, and which have already been promised definitely to the other States, the people of Queensland will not object. Already we are told that Mr. Croker has given the Government an undertaking that these steamers will go on to Melbourne and Sydney. Clearly, therefore, those two ports are in a satisfactory position. If a definite undertaking has been given that these vessels shall proceed to Melbourne

and Sydney, there can be no harm in providing in the contract that they shall do so. The Government have contemplated their going on to Brisbane, if not under the postal contract, at all events under a separate one, and if this amendment be carried it will simply mean that the Government will have to enter into further negotiations to carry out their original intention with regard to serving Queensland. I come now to the equities of the case. If we are going to discuss the matter of equity as applied to our legislation, I am afraid we shall have to view this contract as providing for something more than a mail service. From the stand-point of equity, we must view this service as relating to all the States. If the broad equities of the situation are regarded as affecting the whole of the States no substantial injustice will be done, even if we make this departure from strict equity, as it applies merely to the mail contract. For instance, the rest of the States granted to Western Australia the concession that the mail steamers should call at Fremantle. Then, again, what is the position with regard to the Vancouver mail service? I do not think that it is of very much value to us as a postal service. I do not know whether any great injury would be done to the States if the steamers engaged in that service made the round trip to Western Australia, but every one knows that Western Australia finds it cheaper to ship its produce direct to London, instead of *via* Vancouver.

Mr. FOWLER.—We could develop a direct trade with Vancouver.

Mr. JOSEPH COOK.—But I do not think that Western Australia or South Australia is very anxious to do so. Concerning the broad equities of the situation as a whole, I should like to point out that we have Western Australia and South Australia to-day actually competing with the rest of the States, which competition has the effect of helping to destroy the Vancouver cable service, for which these States pay, while they are making a huge profit out of their relations with the Eastern Extension Company.

Mr. SPEAKER.—The honorable member is departing from the question.

Mr. JOSEPH COOK.—I do so only incidentally. I am trying to show that there is a broader view of the equities of the case than the manner in which any one State is affected by a single service. From my

point of view, no substantial injustice would be done to the eastern States if these steamers were sent to Brisbane. I think that if it could be done—and I admit that some degree of sentiment enters into the suggestion — we should arrange to send the steamers to all the main ports of Australia, and thus to encircle the settled portion of the continent with this great service. The vessels are to have the steaming capacity necessary to do that, and as they will have space for three times as much cargo as can be carried by the vessels of the Orient Steam Navigation Company, they will, by calling at Brisbane, probably soon develop a trade which will make it worth their while to go there, apart from any considerations of subsidy. We may have to pay a little more to get these steamers to call at Brisbane now; but Queensland is destined to increase her production so rapidly that Brisbane is likely soon to be a centre of attraction to all who are interested in the trade of Australia. I do not say that we should provide that the vessels shall go to Queensland, whatever may be the cost; but, if it can be done at a reasonable cost, this concession might well be given to Queensland.

Mr. McWILLIAMS (Franklin) [9.33].—I shall support the amendment. When the last contract was under discussion, I thought that Queensland had a grievance, because Brisbane was not made a port of call. The honorable member for Parramatta has dealt with a matter about which I had made a note. It is absurd to say that this is a contract for a postal service only. Three-fourths of it, so far as it is set down in black and white, may relate only to a mail service; but more than three-fourths of the arguments which have been delivered in favour of its ratification have been directed to the advantages which Australia will gain by the large provision made for the export of perishable produce.

Mr. DEAKIN.—We pay only for the postal service, and get all other advantages without cost.

Mr. McWILLIAMS.—If that is so, why is it stipulated that certain space shall be allowed for cold storage?

Mr. DEAKIN.—It is not stipulated; they have offered that.

Mr. ROBINSON.—It was not in the advertisement?

Mr. DEAKIN.—No.

Mr. McWILLIAMS. — The tenderers knew that, by offering certain space for cool storage, they would improve their chance of

obtaining the contract. If another company had offered to carry the mails for £20,000 less, and had made no provision for cool storage, would the Prime Minister have been prepared to recommend the acceptance of its tender?

Mr. DEAKIN.—I should.

Mr. McWILLIAMS.—Then the honorable and learned gentleman only wasted so much time last night by his eloquent statement of the enormous advantages to be gained by the provision of cold storage space, since he does not consider that advantage to be worth £20,000 a year.

Mr. DEAKIN.—I have always said that the providing of cold storage would be the subject of a separate contract, and I proposed to the States that a separate contract should be made.

Mr. McWILLIAMS.—I think that the States did well in refusing the offer of the Commonwealth; because I believe that they can make better conditions for their trade than can be made for them by this Government. We are being asked to subsidize a line of vessels which is to provide a certain amount of space for cold storage for the export of perishable produce; but only four of the States will be able to take advantage of that provision of the contract, the State of Tasmania, and the important State of Queensland, where agricultural settlement is progressing faster than anywhere else in the Union, being left out of the arrangement. I do not think it fair to ask Queensland to pay her share of the subsidy when she will not derive from the service the advantages which the other States on the mainland will enjoy. If this is to be a true Federation, geographical position must not be regarded as a bar to any State.

Mr. FOWLER.—Hear, hear! What about the Western Australian railway?

Mr. McWILLIAMS.—I am prepared to extend to Western Australia the same consideration that is given to the other States.

Mr. DUGALD THOMSON.—The other States have had to pay for their means of communication.

Mr. McWILLIAMS.—If this is to be a true Federation, all the advantages arising from the union must not go to the larger States. They must, if necessary, make occasional small sacrifices, to enable the smaller States to obtain some of the benefits.

Mr. AUSTIN CHAPMAN.—To what clause does the honorable member refer, when he says that cold storage is provided for?

Mr. McWILLIAMS.—Is there no such provision in the contract? The Prime Minister told us distinctly last night that there is such a provision. One of the chief reasons why he urged the acceptance of the contract was that the States will derive an enormous advantage because of the cold storage accommodation which will be given.

Mr. WEBSTER.—He did not say that that is provided for in the contract.

Mr. DEAKIN.—No; it is not in the contract.

Mr. McWILLIAMS.—In reply to an interjection, he said that we have the distinct assurance of the contracting party that it will be provided, and made that a strong argument for the acceptance of the contract. The service is not to be a fast one. No one, in these days, can say that vessels capable of steaming only 15 knots an hour will provide a fast service. But, under the terms of the contract, as I read them, we are to get a good mail and cargo service. I have always felt that the contract is really only a concession, which is to be hawked about by the contracting party to see what can be made out of it. If its provisions are complied with, we shall have got a very good bargain, not only because of the arrangements made for the carriage of mails, but also because there will be established in the Australian trade a line of vessels which will give extensive cold storage which will assist us to dump—as the Minister of Trade and Customs would say—our surplus products in the markets of the old world.

Mr. KNOX.—That is the whole object of the inspection.

Mr. McWILLIAMS.—I think so, and it has been the advantage insisted upon in every speech delivered in favour of the contract. If this were a contract merely for the carriage of mails, it would have obtained a very different reception. We recognise, however, that it provides speedy and certain transit, and spacious accommodation for our perishable produce. But why should not Queensland benefit by the arrangement?

Mr. ROBINSON.—If the amendment is carried, will the honorable member move a similar amendment dealing with Tasmania?

Mr. McWILLIAMS.—It is not often that I am unable to agree with the honor-

able member for North Sydney; but I do not think with him that, if we provide in this contract that the steamers shall go to Brisbane, we shall have to provide in other contracts that the mail boats shall call at every port in Australia. I do not think that the people of Queensland desire that the steamers of every line carrying mails shall make Brisbane a port of call, and I do not ask that all the mail steamers calling at ports in the mainland shall also visit Tasmania. In reply to the interjection of the honorable member for Warrnambool, however, I say that, in my opinion, these mail steamers should call at Tasmania during the three months of the year which form our chief season of export for perishable products. I shall support the amendment on its merits, and I shall not attempt to jeopardize it by proposing any extension until it has been dealt with.

Mr. WEBSTER.—That would seriously interfere with the local shipping companies.

Mr. McWILLIAMS.—If the honorable member had had my experience, he would know that the local shipping companies are well able to take care of themselves. Practically the whole of our export trade is conducted by means of oversea steamers. In justice to the existing mail companies, I am bound to say that no attempts have been made to force upon Tasmanian shippers of apples conditions similar to those which the honorable member for Barrier has described as having been imposed upon shippers of fruit from Adelaide. The Tasmanian shippers have not been required to sell their produce through the agency of the company. So long as they pay their freight they are absolutely free to sell or consign their goods to whom they please. There is not the same danger to be apprehended from a combine as some honorable members seem to think. No difficulty is experienced in obtaining shipping accommodation for produce so long as reasonable notice is given to the companies. Last year four or five different lines of steamers took part in the Tasmanian trade. We had the Blue Funnel, the White Star, the Gulf line, and Federal-Houlder line steamers in addition to the mail-boats, and they were all only too anxious to ship produce. Now that special conditions are being made with a view to affording facilities for our export trade, Queensland should not be left out in the cold. She should not stand alone in being called upon to contribute towards the subsidy without having an opportunity of sharing in the benefits of the service. I

shall vote for the extension of the service to Brisbane.

Mr. KING O'MALLEY (Darwin) [9.49].—I regret that the Postmaster-General should feel aggrieved at the suggestion offered by honorable members. It seems to me that this is the time and place at which to make suggestions—otherwise the contract should not have been submitted to Parliament. The Minister mentioned the names of a number of gentlemen who were behind the contractors. He told us they were men of great financial strength, and that their connexion with the enterprise was a sufficient guarantee that everything would be right. When I first came to Australia I attended a banquet, and was the poorest man among those present. There was not a guest but could draw his cheque for £100,000. But they have all gone now. They were all great and honorable men, and stood high in banking circles. Theirs were names to conjure with. They were the Jay Goulds, Vanderbilts, and Astors of this country. Where are they to-day? If these men had been behind the contractors the Postmaster-General would have told us that their names were a sufficient guarantee. I remember very well when Villard, a great railway magnate, left New York in order to accompany a number of German barons and English lords out west. He left New York worth £10,000,000, but by the time he reached Oregon he was a bankrupt. As a matter of fact, although so many financial magnates are supposed to be behind the contractors, they have rendered themselves liable to the payment of only £25,000 by way of penalty in the event of a breach of the contract. On the other hand, they could sue the Commonwealth for unlimited damages in the event of their incomes being reduced by any legislation passed by us. The arrangement as to the penalty for a breach of agreement should be of a mutual character, and the liability of the Commonwealth should be limited in the same way as is that of the contractors. It is proposed to enter into a contract for ten years, for which term we shall have our hands completely tied. It is easy to say that the men behind the contractors are honorable and influential. I admit that they are. So was Jay Gould, so was Astor, and so was Russell Sage, who recently died worth £20,000,000. But these magnates made all their money out of the people. The honorable and learned mem-

ber for Parkes, who is a shrewd lawyer, pointed out that the interests of the Commonwealth should be carefully safeguarded. The Postmaster-General must remember that he is dealing with a pretty fly lawyer, who has all his senses about him. How do we know that this concession is not to be handed over to the Orient Steam Navigation Company? We should have everything put down in black and white, and should not run the risk of having our agreement made the subject of legal proceedings. Perhaps the Postmaster-General noticed that the legal expenses incurred in connexion with the celebrated corset case in Melbourne amounted to £10,000. I am not particular as to which ports are visited by the mail steamers, but I quite agree with the honorable member for Franklin that they should go on to Brisbane. I shall speak as to the claims of Tasmania at a later stage. I trust that the Postmaster-General will devote further attention to paragraph 2 of the contract, and place matters upon a business footing.

Mr. AUSTIN CHAPMAN.—There is no chance of our losing £25,000.

Mr. KING O'MALLEY.—I am not so sure about that. I was once engaged in a law case involving £140, and was glad to get out of it upon the payment of twice that amount. Then, again, there was a big mining man in America named Tabor, who became involved in a law case over a mine, and ended his days in a benevolent asylum, and was buried as an act of charity. I trust that the Postmaster-General will again consider the provisions in clause 2.

Mr. AUSTIN CHAPMAN.—I shall undertake to do so.

Mr. GLYNN (Angas) [9.57].—I regret to say that I cannot support the amendment. I think that the fact that this is a purely postal contract to a great extent meets the arguments that have been advanced in favour of extending the service to Brisbane. It would not be fair to debit the Postal Department with any excess charged in respect of the extended service, and, so far as I know, there is no other Department in the Commonwealth which could be expected to provide the money. The question as to whether the proposed new steamers will proceed to Queensland should depend entirely upon the trading inducements offered to them. To the extent to which that element ceased to operate we should be subsidizing the trade of that State. If we were once to affirm the principle of subsidizing trade it would be very

hard to fix a limit to its application. We might be called upon to insist upon the mail steamers making a circuit of Australia. We should have to push the principle to its logical conclusion. It would be very dangerous for us to establish a principle, the application of which we cannot definitely limit. It would be perfectly open to Queensland to offer the contractors an inducement, such as was held out to the Orient Steam Navigation Company, in the form of an additional subsidy. If that course were adopted, and anything went wrong with the postal contract, no moral responsibility—I do not say anything as to the legal aspect of the matter—would rest upon the Commonwealth. If we were to include in the contract provisions dealing with something entirely foreign to the carriage of mails, the contractors might ask us to overlook any shortcomings on their part in connexion with delayed delivery. We should not place ourselves in that position by imposing conditions somewhat incongruous in a mail contract. I am not quite sure whether any estimate has been made as to the additional expense that would be involved under the proposal contained in the amendment. ●

Mr. AUSTIN CHAPMAN.—It was estimated that if the mail steamers were not to go beyond Adelaide we should require to add another £100,000 or £120,000 to the subsidy. The extension of the service from Sydney to Brisbane would cost an additional £26,000.

Mr. GLYNN.—Then the amendment would involve a considerable addition to the cost of the service, which, although incurred in order to meet the requirements of one State, would have to be borne by the whole of the Commonwealth. The State itself should determine whether it is desirable that the mail steamers should go beyond the terminal port at which the mails are to be delivered. If it decides that question in the affirmative it should alone pay the piper.

Mr. FOWLER (Perth) [10.0]. — I admit that, in the proposed agreement, we are contracting specifically for a mail service, but I think there can be no doubt that we are paying for a great deal more than a mail service. Otherwise, I take it that a considerable number of honorable members would feel inclined to revert to the poundage system, under which our mails would be carried just about as efficiently, and for a considerably less expen-

diture. As I understand it, the idea underlying the contract is that the steamers which we engage to carry our mails constitute the means of communication between Australia and the outside world, and particularly that portion of the outside world in which we are most interested—I refer to the mother country. If that be so, I take it that all the States are equally entitled to facilities in that connexion. If we adopt the broad Federal view of providing equal facilities to all the States, I cannot see why the payment of a comparatively small sum should stand in the way of its realization. I heartily indorse the opinion which has been expressed by the deputy leader of the Opposition, that if we are able to arrange that the mail steamers shall call at Brisbane for a few years, the potentialities of the northern State are so great that, probably, at the end of that period the contractors will find that its trade is sufficient to justify them in continuing to visit that port without receiving any extra payment. At any rate, this service ought to be made to apply equally to all the States, and for that reason I shall support the amendment.

Mr. CULPIN (Brisbane) [10.3].—I intend to support the amendment, because its adoption would give Queensland a chance to which she is fairly entitled. The honorable and learned member for Angas has stated that any arrangement which might be entered into to insure the mail steamers calling at Brisbane was purely a matter for the Queensland Government. I cannot help thinking that the proposed contract is purely a matter of "grab." New South Wales and Victoria are almost certain to get the advantage which will be conferred by those vessels calling at Melbourne and Sydney. The two States in question are grabbing all the advantages accruing from the contract. Why should not the other States be placed upon an equality with them? That desirable result can only be secured by the adoption of the amendment, and consequently I shall vote for it.

Mr. R. EDWARDS (Oxley) [10.5].—I rise with a view to bringing this debate to a close. It has been very humiliating to me—and to other Queensland representatives—to be compelled to appeal year after year to the Government to do justice to that State in connexion with our European mail contract. I wish to thank those honorable members who have promised to support the amendment, but I recognise that it is utterly

futile to make any further appeal for consideration at the hands of the Ministry. Consequently, I shall be pleased if honorable members will refrain from discussing the question at any greater length. I realize that the very name of Queensland stinks in the nostrils of the Commonwealth Government.

Mr. THOMAS.—That is a most unfair remark to make.

Mr. R. EDWARDS.—It is a very vulgar remark, and I am not in the habit of using vulgar expressions; but I say again that the very name of Queensland appears to stink in the nostrils of the Commonwealth Government. No effort has been made by them to provide that Brisbane shall be visited by the mail steamers, but every effort has been put forth to insure that those vessels shall call at Melbourne and Sydney.

Mr. AUSTIN CHAPMAN.—Does not the honorable member think that the interests of Queensland will be as well safeguarded by the Minister of Home Affairs as by himself?

Mr. R. EDWARDS.—The honorable and learned member for Darling Downs should have resigned his portfolio if the Government were not prepared to do justice to the State which he represents. He should have refused to continue to be associated with the Ministry. That is the position which I should have taken up. I think that the State of Queensland will in future take very good care not to expect anything from the Commonwealth Government. As a result of this discussion, Federation, instead of being looked upon with some degree of favour, will be regarded as an obstacle to the progress of that State. The people of Queensland will wish with all their hearts that they were independent of this Parliament. I hope that no further appeal will be made upon behalf of Queensland, and that we shall come to a division at once.

Mr. DAVID THOMSON (Capricornia) [10.8].—As a Queenslander, I am very much surprised at the attitude which has been taken up by the honorable member for Oxley. I was shocked to hear the language which he employed. I have consistently fought to insure that the mail steamers shall make Brisbane a port of call, and I am annoyed that the honorable member should have made the accusations which he has levelled against the Commonwealth. The adoption of such tactics is not calcu-

lated to induce honorable members to assist us to achieve our object. I have already spoken upon this question, and have practically said all that I desire to say. Last evening the Prime Minister detailed the steps which had been taken to induce the other States to enter into an arrangement with the contractors regarding the export of perishable products. He pointed out the possibilities of Australia in that connexion. To my mind, the very fact that the vessels which are to be employed under the proposed contract are to possess a "registered tonnage" of 11,000 tons, suggests that the contractors have more in view than the mere carriage of mails. No ship-building firm would construct vessels of that capacity merely for the purpose of carrying mails. I have already wired to the Premier of Queensland, asking him not to negotiate any further with the Prime Minister, or with Mr. Croker, who is acting as agent for Sir James Laing and Sons, in regard to the proposal that the mail steamers shall call at Brisbane. I trust that he will not renew the subsidy which Queensland is at present paying to the Orient Steam Navigation Company. Of course, we cannot find fault with the vessels calling at Fremantle and Adelaide. But the Government know perfectly well that it is impossible for the steamers to neglect calling at Melbourne and Sydney. Personally, I fail to see how Queensland will benefit by the proposed contract. I do not think that that State has very much to thank the Commonwealth for, so far as this agreement is concerned. I do hope that the Postmaster-General—even at this late hour—will endeavour to induce the vessels under the new service to visit Brisbane.

Mr. KELLY (Wentworth) [10.14].—Any honorable member who is anxious to see this contract ratified as soon as possible must necessarily be placed in an awkward position by the amendment. However much we may desire to see the mail steamers regularly visiting the three ports mentioned in the first portion of the proposal—we all recognise that they must, in any case, for their own trade purposes, call at Melbourne and Sydney—we cannot overlook the fact that if we impose this additional burden upon the contractors we shall be practically destroying the agreement, and rendering it necessary for the Government to enter into a long series of negotiations, involving great delay. This matter is so vital to the Commonwealth—

Mr. JOSEPH COOK.—The Prime Minister has admitted that the question would be dealt with in a separate contract.

Mr. KELLY.—The existing contract between the Orient Steam Navigation Company and Queensland for a fortnightly service to Brisbane costs that State £26,000 per annum.

Mr. FISHER.—Less the small subsidy from the Commonwealth.

Mr. KELLY.—£26,000 per annum is the contract price. My honorable friends from Queensland will recognise that the contractors will ask an additional £20,000 or £30,000 a year for giving a like service.

Mr. FISHER.—They will not get it.

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Mr. AUSTIN CHAPMAN.—It is the very best that can be got.

Mr. KELLY.—If that be so—if this contract is at bedrock—the result of our refusing to grant an additional sum for extra services would be the casting of it into the wastepaper basket. I should like to see Brisbane enjoying similar benefits to those possessed by the larger ports, but my objective at present is the ratification of this contract at the very earliest date. I therefore regret that I shall have to vote against the amendment.

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that he realizes at times the seriousness and the importance of the statements that he makes. This view is borne out by the unjustifiable assertions that have been made with regard to the attitude of the Commonwealth towards the people of other lands. The action of the honorable member in seeking to placate the northern State by charging this Parliament with acting unfairly to it is most unjustifiable. I protest against it. As one who has endeavoured as far as possible to hold the scales of justice evenly between the Commonwealth and the States—as one who not only professes, but practices the Federal spirit in the terms of the Union, and who is prepared to do everything possible for the advancement of the Commonwealth—I resent the remarks made by him. I hurl back his insinuation that Queensland does not receive justice at the hands of the Commonwealth, that she cannot expect to receive it, and that she should no longer appeal to us.

Mr. POYNTON (Grey) [10.21].—I was under the impression that when the contract with the Orient Steam Navigation Company was under consideration, we discussed what should be the principal features of the next mail contract. If I were of opinion that the agreement under consideration related to the provision of cool storage on the mail steamers I should be at one with those who desire that Brisbane shall be made a port of call. I fail to see, however, what the question of cool storage has to do with the carriage of our mails, and why the Post and Telegraph Department of the Commonwealth should be burdened with the cost of anything beyond the carriage of mail matter. If any State ought to pay it is Queensland—

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Commonwealth; but I recognise that this is not a contract for the carriage of perishable produce, and that we should be very guarded in making a proposal to load the Post and Telegraph Department with the cost of such a service as some of my honorable friends desire. Members of the States Parliaments constantly complain that the Department has suffered a loss of revenue since its transfer to the Commonwealth, and yet the Treasurers of the States insist upon its being loaded with the cost of something that is wholly foreign to it. I regret that the Government have found it necessary to agree to the payment of a subsidy of £125,000 a year for this service. There is no warrant for such a payment; it is simply monstrous.

Mr. FOWLER.—It goes to show that we are paying for something more than a postal service.

Mr. POYNTON.—We are paying something like £800 per ton for our mail matter, whereas the mail steamers will carry butter for about three-eighths of a penny per lb. It seems to me strange that, in consideration of additional speed, we should be asked to increase the subsidy from £70,000, which was considered a fair amount some time ago, to £125,000, the present contract being £120,000. There is no doubt that if the quantity of products to be shipped from Queensland warrants the vessels calling at a port in that State, the vessels will call there. Why do the mail-boats call at Melbourne and Sydney? Simply because there is cargo to be obtained. It is not proper to load the postal service simply in order to provide that vessels shall call at any port where there is cargo; and I should express that opinion just as candidly if I represented any other State but South Australia. The only port to be considered should be the terminal port of the mail service.

Mr. WILKINSON.—What about the tonnage of the vessels?

Mr. POYNTON.—The contractors are wise enough to know that if they cater for the Australian trade they must provide the necessary storage and equipment to enable them to compete with existing lines. That, of course, is so much the better for Australia, but it has nothing to do with the mail contract.

Mr. KNOX.—I desire, by way of personal explanation, to make it clear that the amendment of the amendment by the insertion of the words, "at a sum to be stated

in the contract," has been made at the special request of the honorable and learned member for Parkes.

Question—That the words of paragraph 1 proposed to be added be so added—put. The House divided—

Aves	...	...	...	13
Noes	...	...	...	30
Majority				17

AYES.

Cameron, D. N.
Culpin, M.
Edwards, R.
Fisher, A.
Frazer, C. E.
Fuller, G. W.
McDonald, C.

McWilliams, W. J.
O'Malley, K.
Thomson, David
Wilkinson, J.
Tellers:
Fowler, J. M.
Storrer, D.

NOES.

Chapman, A.
Crouch, R. A.
Deakin, A.
Ewing, T. T.
Forrest, Sir J.
Glynn, P. M.
Hutchison, J.
Isaacs, I. A.
Johnson, W. E.
Kelly, W. H.
Kennedy, T.
Liddell, F.
Lonsdale, E.
Mahon, H.
McCay, J. W.
McColl, J. H.

Phillips, P.
Poynton, A.
Quick, Sir J.
Robinson, A.
Ronald, J. B.
Salmon, C. C.
Skene, T.
Spence, W. G.
Thomson, Dugald
Webster, W.
Wilks, W. H.
Wilson, J. G.

Tellers:
Cook, Hume
Thomas, J.

PAIRS.

Cook, J.
Page, J.

Lyne, Sir W. J.
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Question so resolved in the negative.

Question—That the words of paragraphs 2, 3, and 4, proposed to be added, be so added—resolved in the negative.

Amendment negatived.

Mr. CARPENTER (Fremantle) [10.35].—As the amendment of which notice has been given by the honorable member for Gwydir covers the same ground as that of which I have given notice, I do not intend to proceed with mine.

Mr. WEBSTER (Gwydir) [10.36].—I move—

That the following words be added:—

"And this House is of the opinion that the steamers should be acquired by the Government in the event of the company joining or becoming a part of any shipping ring or combine, or otherwise constituting itself a monopoly, detrimental to the trade and commerce of the Commonwealth."

I expect that I shall be met with the argument, on behalf of the Government, that

the provisions already embodied in the contract cover the right to acquire the steamers under certain conditions. While I agree that, to some extent, there are powers of that kind, and while I take this opportunity to compliment the Government upon the able contract which has been drawn up, and upon the manner in which they have safeguarded the interests of the Commonwealth, still, I cannot agree that the document is altogether satisfactory in this respect. It is true that there is embodied in it a clause giving the right to acquire the steamers in the event of certain conditions not being complied with. That provision constitutes an advance upon any contract that has hitherto been made for the carriage of mails in Australia. There have been provisions providing for the hiring of mail vessels in case of war. But in the past there has been no provision for acquiring steamers in the event of the Government desiring to run them in the interests of the country. The contract sets out that—

If the contract or any part thereof is assigned, underlet, or otherwise disposed of without the consent of the Postmaster-General, and, or if any breach on the part of the contractor, his officers, agents, or servants of the contract, or of any condition, shall be committed, it shall be lawful for the Postmaster-General, if he shall think fit, and notwithstanding there may or may not have been any former breach of the contract or of any condition by an instrument, in writing, to determine the contract without any previous notice to the contractor, and the contractor shall not be entitled to any compensation in respect of such determination, and such determination shall not deprive the Postmaster-General of any right or remedy to which he would otherwise be entitled by reason of such breach or of any prior breach of the contract.

That clause imposes conditions under which the Postmaster-General may acquire the steamers to be run by the contracting company. The contract also contains the following clause :—

The Postmaster-General may at any time during the continuance of the contract purchase any or all of the mail ships at a valuation—or may charter the same at a rate of hire to be agreed upon with the contractor, or failing any such agreement as to a valuation or rate to be decided by arbitration, and the contractor shall not sell any mail ship to any person other than the Postmaster-General without first giving the Postmaster-General a reasonable opportunity of purchasing the same, either at a valuation to be agreed upon or to be decided by arbitration or at the price he is willing to sell it at to such other person. Provided always that if the Postmaster-General exercises the right to purchase or charter all the mail ships employed under the contract, the contract shall thereupon be determined, and such determination shall not give the contractor any claim to compensation.

It may be held that that clause covers the ground of the amendment which I am now submitting. I cannot agree that it does. It simply gives the Government the right to acquire the ships at a valuation in the event of the company desiring to sell or let them. In other words, it means that the Postmaster-General practically controls the disposal of the vessels. It may be that the Postmaster-General has power to acquire the line in the event of there being a disposition on the part of the contractors to sell their steamers, or in the event of the company being disposed to become absorbed in a ring or combine. I can readily understand that if the Postmaster-General of the day held that a shipping combine or ring was detrimental to the interests of the Commonwealth he might, under the terms of this contract, be able to prevent the company being absorbed. But the point is that if we happen to have in office, during the tenure of this contract, a Postmaster-General having no sympathy with the objects of my amendment, he, having the power in his hands, or the Government of which he was a member being antagonistic to the ideas which my amendment embodies, might acquiesce in the absorption of the company by a shipping ring or combine. To obviate such an event, and to prevent any Minister who may be in power during the ten years from exercising his own predilections in this respect, we should have in the contract a definite and binding condition that, no matter what may be the opinion of the Cabinet, we expect it to perform the task of acquiring these steamers in the event of the occurrence of the emergency provided for. The provisions of the contract would, it seems to me, meet the case if we could be certain of always having a sympathetic Government in power. But they are not sufficient to meet the possibility of the advent to office of an unsympathetic Government. The company which is to carry our mails may not sell its vessels to another company, or join a shipping ring or combine; but its trade may grow to such an extent, and it may become so wealthy, that it may ultimately buy out its competitors, and, becoming a monopoly, raise its freights and fares, to the detriment of our producers, and of the people of Australia generally. Now, the honorable member for North Sydney last night admitted that, in the event of a monopoly arising, and working prejudicially to the welfare of Australia, it might be justifiable

futile to make any further appeal for consideration at the hands of the Ministry. Consequently, I shall be pleased if honorable members will refrain from discussing the question at any greater length. I realize that the very name of Queensland stinks in the nostrils of the Commonwealth Government.

Mr. THOMAS.—That is a most unfair remark to make.

Mr. R. EDWARDS.—It is a very vulgar remark, and I am not in the habit of using vulgar expressions; but I say again that the very name of Queensland appears to stink in the nostrils of the Commonwealth Government. No effort has been made by them to provide that Brisbane shall be visited by the mail steamers, but every effort has been put forth to insure that those vessels shall call at Melbourne and Sydney.

Mr. AUSTIN CHAPMAN.—Does not the honorable member think that the interests of Queensland will be as well safeguarded by the Minister of Home Affairs as by himself?

Mr. R. EDWARDS.—The honorable and learned member for Darling Downs should have resigned his portfolio if the Government were not prepared to do justice to the State which he represents. He should have refused to continue to be associated with the Ministry. That is the position which I should have taken up. I think that the State of Queensland will in future take very good care not to expect anything from the Commonwealth Government. As a result of this discussion, Federation, instead of being looked upon with some degree of favour, will be regarded as an obstacle to the progress of that State. The people of Queensland will wish with all their hearts that they were independent of this Parliament. I hope that no further appeal will be made upon behalf of Queensland, and that we shall come to a division at once.

Mr. DAVID THOMSON (Capricornia) [10.8].—As a Queenslander, I am very much surprised at the attitude which has been taken up by the honorable member for Oxley. I was shocked to hear the language which he employed. I have consistently fought to insure that the mail steamers shall make Brisbane a port of call, and I am annoyed that the honorable member should have made the accusations which he has levelled against the Commonwealth. The adoption of such tactics is not calcu-

lated to induce honorable members to assist us to achieve our object. I have already spoken upon this question, and have practically said all that I desire to say. Last evening the Prime Minister detailed the steps which had been taken to induce the other States to enter into an arrangement with the contractors regarding the export of perishable products. He pointed out the possibilities of Australia in that connexion. To my mind, the very fact that the vessels which are to be employed under the proposed contract are to possess a "registered tonnage" of 11,000 tons, suggests that the contractors have more in view than the mere carriage of mails. No ship-building firm would construct vessels of that capacity merely for the purpose of carrying mails. I have already wired to the Premier of Queensland, asking him not to negotiate any further with the Prime Minister, or with Mr. Croker, who is acting as agent for Sir James Laing and Sons, in regard to the proposal that the mail steamers shall call at Brisbane. I trust that he will not renew the subsidy which Queensland is at present paying to the Orient Steam Navigation Company. Of course, we cannot find fault with the vessels calling at Fremantle and Adelaide. But the Government know perfectly well that it is impossible for the steamers to neglect calling at Melbourne and Sydney. Personally, I fail to see how Queensland will benefit by the proposed contract. I do not think that that State has very much to thank the Commonwealth for, so far as this agreement is concerned. I do hope that the Postmaster-General—even at this late hour—will endeavour to induce the vessels under the new service to visit Brisbane.

Mr. KELLY (Wentworth) [10.14].—Any honorable member who is anxious to see this contract ratified as soon as possible must necessarily be placed in an awkward position by the amendment. However much we may desire to see the mail steamers regularly visiting the three ports mentioned in the first portion of the proposal—we all recognise that they must, in any case, for their own trade purposes, call at Melbourne and Sydney—we cannot overlook the fact that if we impose this additional burden upon the contractors we shall be practically destroying the agreement, and rendering it necessary for the Government to enter into a long series of negotiations, involving great delay. This matter is so vital to the Commonwealth—

Mr. JOSEPH COOK.—The Prime Minister has admitted that the question would be dealt with in a separate contract.

Mr. KELLY.—The existing contract between the Orient Steam Navigation Company and Queensland for a fortnightly service to Brisbane costs that State £26,000 per annum.

Mr. FISHER.—Less the small subsidy from the Commonwealth.

Mr. KELLY.—£26,000 per annum is the contract price. My honorable friends from Queensland will recognise that the contractors will ask an additional £20,000 or £30,000 a year for giving a like service.

Mr. FISHER.—They will not get it.

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Edwards, R.	Thomson, David
Fisher, A.	Wilkinson, J.
Frazer, C. E.	Tellers:
Fuller, G. W.	Fowler, J. M.
McDonald, C.	Storrer, D.

NOES.

Chapman, A.	Phillips, P.
Crouch, R. A.	Poynton, A.
Deakin, A.	Quick, Sir J.
Ewing, T. T.	Robinson, A.
Forrest, Sir J.	Ronald, J. B.
Glynn, P. M.	Salmon, C. C.
Hutchison, J.	Skene, T.
Isaacs, I. A.	Spence, W. G.
Johnson, W. E.	Thomson, Dugald
Kelly, W. H.	Webster, W.
Kennedy, T.	Wilks, W. H.
Liddell, F.	Wilson, J. G.
Lonsdale, E.	Tellers:
Mahon, H.	Cook, Hume
McCay, J. W.	Thomas, J.
McColl, J. H.	

PAIRS.

Cook, J.	Lyne, Sir W. J.
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Question so resolved in the negative.

Question—That the words of paragraphs 2, 3, and 4, proposed to be added, be so added—resolved in the negative.

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That the following words be added:—

"And this House is of the opinion that the steamers should be acquired by the Government in the event of the company joining or becoming a part of any shipping ring or combine, or otherwise constituting itself a monopoly, detrimental to the trade and commerce of the Commonwealth."

I expect that I shall be met with the argument, on behalf of the Government, that

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It may be held that that clause covers the ground of the amendment which I am now submitting. I cannot agree that it does. It simply gives the Government the right to acquire the ships at a valuation in the event of the company desiring to sell or let them. In other words, it means that the Postmaster-General practically controls the disposal of the vessels. It may be that the Postmaster-General has power to acquire the line in the event of there being a disposition on the part of the contractors to sell their steamers, or in the event of the company being disposed to become absorbed in a ring or combine. I can readily understand that if the Postmaster-General of the day held that a shipping combine or ring was detrimental to the interests of the Commonwealth he might, under the terms of this contract, be able to prevent the company being absorbed. But the point is that if we happen to have in office, during the tenure of this contract, a Postmaster-General having no sympathy with the objects of my amendment, he, having the power in his hands, or the Government of which he was a member being antagonistic to the ideas which my amendment embodies, might acquiesce in the absorption of the company by a shipping ring or combine. To obviate such an event, and to prevent any Minister who may be in power during the ten years from exercising his own predilections in this respect, we should have in the contract a definite and binding condition that, no matter what may be the opinion of the Cabinet, we expect it to perform the task of acquiring these steamers in the event of the occurrence of the emergency provided for. The provisions of the contract would, it seems to me, meet the case if we could be certain of always having a sympathetic Government in power. But they are not sufficient to meet the possibility of the advent to office of an unsympathetic Government. The company which is to carry our mails may not sell its vessels to another company, or join a shipping ring or combine; but its trade may grow to such an extent, and it may become so wealthy, that it may ultimately buy out its competitors, and, becoming a monopoly, raise its freights and fares, to the detriment of our producers, and of the people of Australia generally. Now, the honorable member for North Sydney last night admitted that, in the event of a monopoly arising, and working prejudicially to the welfare of Australia, it might be justifiable

for the Commonwealth to take over the service.

Mr. DUGALD THOMSON. — I said that such a thing might be proposed if there were a monopoly whose operations were seriously injuring Australia. But it will be time enough to deal with the matter when that happens.

Mr. WEBSTER.—The time to make our stipulations is when the contract is before us. I am surprised that the honorable member, who is a practical business man, should say that it will be time enough to safeguard our interests when trouble arises.

Mr. DUGALD THOMSON.—A combination may be formed which may be advantageous. It is only harmful combinations which should be dealt with.

Mr. WEBSTER.—I think that that objection is met by the words "otherwise constituting itself a monopoly detrimental to the trade and commerce of the Commonwealth." Those words mean that a beneficial monopoly would not be interfered with, while a monopoly injuring the trade and commerce of the Commonwealth could be dealt with.

Mr. THOMAS.—Who will decide that the effects of a monopoly are detrimental?

Mr. WEBSTER.—The question would be decided on the merits of the case, by the law officers of the Crown. In passing legislation for the prevention of monopolies generally, we provide for the decision of much more difficult questions.

Mr. WILKS.—Is the honorable member trying to provide for the nationalization of the fleet, as the honorable member for Barrier did?

Mr. WEBSTER.—I am seeking to preserve the interests of Australia in a business-like way.

Mr. WILKS. — Then, is the honorable member opposed to the views of the honorable member for Barrier?

Mr. WEBSTER.—The honorable member cannot get me with his "gig," to use a Lancashire word. It is not an unknown thing for companies to be floated in contemplation of the purchase of their interests by others, or of their absorption by competitors. I do not say that that is intended by the promoters of the other party to this contract; but, as it may happen, we should insert a provision to deal with the case, allowing the Government, in the event of the company joining a shipping ring, or constituting itself a monopoly, to take over its vessels, and to carry on the service as arranged for. I do not think that a long

speech is necessary to put my case before honorable members. My proposal should commend itself as a necessary safeguard. We should not defer dealing with these matters until such time as the evil has come upon us. We know that the Prime Minister maintains that the lesser is contained in the greater. The Attorney-General might contend that the provisions of the contract, as it stands, cover the proposal in my amendment. I am not satisfied that they do.

Mr. ISAACS.—There is no doubt that the contract gives the Government the power to exercise the right, in the case the honorable member refers to, and in any other case; but to put it in the form suggested by the honorable member might imperil the contract, while it would not extend its terms.

Mr. JOSEPH COOK.—It would limit them.

Mr. ISAACS.—It might, and it might imperil the contract.

Mr. CARPENTER. — It might also strengthen the hands of the Government.

Mr. ISAACS.—The House could always give that direction to the Government at any time after the contract was made.

Mr. WEBSTER.—That is to say, if the House were so constituted as to desire to give such a direction, and if the Government were at the time in sympathy with a proposal of the kind. But if during the tenure of the contract an effort to give effect to a provision of this kind did not meet with the sympathy of the Government or with the support of the House, those who favour it would be left in a hopeless state in their efforts to secure compliance with the condition. In my opinion, it should be included in the contract now, as a definite instruction that in the circumstances indicated the Government should adopt a certain course.

Mr. ISAACS.—The honorable member has the full sympathy of the Government in his contention that in the case of a monopoly the interests of the people should be protected.

Mr. WEBSTER.—I quite understand that, but unfortunately I do not expect the present Government to continue in office for ever, and if the platform professions of those who might succeed them give a true indication of their aspirations in connexion with legislation of this character, it is necessary that there should be some conditions embodied in this contract which will insure justice to the people.

Mr. McWILLIAMS.—They must have a majority before they can do anything.

Mr. WEBSTER.—It is not merely a question of a majority because, as the representatives of the people, we are now proposing to enter into a contract for ten years.

Mr. JOSEPH COOK.—Is the honorable member going to talk all night?

Mr. WEBSTER.—I do not occupy a minute in talk for every hour occupied by the honorable member for Parramatta. It is the duty of this Parliament to see that the provisions of this contract are such as will protect the interests of the people of Australia.

Mr. JOSEPH COOK.—The honorable member has told us that ten times.

Mr. WEBSTER.—The honorable member might understand it if I told him it oftener. For his edification I might say that if his repetitions were recorded in *Hansard* or anywhere else, he would find that he is one of the greatest sinners in that respect.

Mr. JOSEPH COOK.—I will admit it. Now get on.

Mr. WEBSTER.—The honorable member would admit anything.

Mr. JOSEPH COOK.—I have a motion to move. That is my trouble; and the honorable member has neither sympathy nor reason.

Mr. WEBSTER.—There will be plenty of time to-morrow. I am aware of no understanding that this matter is to be concluded to-night. I heard no statement of the kind from the deputy-leader of the Opposition.

Mr. JOSEPH COOK.—I understand that it is the intention of the Government to go through with the matter to-night.

Mr. WEBSTER.—It is just as well that these secrets should leak out, and should become known to humble members of the House like myself. I was not aware that any arrangement had been made for concluding the debate on this matter to-night.

Mr. JOSEPH COOK.—There is no arrangement. I am simply telling the honorable member that the Government intend to go through with the matter to-night.

Mr. WEBSTER.—Has the acting leader of the Opposition agreed to that?

Mr. JOSEPH COOK.—Not at all.

Mr. WEBSTER.—That is what I desired to know. I think I have said all I need say in support of my amendment, and

I shall now leave it in the hands of honorable members, having done what I believe to be my duty.

Mr. THOMAS (Barrier) [11.2].—I move—

That the amendment be amended by leaving out the words "or otherwise," and all the words after the word "monopoly."

The amendment, if amended as I propose, would read—

That this House is of opinion that the steamers should be acquired by the Government in the event of the company joining or becoming part of any shipping ring or combine constituting itself a monopoly.

One of the planks of the platform of the party to which I belong is the nationalization of monopolies. We are not concerned as to whether a monopoly is or is not detrimental, because we assume that any monopoly in the hands of private enterprise is detrimental to the best interests of the community, and should, therefore, be nationalized.

Mr. DUGALD THOMSON.—Then honorable members must define a monopoly.

Mr. THOMAS.—I admit that that is necessary. I should have been glad if the honorable member for Gwydir could have seen his way to support my attempt to nationalize these boats from the start. It was open to the honorable member to vote on my amendment in any way he pleased for the reason amongst others that it has been decided by our party that at present the business of the mail companies do not exactly constitute a monopoly. Once it becomes a monopoly according to our platform it is necessary for us to do our very best to nationalize it. I should like to know whether the honorable member for Gwydir believes that the Shipping Conference in England is a monopoly, and is detrimental to the best interests of Australia. I was very pleased to hear my leader, the honorable member for Bland, make the statement that, had this contract been given to the Orient Steam Navigation Company, he would have been prepared to support the nationalization of the fleet, because the Orient Steam Navigation Company is a member of the Shipping Conference.

Mr. JOSEPH COOK.—Did the honorable gentleman say that?

Mr. THOMAS.—I understood him to say that, in answer to an interjection of mine during his speech. We are, however, considering a contract with a shipping company that at present is altogether outside

the shipping ring. I should like to know whether the honorable member for Gwydir believes that the new shipping company to whom it is proposed that this contract shall be given ought not to be a member of the Shipping Conference in England? If it is not a member of that Conference, I venture to say that it will have a very uphill fight. I have learned in the last few months that there are a number of people in Australia, not merely amongst the members of the Labour Party, but amongst the commercial community, who believe the operations of the Conference are detrimental to Australia. We all know that it is one of the largest combinations with bigger ramifications than any other, except, perhaps, the Standard Oil Trust in America. There is a number of persons who think that it ought to be fought. Are we to say that the new shipping company is not to be a part of that combination? If it is not, it will be a very serious thing for the importers of Australia. It may be that there is a number of protectionists who think that if it will be a bad thing for the importers, it will be a good thing for Australia, because the more hindrances and difficulties that are placed in the way of importation, the better it will be for Australia. It will make no difference to the importations, although it will make things awkward for the importers, because those articles which are being imported will still come, only they will have to come by the boats of the Peninsular and Oriental Steam Navigation Company. If the new company is not to be a member of the shipping conference in England, then we shall be practically pouring wealth into the coffers of the Peninsular and Oriental Steam Navigation Company, and thus helping to build up a company which employs black labour. As we all know, the deferred rebates are not allowed to those importers who use boats which are not members of the shipping conference. I am supporting the amendment because I am desirous that we should run our own boats. The honorable member for Gwydir did not see his way clear yesterday to support my proposal. I am prepared to support his amendment because, whilst it does not go as far as I should like, still it goes along the line I advocate. I would rather nationalize the mail steamers to-day than to-morrow. If I cannot nationalize them to-day, I must be satisfied with the attempt to nationalize them to-morrow. I

Mr. Thomas.

am prepared to support the proposal before us, but I trust the honorable member will agree to my amendment of it. It would make the proposal read more in accordance with the planks and pledges of the party to which I belong.

Question—That the words proposed to be left out stand part of the amendment—put. The House divided.

Ayes	...	...	27
Noes	...	...	11
Majority	...	...	16

AYES.

Cameron, D. N.	McColl, J. H.
Carpenter, W. H.	McWilliams, W. J.
Chapman, A.	Phillips, P.
Cook, J.	Quick, Sir J.
Deakin, A.	Salmon, C. C.
Ewing, T. T.	Storrer, D.
Forrest, Sir J.	Thomson, D.
Fuller, G. W.	Webster, W.
Isaacs, I. A.	Wilkinson, J.
Kelly, W. H.	Wilks, W. H.
Kennedy, T.	Wilson, J. G.
Liddell, F.	<i>Tellers:</i>
Lonsdale, E.	Cook, Hume
McCay, J. W.	Johnson, W. E.

NOES.

Bamford, F. W.	McDonald, C.
Culpin, M.	Spence, W. G.
Fisher, A.	Thomson, David
Fowler, J. M.	<i>Tellers:</i>
Frazer, C. E.	Hutchison, J.
Mahon, H.	Thomas, J.

PAIRS.

Skene, T.	Poynton, A.
Robinson, A.	O'Malley, King
Crouch, R. A.	Ronald, J. B.
Knox, W.	Maloney, W. R. N.

Question so resolved in the affirmative.

Amendment of the amendment negatived.

Mr. SPEAKER.—I would point out that a vote has just been taken upon a question embracing the last words of the amendment proposed by the honorable member for Gwydir, so that I cannot accept any motion unless it relates to an addition to the amendment.

Mr. CARPENTER (Fremantle) [11.16].—The question now before us, and upon which I differ from certain of my colleagues, is as to whether we should make quite sure that a monopoly is detrimental before we take steps to nationalize it.

Mr. THOMAS.—The nationalization of monopolies is a plank in our platform.

Mr. CARPENTER.—Whilst the platform makes no qualification, it is to be in-

terpreted with a certain amount of intelligence, and the assumption underlying the plank relating to monopolies is that such monopolies are detrimental.

Mr. SPEAKER.—The honorable member is now discussing the amendment that has just been disposed of.

Mr. CARPENTER.—If I am precluded from pursuing the subject, I have nothing further to say.

Mr. HUTCHISON (Hindmarsh) [11.18].—I intend to vote for the amendment as it stands, although I think that the honorable member for Gwydir made a serious error in not accepting the amendment proposed by the honorable member for Barrier. As the amendment now stands—

Mr. SPEAKER.—The honorable member is now discussing the amendment that has been disposed of.

Mr. HUTCHISON.—I desire to point out that, as the amendment now stands, it will be necessary to prove that a monopoly is detrimental to the Commonwealth, and that question may be submitted to the High Court.

Mr. CARPENTER.—That does not follow.

Mr. HUTCHISON.—It is provided that the steamers may be acquired by the Government, not if the service becomes a monopoly, but only if it becomes a monopoly detrimental to the trade and commerce of the Commonwealth. The settlement of that question might involve protracted litigation.

Mr. CARPENTER.—Not necessarily.

Mr. HUTCHISON.—If the honorable member were a director of a concern that became a monopoly, he would fight to the last ditch the question whether or not it was detrimental to the trade and commerce of the Commonwealth. I have always been opposed to any litigation that could be avoided, but I have no option but to vote for the amendment, which is in accordance with the platform of the Labour Party.

Question.—That the words proposed to be added be so added—put. The House divided.

Ayes	...	...	10
Noes	...	...	23
			—
Majority	...	...	13

AYES.

Carpenter, W. H.	Thomson, D. A.
Culpin, M.	Wilkinson, J.
Frazer, C. E.	
Hutchison, J.	<i>Tellers:</i>
McDonald, C.	Spence, W. G.
Thomas, J.	Webster, W.

NOES.

Chapman, A.	McCay, J. W.
Cook, J.	McColl, J. H.
Deakin, A.	McWilliams, W. J.
Ewing, T. T.	Phillips, P.
Forrest, Sir J.	Quick, Sir J.
Fuller, G. W.	Salmon, C. C.
Isaacs, I. A.	Storrer, D.
Johnson, W. E.	Thomson, D.
Kelly, W. H.	Wilson, J. G.
Kennedy, T.	<i>Tellers:</i>
Liddell, F.	Cook, Hume
Lonsdale, E.	Wilks, W. H.

PAIRS.

Poynton, A.	Skene, T.
O'Malley, K.	Robinson, A.
Ronald, J. B.	Crouch, R. A.
Fisher, A.	Knox, W.
Fowler, J. M.	McLean, A.
Watson, J. C.	Lyne, Sir W. J.
Watkins, D.	Bonython, Sir J. L.

Question so resolved in the negative.

Amendment negatived.

Mr. JOSEPH COOK (Parramatta) [11.25].—I desire to submit an amendment regarding that clause in the contract which vests in the Government the power to purchase, in an unqualified way, the vessels employed in our mail service. The other night, when I described this provision as a socialistic sop, the Prime Minister promptly replied that a similar provision was included in the contracts made by the British Government. His interjection was, "The British Government also include it." I find, however, that there is no provision resembling it in the Imperial contracts. The only reference to it is contained in the Imperial contract with the Peninsular and Oriental Steam Navigation Company, and that provision is very different from the clause in the agreement under consideration. In the Peninsular and Oriental Steam Navigation Company's contract there is a provision which has nothing whatever to do with the Postmaster-General, but which has to do with the Admiralty and with the defence of the Empire. It appears that the Admiralty have made a subvention with certain steam-ship companies, the particulars of which, I presume, are secret.

Mr. DEAKIN.—I have a copy of the contract in my office.

Mr. JOSEPH COOK.—A copy of what contract?

Mr. DEAKIN.—Of the subvention contract—the Cunard contract.

Mr. JOSEPH COOK.—I am speaking of the Peninsular and Oriental Steam Navigation Company's contract. Clause 32 of

that contract contains the following provision:—

Subject to the provisions of the subvention agreement between the Admiralty and the company, dated 3rd April, 1894, or of any subsequent subvention agreement, the Admiralty shall at any time during the continuance of this agreement, if they shall consider it necessary for the public interest so to do, have power and be at liberty to purchase all or any of the mail-ships at a valuation, or to charter the same exclusively, &c.

Clearly, the power of purchase is reserved for defence purposes only. It is confined to the defence of the Empire, and is not a general power such as is embodied in this contract. The Imperial contract with the Orient Steam Navigation Company contains no power to purchase.

Mr. FRAZER. — Would the honorable member follow the Imperial contracts in the matter of labour also?

Mr. JOSEPH COOK.—What has that to do with what I am saying?

Mr. FRAZER.—It is a precedent, and the honorable member is talking of precedents.

Mr. JOSEPH COOK.—I am replying to the statement of the Prime Minister that a similar provision is contained in the Imperial contracts.

Mr. WEBSTER.—The Prime Minister was not referring to the contracts mentioned by the honorable member.

Mr. JOSEPH COOK. — Perhaps the honorable member for Gwydir will tell me the contracts to which he was referring. I hold in my hand the current Imperial contract with the Peninsular and Oriental Steam Navigation Company, and it contains no such provision. It provides for an emergency which has reference to the defence of the Empire—an emergency which would justify any Government in adopting an extreme course. But in none of the Imperial contracts is there any unconditional power of purchase such as is contained in this agreement. However, the Prime Minister has said that he has something additional in his possession, and I shall await with interest what he has to say. In the meantime, I propose to make our contract harmonize with the provision which is embodied in the British contracts at the present time. If we do that we shall do all that is necessary in the direction of nationalizing this service. Consequently I move—

That the following words be added—"and with the following further modifications:—

In the second line of clause 16, substitute the 'Minister of State for Defence' for the 'Postmaster-General.'

In No. 36 of the General Conditions of Tender, substitute the 'Minister of State for Defence' for the 'Postmaster-General,' and after the word 'contract,' in the second line, insert the words 'if he shall consider it necessary for defence purposes so to do.'"

The amendment will confine the power of purchase or charter to the defence of Australia, and will limit the initiative in this matter to the Minister of Defence, instead of to the Postmaster-General.

Mr. WEBSTER.—There is nothing in it to protect the producers of Australia.

Mr. JOSEPH COOK.—There is everything in it to protect, not only the producers, but every other man in Australia in time of dire national necessity.

Mr. WEBSTER.—There are other times besides that.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [11.34].—I take it that the very section of the Imperial contract with the Peninsular and Oriental Steam Navigation Company to which the honorable member has referred, proves my contention. It says—

The Admiralty shall at any time during the continuance of this agreement, if they shall consider it necessary in the public interest so to do, have power and be at liberty to purchase any or all of the mail ships, &c.

That gives the Admiralty absolute power to purchase those vessels if they consider it necessary to do so, the only limitation imposed being as to whether they regard such a step as essential in the public interest?

Mr. McCAY.—In what matters other than defence are the Admiralty the judges of the public interest?

Mr. DEAKIN.—That rests entirely with the Government, of which the Admiralty represents one Department.

Mr. JOSEPH COOK.—Subject to the provisions of the subvention between the Admiralty and the company.

Mr. DEAKIN.—The Imperial contract, which I had in my mind when the deputy-leader of the Opposition was speaking, resembled that with the Cunard Company, dated 30th July, 1903, which contains the following:—

His Majesty's Government shall have the right on giving notice in writing to the company of their intention so to do to take possession of any vessel which they require to purchase or hire under the provisions of this Agreement immediately on the arrival of such vessel at her port of discharge from the voyage. . . .

There is no limitation as to public interests—no limitation whatever. In sub-section

2 of clause 4 of the Cunard agreement of 1903 we find that provision.

Mr. JOSEPH COOK.—The Cunard agreement of 1903 was renewed in 1904.

Mr. DEAKIN.—I dare say it was. If my recollection is right, and I think it is, the language used in another contract with the British Government, which we had in mind and have seen, is exactly that which has been employed in this contract of ours.

Mr. JOSEPH COOK.—There is no provision of the kind in the contracts with the Orient Steam Navigation Company.

Mr. FISHER (Wide Bay) [11.37].—I take it that we are to deal with this contract with due regard to our own position, and not in accordance with what is done anywhere else.

Mr. DEAKIN. — Hear, hear; but I was challenged.

Mr. FISHER.—Whilst the Admiralty see fit to take certain action in the old country, I think that the Postmaster-General is the most competent person to take charge of a purely postal contract. The honorable member's amendment provides that these vessels shall not be interfered with except for defence purposes.

Mr. JOSEPH COOK.—In the way of purchase or charter.

Mr. FISHER.—That is a clear challenge to the Government. Any one who believes that there is a possibility of the Government, by taking possession of the steamers, securing a better service than they could obtain by leaving them in the hands of the contractors—

Mr. JOSEPH COOK.—This is Socialism, or otherwise.

Mr. FISHER.—I quite agree that the Opposition, after assisting the Government, are challenging them with respect to a vital part of their policy. They are entitled to do so, but I would remind them of the statement made by the honorable member for North Sydney—one of the shrewdest and ablest members of their party—that circumstances might arise that would compel the Government to take over these vessels.

Mr. JOSEPH COOK.—He has explained to-night that he was referring to a time of national peril.

Mr. FISHER.—The words used by the honorable member were perfectly clear. He said that the company might conduct the service in such a way as to compel the Government to call upon them to hand over the steamers at a reasonable price. I hope

that the Government will stand by the contract, because the proviso, whilst it may not lead to much, is sound in principle, and will ultimately be availed of under this or some other contract.

Mr. McCAY (Corinella) [11.40].—I have had an opportunity to hurriedly glance at the Cunard contract which the Prime Minister produced as a full justification for the Government proposal. So far as I have been able to peruse it, I have been led to the conclusion that the honorable and learned gentleman will find in it a weapon that turns in his own hands. In sub-clause 1 of clause 4, to which he referred, it is provided that—

The company shall at all times during the term of this Agreement hold all and every the vessels for the time being the property of the company (including the steam-ships particularized in the first schedule hereto, and the two steam-ships referred to in clause 3 hereof and all other vessels built for or purchased or otherwise acquired by the company as and when the same shall have been built, purchased, or otherwise acquired and so long as such steam-ships or vessels or any of them shall remain the property of the company) at the disposal of His Majesty's Government to be hired or purchased upon the terms and conditions set forth in the third schedule hereto.

2. His Majesty's Government shall have the right, on giving notice in writing to the company of their intention so to do to take possession of any vessel which they require to purchase or hire under the provisions of this Agreement, immediately on the arrival of such vessel at her port of discharge.

That refers only to the right of purchase under the third schedule. On turning to that schedule, we find that it is as follows:—

Terms and conditions upon which the vessels of the company are to be held at the disposal of His Majesty's Government during the term of this Agreement.

It will be remembered that the Prime Minister emphasized the words "His Majesty's Government," as showing that the facilities of the company were not to be held at the disposal of the Admiralty. The wording of the schedule is as follows:—

The price shall be a sum equal to the value of the vessel purchased as on the date upon which the Admiralty shall give notice in writing to the company of their intention to purchase. . .

In other words, it is the Admiralty which has to determine the intention to purchase.

Mr. DEAKIN.—Because that is the Department which deals with the matter.

Mr. McCAY.—It deals with Imperial defence, not with the carriage of mails.

Mr. ISAACS.—Why is it that the words, "For the purpose of defence," are not used?

Mr. McCAY.—I shall tell the honorable and learned gentleman a little more as to this provision. First of all the right of His Majesty's Government to purchase is dependent upon notice by the Admiralty, and cannot be exercised until that notice is given.

Mr. DEAKIN.—The Admiralty is part of the Government.

Mr. McCAY.—It is that branch of the Government which deals with the Imperial problems of defence. Paragraph 2 of the third schedule describes the way in which the value is to be determined, whilst paragraph 3 provides that—

The sale shall include the full equipment of the vessel but save as hereinafter provided shall not include the plated ware cutlery crystal earthenware blankets counterpanes bed and table linen and consumable stores of the vessel all of which the company shall be entitled to remove from the vessel with the exception of such quantity of such articles (other than consumable stores) as may be reasonably necessary for the number of officers and warrant officers that would form part of the vessel's complement if used as an armed cruiser.

Mr. DEAKIN.—"If" used.

Mr. McCAY.—The honorable and learned gentleman is taking refuge in a very poor little "if." This shows quite clearly what is the object of His Majesty's Government in claiming the right to purchase these vessels—

and such quantity of such articles shall be considered part of the equipment so purchased by the Admiralty.

Then clause 4 proceeds to prescribe that the Admiralty shall pay in cash or within thirty days.

Mr. JOSEPH COOK.—Is it the Admiralty that pays?

Mr. McCAY.—Yes, the Admiralty gives notice, it pays, and it retains sufficient of the ship's stores to enable it to be used as an armed cruiser. The Postmaster-General disappears. When the Imperial Government takes over these vessels it is more concerned with the preservation of the country than the delivery of the mails. The same schedule goes on to give the terms on which hiring may take place. It provides that—

The company shall not be called on to provide officers and crews in war time, but will, if required, do all they can to assist the Admiralty in manning the vessels hired for war service.

Mr. DEAKIN.—No one is disputing that.

Mr. McCAY.—Clause 3, under this heading, describes what is to be done in time

of war, while clause 4 sets forth that, in the event of the Admiralty hiring the vessels, or any of them, in times of peace—again, armed cruisers—certain things are to take place. Clause 5 refers to the taking on hire of the vessels as armed cruisers, and paragraphs 6 to 11 refer to the arrangements between the Admiralty and the company. Both the provisions relating to purchase and those relating to hire are contained in the one schedule, and are referred to in one clause of the agreement—clause 4—as the alternative power of the Admiralty to purchase or hire. The whole thing is with the Admiralty, and I say, from first to last, this schedule makes it clear beyond any reasonable doubt that the whole object contemplated by this agreement—

Mr. DEAKIN.—No.

Mr. McCAY.—I am expressing my own opinion.

Mr. DEAKIN.—The chief object is naval, not the whole object—that is the point.

Mr. McCAY.—The only contemplated object.

Mr. DEAKIN.—No.

Mr. McCAY.—The contemplated object throughout the whole of this agreement is the purchase or hire of those vessels for use as armed cruisers. We know that the captains of many of the vessels belong to the Royal Naval Reserve for that very same purpose. The Prime Minister quoted this agreement hastily, without any reasonable perusal, when he read sub-clause 2 of clause 4 as proof of the general power of purchase by the Government, as contrasted with the Admiralty, and for any purposes as contrasted with war purposes.

Mr. DEAKIN.—Not as contrasted, but as including the Admiralty.

Mr. McCAY.—I have quoted the article and the schedule, and I leave it to the House to judge, rightly or wrongly, what the purpose of the Imperial Government was, and how far their precedent warrants article 16 of the proposed postal contract.

Mr. SALMON.—Does the honorable and learned member contend that that would preclude the Imperial Government from carrying mails during time of war?

Mr. McCAY.—I never contended any such thing. I contend that the Imperial Government have claimed the right to purchase or hire those vessels because it contemplates desiring to use them in time of war for war purposes; and that they do not, under this agreement, contemplate—I

do not say that they have not, technically. the power—anything but taking them over in times of emergency, when they require them as part of the Imperial fleet, whether as armed cruisers, despatch boats, or other description of vessel.

Mr. DEAKIN. — I have here their own document, showing that under the head of "Admiralty Requirements" the following is reported:—

... other Admiralty requirements connected with mail contracts relate to special facilities for Government parcels and stores, as to which we have no change to suggest, and to the conveyance of Government passengers. . . .

Mr. McCAY.—What I say does not depend solely on the use of the word "Admiralty." I say that the whole of the third schedule, from which I have quoted, shows perfectly clearly what the Government of the United Kingdom had in mind when they entered into this agreement. If the Prime Minister thinks that the amendment of the honorable member for Parramatta, by specifically using the words "for defence purposes," is too narrow, I suggest that he take the exact words that appear in the contract of the Peninsular and Oriental Steam Navigation Company.

Mr. FISHER.—Slavishly following some other people.

Mr. McCAY.—We have been told over and over again that clause 16 of the agreement now under consideration has Imperial precedent, and because we now challenge the accuracy of that statement we are told that we are slavishly following the precedent which, during the last day or two, has been quoted as the one we ought to follow.

Mr. HUTCHISON.—The honorable member admits that, technically, the Imperial Government have the power.

Mr. McCAY.—I am prepared to confer the power "technically" on this occasion by adopting the exact words of the Peninsular and Oriental Steam Navigation Company's contract. I am prepared to do what is fair, and I am not concerned with the honorable member for Gwydir, or his ingenious modification of his previous theory on the socialistic question.

Mr. WEBSTER.—Is that the honorable member's interpretation of the agreement?

Mr. McCAY.—I am prepared to substitute "for the public interest" for "for defence purposes," and then we should have the same technical right under our contract that the Admiralty has under the Imperial contract—we would have the same indication

of the contemplated objects and power that there is in the Imperial contract. I move—

That the amendment be amended by leaving out the words "defence purposes," with a view to insert in lieu thereof the words "the public interest."

Mr. ISAACS (Indi—Attorney-General) [11.53].—If the argument of the honorable and learned member for Corinella is worth anything, the substitution of the words he proposes would make no difference whatever. The honorable and learned member has been arguing for the last few minutes that, although the words used in the English contract are "for the public interest," the provision is limited to defence purposes.

Mr. McCAY.—I do not say that it depends solely on the word "Admiralty." It depends on the whole form of the third schedule.

Mr. ISAACS.—If the words "for the public interest," when used in conjunction with the Admiralty, are limited to defence purposes, the honorable and learned member would argue that where we have the Minister of Defence connected with the public interest the same result must follow. Does the honorable and learned member make a proposal merely to have a verbal alteration with no distinction?

Mr. KELLY.—Then why oppose the amendment?

Mr. ISAACS.—I should like to point out what result would follow if the honorable and learned member's argument were good. It is provided that the Postmaster-General may, during the continuance of the contract, purchase any or all of the mail steamers at a valuation. Does the honorable and learned member mean to say that we only give the power to the Government to purchase the mail ships for postal purposes? If the honorable and learned member's argument is worth anything, it means that we could not purchase the vessels for the purposes of defence. It would lead to the conclusion that if we adopted the present proposed contract we could purchase only through the Postmaster-General for mail purposes.

Mr. McCAY.—I never said that.

Mr. ISAACS.—If the honorable and learned member now admits, as he is forced to admit, that the Postmaster-General, having power to purchase the mail ships, may purchase them for defence purposes—

Mr. McCAY.—For any purpose.

Mr. ISAACS. — If the argument be sound, why cannot the Admiralty in England purchase the vessels for mail purposes? I think I can leave the matter there.

Mr. FRAZER (Kalgoorlie) [11.55].—I think that the Attorney-General has successfully demolished the argument of the honorable member for Corinella. To say that because a particular Department has been selected by the Government to take power for the purchase of ships, that that must be the only Department to use those ships, and that they cannot be used for any other purpose than that associated with the Department, is as illogical as any argument that might be expected at any time from honorable members opposite.

Mr. MCCAY.—I said that it indicated the contemplated purpose.

Mr. DEAKIN.—The honorable member said the whole purpose.

Mr. FRAZER.—The honorable member for Corinella endeavoured to satisfy the House that the whole power that could be exercised by the British Government in purchasing ships through the Admiralty, was in the direction of defending Great Britain in a time of national danger. I do not agree with the honorable member, and think that the opinion expressed by the Attorney-General is the reasonable one to adopt now. I wish to get away from the point whether or not we should adopt in this contract the exact language that has been employed by the British Government in its contracts, and to point out as shortly as possible the position occupied by the alleged friends of the producers, who sit in Opposition. During the last few days, we have heard nothing else from honorable members opposite except such demands as, "Where is the provision in this contract to protect the bone and sinew of this country, and to give our producers an opportunity to send their goods at reasonable freights to the markets of the world?" Now, however, we find the same gentlemen objecting to the resumption of this contract. Although I do not approve of paying £125,000 under this agreement, still, if the proposal under discussion were omitted, it would place the producers in the position of being probably the victims of a shipping monopoly in the near future.

Mr. JOHNSON.—Then this is a socialistic proposal?

Mr. FRAZER.—I do not deny it. A provision to give the Government the

right, when necessary, to take control of a line of steam-ships, in order to secure the peace, order, and good government of this country is, in my opinion, socialistic; and I think it is a very desirable provision to have in legislation of this kind. The extraordinary position occupied by my honorable friends opposite is demonstrated in their endeavour to strike out this provision, and it is a reasonable interpretation to place upon their conduct that they are prepared to allow our produce to be placed in the hands of any monopoly which may charge any rates it deems desirable, even to the extent of crippling the industries of this country.

Mr. JOSEPH COOK (Parramatta) [12.1].—In all my existence I have never heard a more consummate legal quibble than that which has been indulged in by the Attorney-General.

Mr. HUME COOK.—It has discomfited the honorable member's friend, the honorable member for Corinella.

Mr. JOSEPH COOK.—Not at all. All that the Attorney-General did was to wrest my honorable friend's statements from their setting and to set up a bogey of his own. My honorable friend, the member for Corinella, never said that the Admiralty could not use the boats which it acquired for any other than war purposes. His argument all through was that the Admiralty never contemplated using them for other than war purposes. That is the meaning of the contract alluded to, and the Attorney-General can read nothing more into it. Of course, it does not take much to make honorable members of the Caucus Party laugh and cheer. Naturally, they cheer anything to get a socialistic proposal through. Why should they not?

Mr. FRAZER.—The honorable member would prejudice the interests of the producers of this country because he believes the proposal to be socialistic.

Mr. JOSEPH COOK.—I have no quarrel with the honorable member for Kalgoorlie. I am quarrelling with those quibblers in the Government who will not admit that this is a socialistic proposal. If they admitted at once that it was socialistic, there would be no more to be said, and we could go to a vote. No one can quarrel with the honorable member for Kalgoorlie and his colleagues. He says straight out, "This is a piece of Socialism;" and it pleases them so much that

is that the Government shall be able to purchase the vessels for only the purpose of defence. If the honorable member for Corinella really meant that the Government have power to purchase the vessels for any other purpose, that is an admission that they would have the right to use them for any other purpose, and that it was quite right that they should have that power.

Mr. KELLY.—It was not the implied object, he meant to say.

Mr. HUTCHISON.—That is not the point at all. The honorable member for Corinella admits that the Imperial Government have the right to purchase these vessels either for any purpose or for only defence purposes. Which is it? First we had a denial that it was as the honorable member for Corinella said for the one purpose.

Mr. DUGALD THOMSON.—Let them put in these provisions and then it will be made clear.

Mr. HUTCHISON.—There are several reasons for not putting in the provisions. We have no right to consider what provisions the Imperial Government has put in any contract. The question is what we ought to do.

Mr. JOSEPH COOK.—“Australia for the Australians.”

Mr. HUTCHISON.—I would rather have Australia for the Australians than for the foreigners. The only trouble, apparently, with members of the Opposition is that the wording of the contract makes it clear that power is given to the Government to be used for a socialistic purpose, and to placate the Labour Party. If that power had existed in the contract with the Peninsular and Oriental Steam Navigation Company, or the Orient Steam Navigation Company, at the time when our producers were being robbed by the mail companies, I am quite satisfied that the producers of Australia would not have had a word to say about Socialism. On the contrary, they would have said, “For goodness’ sake try to see that justice is done to us.” If a similar thing were to occur, we should have every producer not talking a word about Socialism, but saying, “Give us better terms than we are getting—do not allow us to be robbed by the shipping companies.” Apparently the members of the Opposition have forgotten all about the report of the Butter Commission, although it is only a few months since it was presented. Seemingly, they have forgotten all about the

secret rebates which were paid, one firm alone getting £12,000 odd in twelve months from a mail company, in order to allow them to charge a most exorbitant rate for carrying produce. Is that the kind of thing which the members of the Opposition wish to see continued? I do not.

Mr. KELLY.—There is a law against all that sort of thing now.

Mr. McCOLL.—We have altered all that without buying the ships.

Mr. HUTCHISON.—I wish to prevent the mail companies from having the opportunity to repeat that sort of thing. All over the world private enterprise is continually fleecing somebody.

Mr. DUGALD THOMSON.—If the Government were to get the running of these ships there would be fleecing, too.

Mr. HUTCHISON.—I would remind the honorable member for Echuca that, within the last few weeks, we have had to pass certain legislation.

Mr. JOSEPH COOK.—That is the old argument of destroying freedom and responsibility for the purpose of preventing persons from doing a certain thing.

Mr. HUTCHISON.—Are not the great shipping combines destroying freedom and individuality? The only question is which is the best form of collectivism. Is it shipping combines, or that system which allows people to control these matters for the benefit of the whole community? I am satisfied that no argument has been advanced here to-night to induce a single member to change his vote in regard to this clause. We have nothing to do with Imperial contracts. I hope that we are going to abandon the practice of copying old-world agreements, which are possibly fifty years behind the times. I am glad to say that in some things we are in advance of the times, as I hope we shall soon be in regard to many other things. If, however, we follow the example of the Opposition, 100 years hence we shall be exactly where we are to-day. The honorable member for North Sydney has clearly shown that the whole purpose which he has in view is to give the Government of the Commonwealth the right to purchase the ships for war purposes only. He does not care how any section of the community is treated by the shipping companies.

Mr. LONSDALE.—Quite as much as the honorable member does.

employed as could be advantageously called upon in times of war. The British Postmaster-General has no power to buy or charter any vessel. That right is reserved to the Admiralty alone. That being so, we say to the Government, "Give the Minister of Defence a similar power for a similar purpose." All else in this provision is the leather and prunella of Socialism.

Mr. SPENCE (Darling) [12.10].—If I understand the members of the Opposition aright, they wish to amend the contract so that the vessels carrying on the service may be purchased by the Government only for use in time of war. Apparently they would leave the Australian people at the mercy of the shipping company carrying on the service, if it declared war on us. The object of the provision in the contract to which exception has been taken is to protect the interests of the people of this country in the event of certain contingencies arising. One of those contingencies is the possibility of the shipping company which is a party to the contract joining with the existing shipping ring which controls freights and fares from the other side of the world, and may ultimately declare war on the people of Australia by increasing the rates charged to shippers at this end. I hope that the Government will stand by that provision. The members of the Opposition have posed as the friends of our producers and exporters. But if they had read the evidence taken in recent inquiries they would know that our people have had to fight hard to secure reasonable rates, and that a satisfactory mail-boat service for the transport of perishable produce is of great importance to them. The contract has been discussed as if it were merely a contract for the conveyance of mails, whereas, in reality, the underlying intention is to secure the services of a fleet of up-to-date boats for the quick transport of our products to the markets of the old world.

Mr. JOHNSON.—We can have a straight-out socialistic fight now.

Mr. SPENCE.—It is a great pity that some honorable members are afraid of the word "Socialism," and run away without examining the ideal for which it stands. Would it not be unwise to make a contract for ten years without safeguarding the interests of those who have to do business with the old country? The need for protecting their interests is the real reason why this provision is inserted. Without it, the

fortunes of our producers will be in the hands of the company.

Mr. McCOLL.—There is too much competition for that.

Mr. SPENCE.—There is really no competition. The honorable member is not alive to the facts of the case. It is not denied that freights are arranged at the other end, and the importers do not object to them, because they can be passed on to the consumers.

Mr. LONSDALE.—That assists the Australian manufacturers.

Mr. SPENCE.—The amount of cargo to be carried is also regulated, and when only enough is offering for three or four vessels, it is often spread over six. It has been argued that, by increasing the freights on exports to Australia, the companies are put in a position to give reasonably low freights to those who send produce from Australia, particularly because our exports exceed in quantity our imports. Then, too, high freights on imports assist local manufacturers. But in Western Australia attempts have been made to regulate freights at this end, and it would be outrageous if Parliament for ten years abandoned its right to interfere with arrangements threatening Australian interests, leaving itself without a weapon to protect our exporters. It is not contended that the rates already fixed are unreasonable, but there is no doubt that they control the overseas shipping sufficiently to enable them to raise freights at this end. Freights would not, of course, be raised to the point which would prevent exports, but it is admitted that the companies could raise them to any rate short of that. There is no doubt whatever that if this company does not join the shipping ring they will be unable to obtain freight to Australia. In the circumstances it would be madness for us to leave ourselves at the mercy of the company. In spite of the alarming suggestion that what is proposed is socialistic, I am satisfied that before the close of the ten years period, this Parliament will see that it is wise that we should have our own shipping as a check upon the shipping ring. I believe that circumstances will arise which will demand the enforcement of this provision. If the shipping ring which this company will join dictates terms to them, it might happen that the Government will have to buy them out to insure the carriage of perishable products in the interests of the Australian producer. There can be no doubt that in the near

future there will be a tremendous expansion of our export trade in fruit and other produce, and the ships proposed to be built under this contract will not be able to carry all the freight offering from Australia. It is this outlook, probably, which justifies these people in entering upon a contract of this kind.

Mr. JOHNSON.—Then this provision does not mean what is meant by the provision in the Peninsular and Oriental Steam Navigation Company's contract, but something more.

Mr. SPENCE. — I cannot understand honorable members of the Opposition being such sticklers for copying what England has done. We should do what the Government have proposed, and that is consider Australian conditions.

Mr. JOHNSON.—They say the conditions are the same.

Mr. SPENCE.—Never mind what anybody says. We are here to make this as good a contract as we can.

Mr. McCAY.—The honorable member contemplates the clause being operative to take over the ships for commercial purposes.

Mr. SPENCE.—I say that if the clause is not so worded as to give the Government power to take over the ships for commercial purposes, the Government should certainly see that it is framed in such a way that that can be done. I look upon this provision as supplying a weapon in the hands of the Government for controlling the shipping company and to prevent them acting unreasonably towards Australian producers.

Mr. JOSEPH COOK.—In other words, to take the ships over for socialistic purposes.

Mr. SPENCE.—Not necessarily. I do not think that it would be wise for the Government to buy out the company. In my opinion, it would be far better that we should build our own ships.

Mr. WILSON.—Should we build them in Australia?

Mr. SPENCE.—If the honorable member pleases; but I do not think that they could be built at Mort's Dock yet. My view is that the provision will enable us to prevent Australian producers from being fleeced, and that without it we should be at the mercy of a shipping combine over which we can exercise no control whatever. I cannot understand the attitude of the Opposition in desiring to so limit the scope of the

provision that the boats could only be taken over in the event of some one declaring war upon us. What I desire is that we should be prepared for a declaration of war by the shipping companies themselves.

Mr. SALMON (Laanecoorie) [12.20].—I desire to welcome into the ranks of those who wish to see an Australian Navy established a number of honorable members opposite who are prepared to give the Minister of Defence the power to acquire nine vessels at any time at which the country might require them.

Mr. DUGALD THOMSON (North Sydney) [12.21].—I learn that various constructions have been put upon certain words which I used in the speech I made in connexion with this contract yesterday, which are not warranted by what I said. Quoting from the *Hansard* report, I find that what I said was—

In these circumstances I cannot vote for the amendment. I am not going to say that under certain conditions there might not be justification for a State-owned service. If we found persons taking advantage of a monopoly which they had established, and making it absolutely injurious to the interests of Australia, some action might have to be taken, but I do say that nothing of that kind has arisen, nor is it likely to arise with the free competition of the ocean.

That is what I said, and that is what I stand by, and I protest against any interpretations which are altogether wide of the mark being placed upon my words. I have only a word to say about this amendment. I am absolutely against the proposal in the contract, and would substitute for it the provision contained in the British contracts, which the Ministry have sought to make it appear—probably without knowledge—is similar to the provision in this contract. As the honorable member for Parramatta has said, if it is similar, why should not the Government accept it, and if the provision in this contract differs from it, what is the reason for the difference? Is it not that, instead of having the power merely to take possession of these steamers in an emergency such as war, they may vest the power in the hands of the Postmaster-General to acquire, for any or for no reason but a socialistic reason, possession of these boats? The Prime Minister said that the Postmaster-General read from a British contract a provision similar to that in the present proposal. I have no doubt at all that what the honorable gentleman read was paragraph 32 of the Peninsular

and Oriental Steam Navigation Company's contract, which is as follows:—

Subject to the provisions of the Subvention Agreement between the Admiralty and the company, dated 3rd April, 1894, or of any subsequent Subvention Agreement, the Admiralty shall at any time during the continuance of this Agreement, if they shall consider it necessary so to do, have power and be at liberty to purchase all or any of the mail-ships at a valuation, or to charter the same exclusively for Her Majesty's service, at a rate of hire to be mutually fixed and agreed on by them and the company, or, in case of difference, to be determined by arbitration, and every or any difference as to the amount of valuation or hire or rate of hire so to be paid shall be determined by arbitration.

That reads as though it were similar to the proposal in this contract, but when we attach to it the schedule which gives the grounds for the acquisition of these boats, it is not so.

Mr. ISAACS.—What schedule?

Mr. DUGALD THOMSON. — The schedule quoted by the honorable and learned member for Corinella.

Mr. ISAACS.—I do not think there is one in that contract.

Mr. DUGALD THOMSON.—It is subject to the provisions of the subvention agreement between the Admiralty and the company.

Mr. ISAACS.—I think that the honorable member is, perhaps, inadvertently overlooking the fact that the schedules referred to were in connexion with the Cunard contract.

Mr. DUGALD THOMSON. — The schedules were quoted from that contract, I understand.

Mr. ISAACS.—That is a different one.

Mr. DUGALD THOMSON.—At any rate, we have had quoted the only conditions which apply, and it is shown that they apply to the purchase of the steamers for war purposes. Reading the paragraph alone, it might be taken as corresponding practically with the contract. But, reading it with the subvention agreement, and also with the schedules attached to the Cunard agreement, it is shown that it refers to the purchase of the vessels for war purposes. After that clear statement of the position by honorable members, the Ministry cannot get out of this position, either they thought they were doing the same thing as the British Government, or they are acting on the principle advocated by honorable members in the corner, who have openly avowed that they support the proposal of the Government because it is

socialistic. The Ministry can get out of their difficulty if they wish to imitate the English contract, as they stated at first. They have a reason for not doing so, and that is because they are bowing to the socialistic desire of members of the Labour Party, who hope to find a complaisant Postmaster-General in the future to accomplish the acquisition of the vessels.

Sir JOHN FORREST.—Where would we get the money from?

Mr. DUGALD THOMSON.—The Ministry would hope to get the money from the British lender, I suppose. The right honorable member must know that the members of the Commission of which the honorable member for Barrier was chairman proposed to borrow money in Australia for the purpose.

Sir JOHN FORREST.—But Parliament would have to approve of the purchase of the vessels first.

Mr. DUGALD THOMSON.—Parliament might be asked to approve after the agreement to acquire the vessels had been made.

Sir JOHN FORREST.—No, before.

Mr. DUGALD THOMSON.—The Government could commit itself to the purchase of the vessels without reference to Parliament, and the latter could only refuse to ratify the Act by displacing them.

Sir JOHN FORREST.—That would be a risky job to undertake.

Mr. DUGALD THOMSON.—Risky undertakings have been entered into before now by those who depended upon the vote of a certain number of honorable members.

Sir JOHN FORREST.—Not involving the raising of several millions of money, I hope.

Mr. DUGALD THOMSON.—I do not know about that. At any rate, that is the position. The Government profess to wish to copy the British contract. They see clearly now that they have not done so, and they refuse to alter their own terms, and by that means do what they at first professed they were ready to do.

Mr. HUTCHISON (Hindmarsh) [12.30]. —I cannot understand the attitude of the members of the Opposition. The honorable member for Parramatta has stated that the honorable member for Corinella had never said that the Imperial Government have not the power to purchase the vessels to be used for purposes other than defence, and the honorable member for North Sydney has told us that the intention

isting Act. Then we should have the benefit of the interpretation which has been put upon these powers as contained in Acts which have been in force in England and other parts of the British Empire.

Senator BEST.—Does the honorable senator say that clause 24 is not subject to the restrictions contained in clause 23?

Senator Sir JOSIAH SYMON.—No; clause 23 is not subject to the restrictions of clause 24.

Senator BEST.—Clause 23 is restrictive.

Senator Sir JOSIAH SYMON.—No; it is a clause which is absolutely unrestricted. That is, except for limitations which may be put upon the words "occupy the land so entered," the persons authorized by the Minister may enter for any purpose whatever. The real restriction is embodied in clause 24; but, as Senator Best will see, the two provisions are combined in section 53 of the existing Act, which, as a whole, defines the limits on the occupation. Otherwise, under clause 23, questions might arise as to whether there was any restriction as to the occupation of adjacent lands. The intention is that the occupation shall only be for the purpose mentioned in clause 24; but, whether that be so or not, that clause should be the guide as to the occupation of adjacent lands, not necessarily the property of the owner of the land which is required, but the property of some other person. That other person may be very seriously injured; and we know that, in many such cases, the compensation is quite inadequate to the damage done. I therefore suggest that the two clauses should be incorporated as in the original Act. I also desire to call attention to what seems to be a restriction on the powers of the Commonwealth. According to the Bill, the power is conferred "when any public purpose is being carried out on any land," whereas the condition in the existing Act is, "when any land has been purchased or taken." Under the clause the power of the Commonwealth is limited to the actual carrying out of the public purpose; but it seems to me that there ought to be power to occupy if necessary, as preliminary to the public purpose, not merely the land acquired, but adjacent land. Under the clause the powers of the Commonwealth cannot be exercised until the public purpose is being actually carried out. The object of the Bill is to give the fullest power possible to the Commonwealth; and it would, therefore, be

advisable to adopt the words of the existing Act. I move—

That the words, "When any public purpose is being carried out on any land," lines 1 and 2, be left out, with a view to insert in lieu thereof the words, "Where any land has been purchased or taken under this Act for any public purpose."

Senator KEATING (Tasmania—Honorary Minister) [11.5].—This alteration in the existing law is a restriction on the Commonwealth authorities, who are enabled to exercise the powers conferred by clause 23 only when a public purpose is being carried out on any land. The power under the present law and the power it is proposed to confer by clause 23 is to enter upon land—not the land that is required for the public purpose, but land which may be within a distance of 200 yards, which must not be a garden, orchard, plantation, park, or such other property, and which must not be nearer the dwelling house of the owner than 500 yards. It is obviously necessary, in many instances, that over and above the land which is actually required for the public purpose, adjacent land, the property perhaps, of the same owner or of another owner, should be entered upon for the due execution of the particular public purpose. It is well to remember that we acquire the land the moment there is the *Gazette* notice of the compulsory acquisition; and, under the present law, it is competent for us to enter any adjacent land under the conditions I have already mentioned. The Commonwealth, or the Departments which are associated with these works, are not seeking to maintain the extensive powers they have now of entering what may be called adjoining land.

Senator MILLEN.—Have those powers been abused?

Senator KEATING. — I do not know that the powers have been abused, but this provision is distinctly in favour of the private owner—it leans towards the private owner rather than to the Commonwealth. If we do not want these extensive powers, I do not see that there is any necessity to extend them beyond the limit proposed by the clause under consideration. I do not think there is any necessity for the power to enter adjoining lands of the same or some other owner, and to use them temporarily, unless we enter the land with the actual object of executing the particular purpose in respect of which the land is acquired. That should be the determining point, namely, that we are entering on the land for

Mr. HUTCHISON.—Undoubtedly I do care as I have proved by my votes. However, at this hour in the morning I do not intend to discuss any question with the honorable member. I am very pleased to see that the Government are likely to stand firmly by their agreement.

Mr. LONSDALE (New England) [12.35]—The dispute between the Government and the Opposition, if there is one, arises from the fact that the Government have represented that the clause in the proposed new contract is similar to that contained in the Imperial mail contracts. Now, the Labour Party are defending the clause adopted by the Government, because it differs from the Imperial provision in that it would enable the Government to acquire the steamers for commercial purposes. The Opposition have so far stood by the Government in their resistance of the socialistic propositions put forward during the discussion of this contract. If the Government had acted in a straight-forward manner I could have admired them, but in framing the clause in the contract in such a way as to meet the desires of the Labour Party they have not put the position so clearly as to entitle them to claim that their conduct has been altogether above-board. If the Government had intended to insert a provision similar to that contained in the Imperial mail contracts, there would have been no necessity to resort to ambiguous language. Every one knows that the clause in the proposed contract goes very much further than the Imperial provision. Personally, I am entirely opposed to any of these socialistic proposals. The honorable member for Darwin argued that the clause as it stood would act as a deterrent upon the ship-owners, who might be disposed to exact high freights from producers. But there is nothing in the contract to prevent any such abuse of power.

Mr. FRAZER.—Does the honorable member think that it would be less socialistic if the Minister of Defence, instead of the Postmaster-General, were empowered to purchase the ships?

Mr. LONSDALE.—Surely the honorable member recognises the distinction between empowering the Government to take over the vessels at a time of great national stress and permitting them to acquire them for purely commercial purposes.

Amendment of the amendment negatived.

Question—That the words proposed to be added be so added—put. The House divided.

Ayes	...	...	...	12
Noes	...	...	...	21
Majority	...	...	...	9

AYES.

Cook, J.	Thomson, D.
Fuller, G. W.	Wilks, W. H.
Liddell, F.	Wilson, J. G.
Lonsdale, E.	
McCay, J. W.	<i>Tellers:</i>
McColl, J. H.	Kelly, W. H.
McWilliams, W. J.	Johnson, W. E.

NOES.

Chapman, A.	McDonald, C.
Culpin, M.	Phillips, P.
Deakin, A.	Ronald, J. B.
Ewing, T. T.	Spence, W. G.
Fisher, A.	Storrer, D.
Forrest, Sir J.	Thomas, J.
Frazer, C. E.	Thomson, D. A.
Hutchison, J.	Webster, W.
Isaacs, I. A.	<i>Tellers:</i>
Kennedy, T.	Cook, Hume
Mahon, H.	Salmon, C. C.

PAIRS.

Skene, T.	Poynton, A.
Robinson, A.	O'Malley, K.
Fysh, Sir P. O.	Wilkinson, J.
McLean, A.	Fowler, J. M.
Cameron, D. N.	Carpenter, W. H.
Edwards, R.	Watson, J. C.
Lee, H. W.	Watkins, D.
Glynn, P. McM.	Lync, Sir W. J.

Question so resolved in the negative.

Amendment negatived.

Mr. McWILLIAMS (Franklin) [12.45].—I move—

That the following words be added:—"That it be a condition of the contract that the mail steamers shall call at Hobart at least fortnightly during the months of February, March, and April."

At this late hour I have no intention to delay the House. I believe it is the feeling of honorable members that the shorter I make my speech the more votes my proposal will command. I do not ask that the mail steamers shall visit Hobart regularly throughout the year. But as honorable members are aware, there are three months during which there is a large export of fruit to London, and at the present time it is necessary to charter steamers to convey it there. Consequently I ask that fortnightly during the months of February, March, and April the mail steamers should make Hobart a port of call.

Mr. THOMAS.—After we have knocked out Brisbane.

Mr. McWILLIAMS.—I think the honorable member will admit that I did not assist to knock out Brisbane. The conditions for which I ask are so moderate that I am sure the contractors would not object to them. Next year we shall export from Hobart more than 500,000 bushels of apples. Indeed, apart from minerals, fruit is our chief export to England—and the whole of the crop must be exported during six, or at most eight, weeks of the year.

Mr. THOMAS.—Suppose that contracts have been made by growers with other vessels, so that there are no apples for the mail steamers to take when they call there?

Mr. McWILLIAMS.—Although the mail steamers have been charging for the carriage of fruit to London 9d. per case more than is charged by vessels with larger bottoms, practically every inch of their space has been occupied. It is the quick transit which is the *desideratum* of fruit-growers. The honorable member for Barrier may rest assured that if the vessels visit Hobart during the months I have indicated, they will be able to take away as much fruit as they can carry. One point which I desire to emphasize is that our fruit-growers are further removed from the English market than are their competitors on the mainland, and I claim that they should be provided with equal shipping facilities.

Question—that the words proposed to be added be so added—put. The House divided.

Ayes	...	...	...	8
Noes	...	...	...	24
Majority	...	...	...	16

Cook, J.
Culpin, M.
Fisher, A.
Fuller, G. W.
Thomson, David

AYES.

Webster, W.

Tellers:

McWilliams, W. J.
Storrer, D.

NOES.

McDonald, C.
Phillips, P.
Ronald, J. B.
Salmon, C. C.
Spence, W. G.
Thomas, J.
Thomson, Dugald
Wilks, W. H.
Wilson, J. G.

Tellers:

Cook, Hume
Hutchison, J.

PAIR.

Wilkinson, J.

Fysh, Sir P. O.

Question so resolved in the negative.

Amendment negatived.

Amendment (by Mr. EWING) agreed to—

That the following words be added:—"And after the word 'legislation,' paragraph 15, the word 'directly' be inserted."

Original question as amended—put. The House divided.

Ayes	...	...	...	28
Noes	...	...	...	3
Majority	...	...	...	25

AYES.

Chapman, Austin
Cook, J.
Culpin, M.
Deakin, A.
Ewing, T. T.
Fisher, A.
Forrest, Sir J.
Hutchison, J.
Isaacs, I. A.
Kelly, W. H.
Liddell, F.
Lonsdale, E.
Mahon, H.
McCay, J. W.
McColl, J. H.

McDonald, C.
Phillips, P.
Ronald, J. B.
Salmon, C. C.
Spence, W. G.
Storrer, D.
Thomas, J.
Thomson, Dugald
Webster, W.
Wilks, W. H.
Wilson, J. G.

Tellers:

Cook, Hume
Kennedy, T.

NOES.

McWilliams, W. J.

Tellers:

Frazer, C. E.
Thomson, David

Question so resolved in the affirmative.

Resolved—

That this House approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons, Limited, for the carriage of mails between Adelaide and Brindisi, with the following modifications:—

That at the end of clause 3 the following proviso be added:—Provided that, in the event of the Postmaster-General requiring the "period of transit" on the voyage from Brindisi to Adelaide to be reduced to six hundred and twelve hours, the period of six hundred and twelve hours shall thenceforth be deemed to be the "period of transit" for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period.

That clause 15 be amended by inserting after the word "legislation" the word "directly," and after the words "with the consent of" in the second proviso, the words "or subject to approval by," and after the word "Parliament" the words "by resolution."

ADJOURNMENT.

HOUR OF MEETING.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. JOSEPH COOK (Parramatta) [1.1].—At this hour of the morning I think that the Prime Minister might well consent to allow us a little grace. The bountiful provisions of the morning will then be preluded by a beautiful sleep to-night.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [1.2].—I beg leave to withdraw the motion. We will make it 11.30 a.m.

Motion, by leave, withdrawn.

SPECIAL ADJOURNMENT.

Motion (by Mr. DEAKIN) agreed to—

That the House at its rising adjourn until 11.30 a.m. this day.

House adjourned at 1.3 a.m. (Friday).

Senate.

Friday, 27 July, 1906.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

VOTING MACHINES.

Senator PEARCE.—I desire to ask the Minister representing the Minister of Home Affairs, without notice, whether, in view of the desire generally expressed yesterday, during the debate on the Commonwealth Electoral Bill, he will instruct the officers of the Electoral Department to arrange for an exhaustive trial of any voting machines which may be offered for that purpose at some of the more populous polling booths, during the ensuing Federal elections—not, of course, for the purpose of recording and counting the votes, but for the purpose of testing the efficiency of the machines?

Senator KEATING.—I understand that for some time the Electoral Department has had under its consideration a number of different voting machines. I think it is quite prepared to apply any test to any machines which may be forthcoming. But I cannot say definitely that it will carry out a test in connexion with the forthcoming elections. I shall bring the matter immediately under the notice of the Department, and if the hon-

orable senator renews his question on a later date I may be able to give him specific information.

PRESENTATION OF ADDRESS-IN-REPLY.

The PRESIDENT.—I have to inform the Senate that His Excellency the Governor-General has fixed the 22nd August as the date upon which he will receive the Address-in-Reply to the speech with which he opened Parliament.

Senator MCGREGOR.—Is it this year or next year, sir?

The PRESIDENT.—This year.

GOVERNOR-GENERAL'S RESIDENCES BILL.

THIRD READING.

Motion (by Senator KEATING) proposed—

That the Bill be now read a third time.

Senator HIGGS (Queensland) [10.34].—I wish to record a vote against the third reading of the Bill, because I disagree with that portion of it which provides for the maintenance of Sydney Government House. We have been able to get along very well without any legislation other than the annual appropriation for the Governor-General's residences. I understood last year, when the Estimates were under consideration, that we had seen the last of the vote for the maintenance of a residence in Sydney. Certainly the Minister in charge of the Estimates at that time did provide a loophole through which he might escape by saying that if the matter were ever brought before the Senate again it would be in the shape of a Bill, but I think that the majority of us believed that we had seen the last of the item. The objections which were being raised in the early hours of the morning to the item would not have been withdrawn, I think, if we had had any idea that, in this session, we should be asked to vote money for this purpose. I believe that, in making this arrangement, the Government is only pandering to the desires of a very small section of the people of Sydney. In my opinion the majority of the people of New South Wales do not expect, and have no desire, that the Governor-General should be compelled to reside in Sydney for so many months in each year.

Senator COL. NEILD.—There is no compulsion.

Senator HIGGS. — There certainly is compulsion, because, if His Excellency knows that an arrangement has been entered into by the Commonwealth Government with the Government of New South Wales to pay a certain sum for the upkeep of Sydney Government House he will feel that it is incumbent upon him to reside there for so many months in each year. I desire to support the views of those honorable senators who said that, if there is to be an arrangement of this kind made, it should apply to all the States. What is there about New South Wales that entitles it to special consideration in this matter? What is there in the Constitution to justify this proceeding? It may be said that, until the site of the Federal Capital is selected, we ought to make this arrangement for the Governor-General; but I would point out to the representatives of New South Wales that the passage of this Bill is likely to delay the construction of the Federal Capital. If an arrangement be made now for the occupancy of Sydney Government House for a term of five years, that, I suppose, will satisfy those persons in New South Wales who think that the site of the Federal Capital ought to be selected as soon as possible; whereas, if we refuse to indorse the proposed arrangement, there will be a renewed agitation on the part of the representatives of that State to have the question of the site settled. Most of those who come from other States are anxious to have the question settled as soon as possible, because we do not want to stay in Melbourne any longer than we can help. I desire to see the question settled, because, when that is done, I shall be so much nearer to Queensland. I hope, therefore, that honorable senators will reject the Bill at this stage. If I get any support, I propose to call for a division.

Senator DE LARGIE (Western Australia) [10.42].—In my opinion, those who are opposed to the provision of a second residence for the Governor-General are justified in adopting every reasonable means to secure the defeat of this Bill. From time to time we have pointed out the unfairness of having a residence for His Excellency in a State when there is no necessity that it should be provided. I doubt whether, apart from Victoria, it is constitutional for the Parliament to provide a residence for His Excellency in any one State more than any other. And, in fairness to that

principle, we should adopt every means to defeat the proposal to lease Government House in Sydney. I intend to vote against the third reading of the Bill.

Question put. The Senate divided.

Ayes	...	...	...	13
Noes	...	...	...	7

Majority	...	...	6
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AYES.

Baker, Sir R. C.	Smith, M. S. C.
Dobson, H.	Styles, J.
Drake, J. G.	Symon, Sir J. H.
Keating, J. H.	Turley, H.
Macfarlane, J.	Walker, J. T.
Neild, J. C.	<i>Teller:</i>
Playford, T.	Millen, E. D.

NOES.

Croft, J. W.	Pearce, G. F.
Guthrie, R. S.	Story, W. H.
Higgs, W. G.	<i>Teller:</i>
McGregor, G.	de Largie, H.

Question so resolved in the affirmative.
Bill read a third time.

EMINENT DOMAIN BILL.

In Committee: (Consideration resumed from 25th July, *vide* page 1762).

Clause 22—

The Minister and all persons authorized by him may—

- (a) Enter upon any land (including Crown land of a State)
- (b) make surveys, take levels, sink pits, and examine the soil, and
- (c) do any thing necessary for ascertaining the suitability of the land for any public purpose.

Senator Sir JOSIAH SYMON (South Australia) [10.45].—The Minister will see that it is unnecessary—I daresay it is an oversight on the part of the draftsman—to put in the words “including the Crown lands of a State,” because the definition clause defines “land” as including Crown land. I move—

That the words “(including Crown land of a State)” be left out.

Amendment agreed to.

Senator Sir JOSIAH SYMON (South Australia) [10.46].—This clause is taken from section 49 of the existing Act. Honorable senators will notice what a strong but necessary power it gives. Before the acquisition of any land, the Minister, and all persons authorized by him, are entitled to enter with the view to ascertain by sinking or taking levels whether the land is suitable for the public purpose intended. In the existing section, there is a provision for compensation being paid. The land so entered may not be taken at

all. There may be no acquisition. It is obvious that the man whose land is entered upon and turned upside down, so to speak, should receive compensation for any damage done. It is better to put this right to compensation affirmatively. The compensation ought not to be limited to the occupier, because an injury to the soil is an injury to the owner.

Senator BEST.—Would it not be better to alter clause 25?

Senator Sir JOSIAH SYMON.—I think that a new clause might be framed putting the right to compensation affirmatively.

Senator KEATING.—The owner would have a common law right in any case.

Senator Sir JOSIAH SYMON.—He might, or he might not. Very difficult questions have arisen as to when a man is entitled to compensation, and when he is not. I move, merely to assert a principle—the Minister can alter the amendment afterwards, for I do not wish to interfere with the drafting of the Bill—

That the following words be added:—"The Commonwealth shall pay compensation to the owner and occupier of such land for any damage done in resisting the powers conferred by this section."

Senator KEATING (Tasmania—Honorary Minister) [10.51].—I see no objection to stating affirmatively that the person to whom damage is done shall be entitled to compensation. Sub-clause 3 of clause 25 states that nothing in the Bill shall take away the right of any person to compensation for damage.

Senator MILLEN.—It does not say "nothing in this Act," but "nothing in this section."

Senator KEATING.—That is a negative statement in one sense. It confers by implication upon the person the right to compensation for damage occasioned to him, notwithstanding anything to the contrary which may appear in the clause. Probably we could meet Senator Symon's wishes if we adopted as nearly as it is applicable to this part of the measure, the words which we adopted in connexion with a similar provision affecting damage that may be occasioned by the resumption and subsequent abandonment of resumed land. That occurred in clause 20. We could make those words applicable to the conditions dealt with by Part III. of the Bill.

Senator Sir JOSIAH SYMON (South Australia) [10.53].—As Senator Keating

prefers that the alteration shall be made in the way he suggests, I will withdraw the amendment. I think the better course would be to introduce a new clause.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 23—

When any public purpose is being carried out on any land, the Minister and all persons authorized by him may enter any land—

- (a) being within a distance of two hundred yards from the nearest boundary of the land on which the public purpose is being carried out; and
- (b) not being a garden, orchard, or plantation, attached or belonging to a house, or a park, planted walk, avenue, or ground ornamentally planted; and
- (c) not being nearer to the dwelling-house of the owner of the land than a distance of five hundred yards,

and may occupy the land so entered so long as may be necessary for the purposes of any works connected with the carrying out of the public purpose.

Senator Sir JOSIAH SYMON (South Australia) [10.55].—As this clause stands, it provides that when any public purpose is being carried out on any land there shall be power to occupy temporarily adjacent land. I think it a pity that the existing Act was altered in this respect, and that two clauses have been drawn in place of one section. Of course, the object of this clause is not that persons employed by the Commonwealth may go upon adjacent land and pitch their tents, but that they may occupy it for certain purposes. Under section 53 of the existing Act persons empowered by the Minister may occupy adjacent lands—

so long as may be necessary for the purposes of any works connected with the carrying out of such public purpose, and may make use of the same for any of the following purposes, that is to say:—

- (d) for the purpose of taking earth by side cuttings therefrom;
- (e) for the purpose of depositing earth thereon;
- (f) for the purpose of obtaining materials therefrom for the construction or repair of such works;
- (g) for the purpose of forming roads.

The real object is to enable the authorities, when they are occupying land which they have acquired, to go upon adjacent land, say, to get gravel for railway construction purposes, compensation, of course, being paid. But clause 23 gives power to occupy adjacent land for any purpose unrestrictedly. It will be better to combine clauses 23 and 24, as they are in the ex-

ing Act. Then we should have the bene-
fit of the interpretation which has been put
on these powers as contained in Acts
which have been in force in England and
other parts of the British Empire.

Senator BEST.—Does the honorable sena-
tor say that clause 24 is not subject to the
restrictions contained in clause 23?

Senator Sir JOSIAH SYMON.—No; clause 23 is not subject to the restrictions of clause 24.

Senator BEST.—Clause 23 is restrictive.

Senator Sir JOSIAH SYMON.—No; it is a clause which is absolutely unrestricted. That is, except for limitations which may be put upon the words "occupy the land so entered," the persons authorized by the Minister may enter for any purpose whatever. The real restriction is embodied in clause 24; but, as Senator Best will see, the two provisions are combined in section 53 of the existing Act, which, as a whole, defines the limits on the occupation. Otherwise, under clause 23, questions might arise as to whether there was any restriction as to the occupation of adjacent lands. The intention is that the occupation shall only be for the purpose mentioned in clause 24; but, whether that be so or not, that clause should be the guide as to the occupation of adjacent lands, not necessarily the property of the owner of the land which is required, but the property of some other person. That other person may be very seriously injured; and we know that, in many such cases, the compensation is quite inadequate to the damage done. I therefore suggest that the two clauses should be incorporated as in the original Act. I also desire to call attention to what seems to be a restriction on the powers of the Commonwealth. According to the Bill, the power is conferred "when any public purpose is being carried out on any land," whereas the condition in the existing Act is, "when any land has been purchased or taken." Under the clause the power of the Commonwealth is limited to the actual carrying out of the public purpose; but it seems to me that there ought to be power to occupy if necessary, as preliminary to the public purpose, not merely the land acquired, but adjacent land. Under the clause the powers of the Commonwealth cannot be exercised until the public purpose is being actually carried out. The object of the Bill is to give the fullest power possible to the Commonwealth; and it would, therefore, be

advisable to adopt the words of the existing Act. I move—

That the words, "When any public purpose is being carried out on any land," lines 1 and 2, be left out, with a view to insert in lieu thereof the words, "Where any land has been purchased or taken under this Act for any public purpose."

Senator KEATING (Tasmania—Honorary Minister) [11.5].—This alteration in the existing law is a restriction on the Commonwealth authorities, who are enabled to exercise the powers conferred by clause 23 only when a public purpose is being carried out on any land. The power under the present law and the power it is proposed to confer by clause 23 is to enter upon land—not the land that is required for the public purpose, but land which may be within a distance of 200 yards, which must not be a garden, orchard, plantation, park, or such other property, and which must not be nearer the dwelling house of the owner than 500 yards. It is obviously necessary, in many instances, that over and above the land which is actually required for the public purpose, adjacent land, the property perhaps, of the same owner or of another owner, should be entered upon for the due execution of the particular public purpose. It is well to remember that we acquire the land the moment there is the *Gazette* notice of the compulsory acquisition; and, under the present law, it is competent for us to enter any adjacent land under the conditions I have already mentioned. The Commonwealth, or the Departments which are associated with these works, are not seeking to maintain the extensive powers they have now of entering what may be called adjoining land.

Senator MILLEN.—Have those powers been abused?

Senator KEATING. — I do not know that the powers have been abused, but this provision is distinctly in favour of the private owner—it leans towards the private owner rather than to the Commonwealth. If we do not want these extensive powers, I do not see that there is any necessity to extend them beyond the limit proposed by the clause under consideration. I do not think there is any necessity for the power to enter adjoining lands of the same or some other owner, and to use them temporarily, unless we enter the land with the actual object of executing the particular purpose in respect of which the land is acquired. That should be the determining point, namely, that we are entering on the land for

business, so to speak—that we are entering in pursuit of the particular public purpose. The fact of having acquired or purchased other land for a public purpose should not be the determining fact. I hope that the Committee will allow the clause to stand as at present, and permit the right to enter adjoining lands to be based on the proceedings in the actual execution of the public purpose, rather than on the acquisition of adjacent land.

Senator MILLEN (New South Wales) [11.10].—I am rather surprised at the attitude of the Minister, because I understand him to have insisted on the perfect safety of giving the Commonwealth such powers as may, under any circumstances, be requisite, leaving it to the good sense of the officers, under the control of Parliament, to see that the powers are not abused. The difficulty pointed out by Senator Symon—to which Senator Keating has not referred—is that it might be necessary to carry out a public purpose promptly, and, in order to do so in a case of emergency, the Government might resume the land by compulsory process. The mere fact of the notification in the *Gazette* places the land in the possession of the Government; and it might be desirable to enter adjoining lands in order to erect preparatory works.

Senator Sir JOSIAH SYMON.—That is the point.

Senator MILLEN.—But under the Bill the Government would not be able to enter adjoining land until the actual work of carrying out the public purpose—it might be the erection of a battery, or any other building—was in progress on the land resumed by notification. It only requires a very slight measure of thought to see that, before any undertaking of the kind is started, there must be works, and tools, and other implements. But Senator Keating says, “No, we will start the erection of the building or the construction of the work—the fulfilment of the purpose—before we have the facilities for doing so.”

Senator Sir JOSIAH SYMON.—Before beginning the work, the Government might want to satisfy themselves that the land was suitable, and they would not be able to do so.

Senator MILLEN. — Exactly; they might not be able to commence the work until they had tested the adjoining land by making surveys and so forth. It seems to me that the Minister might accept the amendment, even if reluctantly—

Senator KEATING.—The honorable senator need not go any further; I will accept the amendment.

Senator WALKER (New South Wales) [11.12].—I am glad that the Minister has accepted the amendment. I could not see how the land could be required for any but a public purpose, though I understood the Minister to say that other than a public purpose might be the reason for taking it.

Amendment agreed to.

Clause also consequentially amended.

Senator Sir JOSIAH SYMON (South Australia) [11.13].—I now desire to repeat the suggestion that clauses 23 and 24 should be combined, so that the two matters may be dealt with in one provision, as in the existing Act. I do not submit an amendment in form, but merely call attention to the matter. Senator Keating, as an experienced lawyer, will see what might be the effect of leaving clause 23 unrestricted as it is, and that the combining of the two clauses would provide a guide to the purpose for which entry may be made.

Senator KEATING.—This clause imposes a restriction, so far as time is concerned.

Senator Sir JOSIAH SYMON. — So does the existing section. I do not know whether there is any particular reason why the two provisions should be separate, but I can see none; and there would be a great disadvantage to the owner or occupier, in that he would have no power to restrict the occupation. The owner would not be able to point out to the foreman or manager over a great body of workmen that while there was power to enter on the land to take stone, gravel, and so forth, there was no power to establish anything in the nature of a village or canteen for the purposes of supplying the men with necessities. That, of course, does not arise under clause 23.

Clause, as amended, agreed to.

Clause 24—

1. The Minister and all persons authorized by him may, in connexion with the carrying out of any public purpose, exercise on or in relation to any land occupied by him under this Part of this Act, all or any of the following powers:—

- (a) to take clay, stone, gravel, earth, timber, wood, or material or things required for carrying out the public purpose;
- (b) to make cuttings or excavations;
- (c) to deposit clay, stone, gravel, earth, timber, wood, or material;
- (d) to manufacture goods or articles required for carrying out the public purpose;

(e) to erect workshops, sheds, and buildings of a temporary character;

(f) to make roads.

2. The power to take clay, stone, or earth shall not be exercised in respect of any stone or slate quarry or brickfield in actual work.

Senator Sir JOSIAH SYMON (South Australia) [11.15].—This clause differs to some extent from the corresponding section of the existing Act, but the Minister may be able to explain the reasons for the variation. The powers given are very much enlarged.

Senator KEATING.—Does the honorable and learned senator mean as to time?

Senator Sir JOSIAH SYMON.—No, the powers are given with a great deal of detail in this clause. I direct the Minister's attention to the first part of sub-clause 1, which says—

The Minister and all persons authorized by him may,
and then this is all new matter—

in connexion with the carrying out of any public purpose, exercise on, or in relation to,

and so on. Clause 23 gives the right to enter upon and occupy adjacent land, and the Minister may exercise on the land which he has occupied, certain powers. I do not understand what is meant by the expression "in relation to" land. Draftsmen very often introduce unnecessary words, believing that they give additional force, and that is probably how these words have been introduced into this clause. However, they are as used here important. They are not merely unnecessary, but might prove to be very inconvenient to the land-owner. To exercise these powers "in relation to" land is unintelligible. I move—

That the words "or in relation to," line 3, be left out.

Senator KEATING (Tasmania—Honorary Minister) [11.19].—These words have been introduced to take the place of a number of different prepositions which might properly be used in conjunction with the preposition "on." It might be correct to say that we could take clay "from" the land, or stone, gravel, earth, timber, wood, or material "on" the land, but the preposition "on" will hardly apply if taken in conjunction with some of the powers set forth in the clause. For instance, there is the power to make cuttings or excavations, and some persons would think that it would be more correct in that connexion to use the expressions "in" the land or "through" the land. The words

"in relation to" have been substituted for the expression at first suggested "on, in, or through," and in order to cover all cases, whether the preposition "on" could be properly applied in connexion with the powers granted or not. It would obviously be correct to say that the Minister might erect workshops "on" the land, but that preposition would not be appropriately applied where the power given is to make cuttings or excavations. It is for these reasons that the words "or in relation to" have been introduced.

Senator Sir JOSIAH SYMON.—They will only cause difficulty.

Senator KEATING.—I think that the honorable and learned senator need not anticipate that any difficulties are likely to arise from the use of this expression.

Senator Col. NEILD (New South Wales) [11.22].—The discussion is very like the serious debate in a literary society on the question whether when a house is on fire it burns up or down. I think that we cannot have works "in relation to" a piece of land.

Senator Sir JOSIAH SYMON.—We cannot take bricks "in relation to" a piece of land.

Senator MCGREGOR (South Australia) [11.23].—I believe that Senator Symon is doing all that he can to make this a perfect Bill, but I point out to the honorable and learned senator, and to Senator Neild that things might be done "in relation to" lands which many lawyers, and even courts, might decide were not done "on" the land. I may be the owner of a strip of land two or three chains wide, through which the Post and Telegraph Department might decide to run a telephone tunnel. The opening of the tunnel might be at some distance from my land on the one side, and the end of it might be at some distance on the other side. In the circumstances, it might not be necessary that the Minister should go "on" the land at all. I should like to know what harm is likely to arise if the words "in relation to" are allowed to remain, and whether they might not be necessary, in case of a dispute, with respect to easement in such a case as that to which I have referred?

Senator Sir JOSIAH SYMON (South Australia) [11.25].—It is very useful to discuss these matters fully, and I am indebted to Senator Keating for what he has pointed out. My desire, as Senator McGregor has been good enough to recognise, is to make the Bill as clear as possible. The instance

to which the honorable senator has referred makes it quite clear that the words "in relation to" are not required. If the Commonwealth desired to run a tunnel through land, they would have to acquire it. This clause has no relation to that state of things. It refers to lands adjacent to land acquired by the Commonwealth, and merely enables the Commonwealth authorities not to run a tunnel through those adjacent lands, or to acquire a single foot of them above or below ground, but to occupy the surface, and to take material from it. The authorities of a State, for instance, acquire the land on which a railway is constructed, but they have the right to go, it may be, 200 yards on either side of the line, and occupy adjacent land for the purpose of taking ballast. That is dealing only with the surface of the land.

Senator MCGREGOR.—It might be necessary to make a tunnel through land for a temporary purpose.

Senator Sir JOSIAH SYMON.—It could not be done on the land referred to in this clause.

Senator KEATING.—Might it not be regarded as an excavational cutting?

Senator Sir JOSIAH SYMON.—No. If the Minister will look at the corresponding section of the existing Act, he will find a reference to side cuttings or excavations, the object of the provision being that where, in connexion with the construction of a work, it becomes necessary to side-cut into adjacent land, that shall be looked upon as merely taking material, and it shall not be necessary to acquire the land.

Senator PEARCE.—Would the words "in relation to" cover the carting of material over land?

Senator Sir JOSIAH SYMON.—No, that is all covered by the powers given to take clay, &c., and by the general power to occupy given in clause 23. If Senator Keating can show that there is any object to be gained by the retention of the words "in relation to," I shall have no more to say, but from considerable experience I know that the use of superfluous words in Acts of Parliament gives rise to litigation. The use of these words in this clause appears to me to be quite unnecessary, and might give rise to difficulties of interpretation.

Amendment negatived.

Senator MILLEN (New South Wales) [11.30].—I desire to draw the attention of the Committee to a rather serious alteration

of the law, which is proposed in sub-clause 2. It says—

The power to take clay, stone, or earth shall not be exercised in respect of any stone or slate quarry or brick-field in actual work.

That is different from the provision in section 53 of the existing Act, which reads as follows:—

Provided that no stone or slate quarry, brick-field, or other like place which, at the commencement of this Act, is commonly worked or used for getting materials therefrom for the purpose of selling or disposing of the same, shall be taken or used by the Minister for any of purposes lastly hereinbefore mentioned.

The provision in this Bill to exempt only a brick-field or quarry in actual work might create an opportunity for injustice or hardship to be inflicted upon private individuals. Within my own knowledge there are many brick-fields which are not always in actual work.

Senator KEATING.—It is not intended that the words "in actual work" shall mean in actual work at the very point of time.

Senator MILLEN.—I am sure that the Minister does not desire to use any words which would leave room for a very considerable measure of doubt, but wishes to clearly express the intention of the Legislature. There are many brick-fields and quarries which, for various reasons, are worked periodically. Under the existing law where a quarry or brick-field is so worked it is not necessary that it should be in actual work at the date on which the Commonwealth proposes, for a public purpose, to utilize the land. I think that instead of having the shorter provision in sub-clause 2, it would have been much better to follow the lines laid down in section 53 of the present Act. I do not propose, unless the Minister is agreeable, to move the adoption of sub-section 4 of that section.

Senator KEATING.—The difference which we really want to effect is that caused by striking out the provision making the commencement of the original Act the determining factor.

Senator MILLEN.—Yes. What I imagine the Minister wishes to exclude is a brick-field which has been actually abandoned, and in respect of which, when the Commonwealth intervenes, the owner of the land may put forward a bogus claim. I have no sympathy with anything of that kind. There are brick-fields and quarries which, owing to the peculiarity of

the district, are only worked at certain periods of the year, but which, to all intents and purposes, are live business concerns. If the Minister is agreeable, I shall move the omission of sub-clause 2 with a view to insert in lieu thereof sub-section 4 of section 53 of the Act, minus the words "at the commencement of this Act."

Senator KEATING.—Do not convert this sub-clause into a proviso, but alter it on the lines of the existing provision.

Senator Sir JOSIAH SYMON (South Australia) [11.34].—I think that what the Minister means is that we should retain the phraseology of sub-clause 2, but make it read in this way—

The power to take clay, stone, or earth shall not be exercised in respect of any stone or slate quarry, brick-field, or other like place, unless worked or used for getting materials therefrom for the purpose of selling or disposing of the same.

I move—

That after the word "quarry," in sub-clause 2, the word "or" be left out.

Senator MCGREGOR (South Australia) [11.35].—I would prefer that a more definite provision should be made. I entirely agree with Senator Millen that because a quarry or brick-field had not been worked on a Sunday or because the proprietor had knocked off work in order to take a holiday, it would be very improper if a representative of the Commonwealth Government could go upon the land and occupy it. I think that the term "commonly," used in section 53 of the existing Act, is so indefinite that it might lead to endless litigation, that is, if there was any necessity for temporarily occupying any land. In my opinion it would be far better to fix a period, say six or twelve months, within which the quarry had been worked. Perhaps Senator Millen or Senator Symon, particularly the latter, might suggest an amendment to carry out that idea. I think that they will agree with me that a provision to that effect would be more definite, because, unless a definition of "commonly" were inserted in the interpretation clause, it would be difficult to gather what was meant. If the provision be left as it is, however, we might define "in actual work" in the interpretation clause, but certainly I think that a more suitable word than "commonly" might be used.

Senator Sir JOSIAH SYMON (South Australia) [11.37].—I should be very glad

to suggest something which would meet the case, but I am perfectly certain that the expression "commonly worked or used" does absolutely meet the case. I would point out to Senator McGregor that it would be impossible to lay down any arbitrary rule. Suppose that we were to fix the time at three or six months. On the hills near my residence there are quarries on private lands, from which, perhaps, for six months in the year a stone is not taken. It is generally understood that these are quarries, and the district councils get stone from them. That is often the case with brick works, too, as I know places which, for many reasons, are shut up for a time.

Senator MCGREGOR. — Suppose that a person who desired to block the Government, or to do anything which was unfair, simply went and worked for a day in a quarry which had been disused for years. Would the use of the word "commonly" prevent an attempt of that kind?

Senator Sir JOSIAH SYMON. — Certainly it would.

Senator KEATING.—Perhaps "ordinarily" would be a good word to use.

Senator Sir JOSIAH SYMON. — I merely took the word "commonly" because it is used in section 53 of the existing Act. I think that it is a very good word, and that it would effectually prevent and meet the case suggested by Senator McGregor, because that would not be a quarry commonly worked. If a man worked a quarry for a period of six months in anticipation of a public undertaking, and every one in the locality believed that it had been disused, it would be as easy as possible to check him. If we used the word "commonly" I should do nothing to help a man to do that kind of thing, because it would be dishonest. I prefer "commonly" to "ordinarily," because it is stronger. "Ordinarily" might impart an element of time, whereas "commonly" means that it is a quarry which, although it may be disused for even twelve months or two years, is nevertheless a quarry.

Amendment agreed to.

Amendments (by Senator Sir JOSIAH SYMON) agreed to—

That after the word "brickfield," in sub-clause 2, the following words be inserted:—"or other like place commonly worked or used for getting materials therefrom for the purpose of selling or disposing of the same."

That the words "in actual work," in sub-clause 2, be left out.

Senator Sir JOSIAH SYMON (South Australia)* [11.42]. — Before the clause passes, can the Minister tell us whether there is any particular object in apparently enlarging the power given in the existing Act for taking earth by side cuttings from land, depositing earth thereon, obtaining materials therefrom, for constructing or repairing the work and forming roads thereon? I notice that in section 53 of the present Act no power is given to erect workshops, sheds, and buildings of a temporary character, and to manufacture goods or articles required for carrying out the public purposes.

Senator KEATING (Tasmania—Honorary Minister) [11.43].—The only reason for the alteration is to give the Commonwealth the fullest powers in the execution of the public purpose. Of course, provision is made for compensation to be given in every instance in which the Commonwealth, by the exercise of any of these powers, might endamage an individual. The clause abundantly sets forth the powers, and at the same time due regard is had to the interests of the individual by making provision that he shall be properly compensated.

Clause, as amended, agreed to.

Clause 25—

1. Where the Minister or any person authorized by him enters any land and temporarily occupies it under the powers conferred by this Act, the Commonwealth shall pay to the owner or occupier of the land, as the case requires, a rent for the occupation of the land.

2. The amount of rent to be paid shall be settled by agreement between the Minister and the owner or occupier, or, if they cannot agree, then, on the application of the Minister, by any Court having jurisdiction to entertain an action for compensation under this Act.

3. Nothing in this section shall take away the right of any person to compensation for damage sustained by reason of the exercise of any power under this Part of this Act.

Senator MILLEN (New South Wales) [11.44].—In this clause I observe a departure from the corresponding provisions in the existing Act, no time being set out within which the Minister shall pay rent for the land temporarily occupied. Under the existing law, not only has the Minister to pay within a specified time rent for land temporarily occupied, but within one month he has to pay the value of any crop or dressing which is on the land, or which may be destroyed or rendered valueless by reason of the occupation. That provision is omitted from this clause, and it seems to me to be extremely un-

desirable that the rights of private owners should not be clearly expressed. I should like to hear some explanation of the clause before submitting any amendment, because I assume that the alteration has not been made in a haphazard way. The two alterations made are, first, that there is no time limit within which rent may be paid, and, next, that there appears to be no express provision by which the Minister shall pay for injury to crops or dressing.

Senator KEATING.—We provide for compensation.

Senator MILLEN.—The compensation appears to apply to damage to the land.

Senator KEATING.—No; it applies to general damage.

Senator MILLEN.—It may be that the amendment which Senator Symon is to move at the end of the clause will sufficiently protect the rights of individual land-owners, but there is the further point that where the Crown takes away the value of a crop which the owner has on his land, and which he could convert into money, there ought not to be an indefinite period within which he shall be paid for it. The Crown should pay promptly where it takes from a land-owner that which represents his current income. More particularly do I express these views in face of the fact that in our extremely economical way of dealing with other people's money we have limited the amount of interest payable to 3 per cent. Very few people engaged in land occupations can finance at 3 per cent., and I doubt very much whether the Commonwealth itself could raise money, including all charges, at that rate.

Senator FRASER.—It could not do anything of the kind.

Senator MILLEN. — As the interest which would have to be paid by an individual would be at least 3½ per cent., it seems to me that we are not merely offering no inducement to pay promptly, but are really offering a premium to delay payment. I am sure that there would be no delay of special purpose, but any one who has had any experience of obtaining payment from the Treasury of a State knows perfectly well that it is one of the most difficult things to obtain the reimbursement of money. Therefore, it is desirable that we should adhere to the existing law, and set a time limit within which payment of the kind indicated shall be made to the owner.

Senator KEATING (Tasmania—Honorary Minister) [11.49].—The existing section deals with the compensation to be paid for the value of any crop or dressing, as well as for any damage of a temporary nature. In the clause under discussion we make specific provision for the Commonwealth to pay to the owner of the land rent for temporary occupation.

Senator MILLEN.—No time is mentioned within which the rent is to be paid.

Senator KEATING. — In the existing Act the time limit of one month is left out in regard to rent. We provide in a subsequent clause that the amount of rent shall be settled by agreement between the Minister and the owner or occupier, or, if no agreement is made, by any Court having jurisdiction to entertain an action for compensation. It is obvious that if the Minister enters into temporary occupation, you cannot say that, from his actual entry, one month shall be allowed him for the payment of rent. It might be that he would occupy the property for a long or for a short period; and it might be that, in other circumstances, he would pay a lump sum agreed upon by himself and the other interested parties. It would be inexpedient for us to lay down a hard-and-fast rule that rent should be paid within one month. In the existing Act it is simply provided, so far as rent for temporary occupation is concerned, that it shall be paid half-yearly or quarterly, as the case may require. So far as damage is concerned, whether it be by way of injury to a crop or otherwise, we deal with compensation generally in Part IV. of the Bill. Clause 32, sub-clause 1, is very wide and general. Under it, any damage of any kind occasioned to an individual by the occupation of his land would be recoverable by him. It reads—

Where, by reason of the execution of any powers under Part III. of this Act, the owner or occupier of any land suffers damage, he shall be entitled to compensation under this Act.

Senator CLEMONS.—Is there not a definition of the nature of the damage which imposes a limitation?

Senator KEATING.—No. I think that any damage which might be suffered by reason of the exercise of any of the powers given under Part III. would be properly the subject of a claim for compensation. The damage is not necessarily confined to any alteration in the character or nature of the land. The removal of crops, the preven-

tion of sale, the prevention of letting to a tenant, or anything of that character, would clearly come within clause 32, and be damage occasioned by the exercise of the powers of the Bill in that respect. The persons injured would be entitled to claim compensation. I think that the amendment indicated by Senator Millen would be hardly appropriate; but, if it were necessary, it might be set out more distinctly in clause 29 that rent shall be paid quarterly or half-yearly, as the case may be.

Senator MILLEN.—There is a limit in the existing law to insure that the payment shall be prompt. I am not wedded to a month, but it appears to me that there may be delay unless there is some obligation upon the Commonwealth to pay promptly.

Senator KEATING.—Probably we could insert words in sub-clause 2 to provide that the rent shall be paid quarterly or half-yearly. Otherwise there would be no means of ascertaining from what point of time the month should run.

Senator DOBSON.—Why not provide that the Court may allow interest on rent?

Senator MILLEN.—The Court limits the amount to 3 per cent., an utterly inadequate rate.

Senator KEATING.—We could make provision that interest should run on the rent if it were not regularly paid.

Senator Sir JOSIAH SYMON (South Australia) [11.56].—I will make a suggestion which may meet the point as to the elimination of the words of the existing Act, and will also meet the Minister's view. At the end of the clause giving compensation for damage in regard to temporary occupation we could add the words, "such compensation to include the value of any crop or dressing on the land."

Senator KEATING.—Clause 32 deals generally with compensation for the exercise of any powers given under Part III.

Senator Sir JOSIAH SYMON.—That clause is a reproduction in three lines of section 68 of the Lands Clauses Consolidation Act, and I doubt whether it goes to the extent that it ought to do. When we come to it I intend to suggest an amendment.

Senator KEATING.—I think it covers all damage.

Senator Sir JOSIAH SYMON.—It does not refer to temporary occupation. Section 68 of the Lands Clauses Consolidation Act extends to lands that are injuriously

affected by carrying out works. The provisions we are discussing do not concern that subject. They refer to the power of temporarily occupying what are called adjacent lands. Therefore, the compensation under these clauses is not that covered by section 68 of the Lands Clauses Consolidation Act. The draftsman has inserted express provisions for damage in Part III. of this Bill, because it is like the compulsory leasing of adjacent lands not more than 200 yards away, for the purpose of being temporarily occupied. These provisions are in the nature of a contract. They have nothing to do with the injury caused, which would come under clause 32. There are three cases to be dealt with. There is first compulsory acquisition. Secondly, there is damage in respect of injuriously affecting other lands by carrying out works. Then there is the third category which we are now dealing with—temporary occupation by virtue of statutory powers to enable us to get material and other facilities in carrying out work. That is not injurious affecting, and the remedy is practically contractual.

Senator MILLEN (New South Wales) [12.0].—The only question that remains is the prompt payment of rent, which has become more important since I last addressed the Committee. It has been pointed out that there is no interest payable in respect of rent due by the Commonwealth, but only in respect of compensation. I move—

That the words, "to be paid," line 7, be left out, with a view to insert in lieu thereof the words "shall be paid quarterly or half-yearly and"—

Senator DOBSON (Tasmania) [12.2].—Honorable senators who have spoken up to the present seem to have lost sight of the fact that we are dealing only with the temporary occupation of land. In most cases, I should imagine temporary occupation would extend to three months, or six months at the outside.

Senator Sir JOSIAH SYMON.—It might extend for years.

Senator DOBSON.—That is so; but in most instances the purpose of the temporary occupation would be to get clay or gravel, or other similar material; and, until the quantity taken has been ascertained, the rent, in three cases out of four, could not be assessed. In my opinion, the insertion of the words proposed by Senator Millen would not meet the case; and I prefer my own suggestion, that we should allow the Court to order the payment of

interest, if there is any undue delay in the payment of rent. The Court would take into account the whole of the circumstances, and award the interest accordingly.

Senator Sir JOSIAH SYMON (South Australia) [12.4].—I agree with the view taken by the Minister and Senator Millen, because not rent, but compensation, would be fixed in the case of entering on land for the purpose of taking away a few loads of earth. The most careful provision is made that the rent shall be settled; and, that being so, the rent should be paid at least quarterly. That would be much better than to provide that interest shall be paid in case of delay in payment for, perhaps, a week.

Senator MILLEN (New South Wales) [12.5].—If the Minister is not satisfied that the language of the amendment clearly expresses what we mean, the clause can be recommitted.

Amendment agreed to.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That sub-clause 3 be left out, with a view to insert in lieu thereof the following new sub-clause:—

"3. The Commonwealth shall pay compensation to the owner and occupier of land for any damage done or sustained in exercising the powers, or any of them, conferred by this Part of this Act (such compensation to include the value of any crop or dressing on the land.)"

Senator KEATING (Tasmania—Honorary Minister) [12.8].—I desire to point out that Part IV. of the Bill is headed "Compensation," and deals entirely with that matter. Clause 32, in Part IV., is drawn in the most general terms, to insure that compensation shall be recoverable by any person who may be damaged by the exercise of the powers under Part III. Clause 32 provides—

1. Where, by reason of the execution of any powers under Part III. of this Act, the owner or occupier of any land suffers damage he shall be entitled to compensation under this Act.

It seems, therefore, that to insert an amendment expressly providing for compensation in Part III. is unnecessary, and, moreover, I suggest that such an amendment might be dangerous in other directions. For instance, if we specify some particular character or class of damage, the question may naturally arise whether that expressed provision might not be construed to exclude other classes of damage, which appeared more or less remote in their character.

Clause 32 has a second provision, as follows:—

2. Where the Minister or any person authorized by him enters into the temporary occupation of any land, the compensation shall include—

- (a) damage of a temporary as well as of a permanent character; and
- (b) the value of all clay, stone, gravel, earth, timber, wood, materials, or things taken for carrying out the public purpose.

If there be those general terms, which are intended to cover every class of damage occasioned by the exercise of the powers under Part III., and, in addition, we specifically enumerate other classes of damage in Part III., it might be argued, with some show of reason, that the express mention of crops impliedly excluded other forms of damage.

Senator FRASER.—It would make the crops safe, at any rate.

Senator KEATING.—That is so, but the crops will be safe under Part IV.

Senator Sir JOSIAH SYMON (South Australia [12.11].)—The object of clause 32 is, probably, to cover what I have suggested; but Part III. deals exclusively with the temporary occupation of adjacent lands, and has nothing to do with lands acquired. Lands are to be acquired under Part II. of the Bill, while Part III. deals, as I say, with the temporary occupation of adjacent lands. It is obvious that, for the purpose of lucidity, we ought, as far as possible, to keep Part III. clear and complete in itself; because Part IV. deals solely with compensation in respect of the acquisition of land.

Senator TRENWITH.—Or of any of the provisions of the Bill.

Senator Sir JOSIAH SYMON.—Clause 32 does that; but all the other provisions of Part IV. deal with compensation—that is, the value of the lands taken, and the compensation to be paid to the owner and occupier. It is obvious that, in preparing sub-clause 3 of the clause under consideration, the draftsman had in his mind the necessity to convey to the owner of adjacent lands, whose occupation was interfered with, that he was entitled to compensation. Then we have to go to Part IV., which does not deal with the subject of temporary occupation, in order to see what compensation such owner would be entitled to. I suggest that it would be much better to adopt the amendment I have proposed.

Senator MILLEN.—The mere fact that sub-clause 3 was inserted shows that, in the opinion of the draftsman, clause 32 was insufficient.

Senator Sir JOSIAH SYMON.—First the sub-clause was not in its proper place, and, secondly, it might or might not be sufficient. The Minister, if he will be good enough, may confer with the draftsman as to the simplification of the clause which I suggest, in order to make it cover any cases which it does not cover in its present shape.

Senator KEATING (Tasmania—Honorary Minister) [12.15].—Sub-clause 3 of this clause has been inserted as an indication that the rent to be paid in respect of the temporary occupation of land shall not necessarily constitute the whole of the compensation to which the owner or occupier of such land is entitled. The clause provides that the Minister shall pay rent for the temporary occupation of land, and sub-clause 3 provides that—

Nothing in this section shall take away the right of any person to compensation for damage sustained by reason of the exercise of any power under this part of this Act.

With regard to that compensation, an owner of the land would naturally look at the part of the Bill, headed in large letters, "Part IV., Compensation," and in clause 32 he would find a statement in very wide and general terms that he is entitled to compensation for temporary occupation. In sub-clause 2 of that clause, he would find that it is provided that—

Where the Minister or any person authorized by him enters into the temporary occupation of any land, the compensation shall include—

- (a) damage of a temporary as well as of a permanent character; and
- (b) the value of all clay, stone, gravel, earth, timber, wood, materials or things taken for carrying out the public purpose.

It will be admitted that it is desirable that we should have all general provisions as to compensation as far as possible included in one part of the Bill. We are dealing in this part of the Bill with the powers of the Minister in relation to lands. One is the power of temporary occupation of what might be called adjacent lands, subject to the payment of rent, with a specific intimation in sub-clause 3 of clause 25 that the payment of rent does not necessarily prevent the owner of the land from claiming other compensation. As I have said, he would naturally look to the part of the Bill dealing with compensation to

used in the Bill as to compensation. He would like to see an express provision for compensation in connection with the taking from the owner of land of material of any kind. I think that it is better that the Bill should be allowed to stand as it is, and that those who have to work under it should make their arrangement as good as they can.

SENATOR MILLER (New South Wales) [12.18].—I should like to remind the Committee of what took place when we were discussing this matter a little time ago. It was then pointed out that in the existing law there is an express provision dealing with this matter contained in sub-section 3 of section 40, which provides that—

The Commonwealth shall pay compensation to the owner of the land for any damage done in carrying out the powers conferred by this section.

In the Bill now submitted, instead of that positive declaration, we have the negative provisions contained in sub-clause 3 of clause 25—

Nothing in this section shall take away the right of any person to compensation for damage sustained by reason of the exercise of any power under this Part of this Act.

The provision of the existing Act clearly sets out that compensation shall be paid, and we are asked to substitute for that positive provision the negative provision of sub-clause 3, of clause 25. When the matter was previously referred to, the Minister agreed that under this sub-clause the owner or occupier of the land would have to fall back upon his common law rights to compensation, and the honorable and learned senator assented to the proposition that it would be better that we should insert a positive statement of what we intend. I think that it would be much better to adhere to the provision of the existing law, and say that the owner or occupier shall be paid compensation for any damage sustained by reason of the temporary occupation of his land. I am surprised that the Minister, having assented to that proposition in the course of this morning, should now find himself once more in what I assume to be an inquiring frame of mind.

SENATOR TRENWITH (Victoria) [12.21].—I enter into this debate with a very great deal of diffidence, because we are discussing a highly technical Bill, but it seems to me that there is an obvious reason for the in-

sertion of sub-clause 3 of clause 25, in the negative form to which Senator Millen has referred. We have provided in the clause specifically for a form of compensation which does not arise in connexion with the other forms of the acquisition of land. We have provided for compensation in the form of rent for the temporary occupation of land, and lest it should be assumed that rent is to be the only compensation given, we say, in sub-clause 3, that nothing in this clause shall deprive the person whose land is temporarily occupied, of the right to compensation for damage sustained. Then, in sub-clause 3 of clause 32, we set out in the most comprehensive form, what are those rights of compensation, and they cover any damage sustained in the carrying out of the provisions of the law. I think that the Bill is sufficiently clear. My experience leads me to the conclusion that it is unwise to specify a particular form of damage, unless we desire that the compensation shall be restricted to that. I feel that I am bound, in the circumstances, to support the Bill as it stands.

SENATOR SIR JOSIAH SYMON (South Australia) [12.23].—Senator Trenwith is absolutely right in supposing that if we leave clause 25 as it stands sub-clause 3 of that clause is necessary; otherwise it might be contended that, because we provide for an occupation rent, we inferentially declare that that is the only form of compensation to which the owner of the land is entitled. No one desires that, but sub-clause 3 will become unnecessary if we insert a substantial provision, giving the owner or occupier of the land the right of compensation to which we think he is entitled.

SENATOR TRENWITH.—That is to say, if we substitute sub-clause 3 of clause 32, for sub-clause 3 of clause 25?

SENATOR SIR JOSIAH SYMON.—Or the shorter form which I have suggested.

SENATOR TRENWITH.—What is the difference?

SENATOR SIR JOSIAH SYMON.—I do not suggest that the Minister should adopt my drafting. But if we put into this clause a provision for compensation for damage arising from temporary occupation, we shall do in the one clause what is now done in two clauses. My amendment reads—

The Commonwealth shall pay compensation to the owner and occupier of the land for any damage done or sustained in exercising the powers or any of them conferred by this Part

of this Act. Such compensation to include the value of any crop or dressing on the land.

Senator TRENWITH.—I see no reason for the last portion of that provision, because it is sufficiently implied.

Senator Sir JOSIAH SYMON.—Quite so. It is possible that if we provided for compensation for any damage done or sustained that would include the value of a crop upon the land, but the words I have used are those which appear in the existing Act, and they are required in order that there may be no doubt that the value of a surface crop and not merely the damage to it shall be taken into consideration. It is, I think, only fair that if the Commonwealth temporarily occupies land on which a crop is growing, we should pay for the whole of the crop and not merely for the portion damaged. A crop of 40 acres is one thing, and a crop in patches is a very different thing.

Senator PLAYFORD.—Compensation to the extent of the value of the whole crop might amount to more than the injury inflicted.

Senator KEATING (Tasmania—Honorary Minister) [12.27].—Clause 32, to which reference has been made in anticipation, is included in Part IV. of the Bill, headed "Compensation." That part of the Bill is divided into a number of divisions. Division 1, for instance, deals with the "Right to Compensation." Division 2 deals with "Claims for Compensation," and contains all necessary provisions as to time of putting in claims, the procedure in respect of claims, and when claims become disputed.

Senator Sir JOSIAH SYMON.—They would apply equally to compensation dealt with in a sub-clause inserted in substitution of sub-clause 3 of clause 25.

Senator KEATING.—I am afraid not.

Senator Sir JOSIAH SYMON.—Yes, it would be compensation for damage.

Senator KEATING.—Yes; but we have in this Bill what might be called a complete system of provisions with respect to compensation. These are set out in different divisions of Part IV. I have mentioned the headings of two of these divisions, and division 3 deals with the "determination of "Disputed Claims for Compensation"; division 4 with the "Determination of Compensation where no Claim made"; division 5 with "Payment of Compensation." That part of the Bill is, so to speak, complete in itself, and its various provisions are inter-related. It might

be dangerous to take out of these general divisions some particular classes of damage, and insert provisions dealing with them in another part of the Bill. It is desirable to have all these provisions with respect to damage in the same part of the Bill. There can be no doubt that in the way in which the Bill has been framed, sub-clause 3 of clause 25 is treated in every respect in the same manner as any ordinary claim for compensation, as to the time within which the claim shall be made, the manner in which it shall be prosecuted in the event of difference, and also with regard to payment and interest, and the determination of the claim, when no claim has been forwarded, or when, after it has been forwarded, it has not been prosecuted. It is desirable that all these provisions should apply in every instance where compensation is being paid in respect of land actually acquired for a specified public purpose, or in respect of land temporarily occupied. That is, I think, a consideration which will appeal to my honorable and learned friend, who will see that even if there were, perhaps in an individual case, some inconvenience in the fact that the claimant for compensation would have to consult two different parts, yet, for the general working of the law, it is desirable that it should be free from any ambiguity or doubt that this particular claim for compensation shall be subject to all the general provisions in the several divisions of that part of the Bill entitled "Compensation."

Senator Sir JOSIAH SYMON (South Australia) [12.31].—Of course, I do not wish to interfere with the arrangement of the clause, because the Government are responsible for that as well as the actual drafting. Therefore, as the Minister makes the appeal on that ground, I shall not press the amendment, and we can deal with the details of clause 32 when it is reached. I should expect to receive similar treatment.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 26—

The Minister shall, if required by the owner or occupier of the land so to do, separate any land occupied in pursuance of this Part of this Act from any adjoining land by a sufficient fence, with such gates as may be necessary for the convenient occupation of the land.

Senator Sir JOSIAH SYMON (South Australia) [12.32].—This is, I think, a distinct improvement upon the provision in

the existing Act. Suppose, however, that there was a dispute, who would judge or how would it be determined whether the fence required by the owner or occupier was necessary for the convenient occupation of the land or not?

Senator KEATING (Tasmania—Honorary Minister) [12.33].—This is an obligation which is thrown upon the Minister, and I presume that, as far as possible, he, through his officers, would consult with the individual in case there should be a refractory individual or official.

Senator Sir JOSIAH SYMON.—Or a legitimate difference of opinion.

Senator KEATING.—Yes. The obligation to do this thing would come up probably for consideration by a Court.

Senator Sir JOSIAH SYMON.—But where?

Senator KEATING.—In connexion with the compensation that would be claimed.

Senator Sir JOSIAH SYMON.—Not as to the making of a fence.

Senator KEATING.—I think so. Suppose, for instance, that the Minister should fail to sufficiently fence, surely that would be damage occasioned by the exercise of the powers conferred in Part III.?

Senator Sir JOSIAH SYMON.—The Minister knows that under the Lands Clauses Consolidation Act that is called an accommodation work, and is dealt with by a different tribunal. I only wish to know whether there is a similar provision in the Bill?

Senator KEATING.—No.

Senator Sir JOSIAH SYMON.—Will the Minister consider that point?

Senator KEATING.—Yes. The individual who felt aggrieved would say that the Minister had exercised the powers under Part III. of the Act, and that the fact that he had not carried out his obligation to sufficiently fence had endamaged him, and, therefore, he would claim compensation in a Court of competent jurisdiction.

Senator Sir JOSIAH SYMON.—The point would be whether a fence was necessary.

Senator KEATING.—The Court would determine whether or not the Minister had fulfilled his obligation. In nearly every instance the officers of the Departments come to some reasonable arrangement with the owner of the land, and very often the provisions of the Act have to be relied upon only when an actual agreement has been entered into.

Senator Sir JOSIAH SYMON (South Australia) [12.35].—I merely wished to know what provision was made in respect of what are called and ordinarily understood to be accommodation works. A difference of opinion very rarely arises, because the persons are reasonable in regard to fencing, and all that kind of thing. But if an occupier or owner should require a certain fence to be erected, and regard it as necessary, and there should happen to be an honest difference between the persons looking after the work and the owner or occupier, who would settle it? I merely suggest to the Minister that he might look into the matter, and see whether there is provision made to meet such a case. I believe he will find that it would not be included in the compensation for damage. This is included in accommodation works, and is determined usually under the procedure of the States by Justices.

Senator TRENWITH.—If it were shown that there was insufficient protection, would not that be a ground for asking for further compensation if damage resulted?

Senator Sir JOSIAH SYMON.—If damage resulted. I ask the honorable senator to look at the wording of the clause. It applies to what is ordinarily called accommodation works, such as, for instance, level crossings in connexion with railways. These have nothing to do with the matter of compensation.

Senator TRENWITH.—Assuming that the Minister was wrong, and that damage had resulted from his failure to do what the owner required, would there not be ground for a further claim?

Senator Sir JOSIAH SYMON.—No. The Minister would say, "I am not going to give damages, because you got your level crossing." That would not be part of the compensation. The owner would have to go to the tribunal created, bring his claim forward, and apply for an order that the Minister should give the accommodation. It is temporary here, but it would be permanent in the case of a railway. That is a different question from compensation. It is a question of whether there is to be an accommodation work for the purpose of facilitating the convenient use of the owner's land. I shall be glad if, when we reach a later part of the Bill, the Minister will intimate what provision is made for settling a dispute.

Clause agreed to.

Clause 27—

Where any land (other than Crown land of a State) is acquired by compulsory process, the owner of the land shall, if deprived of the land in whole or in part, be entitled to compensation under this Act.

Senator Sir JOSIAH SYMON (South Australia) [12.38].—In this clause, and in others, it will be as well to leave out the words "of a State" where they come after the expression "Crown land," because the definition of "Crown land" in the interpretation clause renders them unnecessary. I move—

That the words "of a State" be left out.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 28—

1. Where any Crown land of a State is acquired by compulsory process, the State shall, subject to the Constitution, be entitled to compensation under this Act.

2. The compensation shall be estimated as if the State were the proprietor of an estate in fee-simple in the land, subject to any estate or interest which any person had in the land at the time of its acquisition by the Commonwealth.

3. The State shall not be entitled to compensation in respect of the loss of any rights of dominion, taxation, or revenue, or in respect of the severance of the land acquired from any other land of the State, or in respect of any injury to any other land of the State.

Amendment (by Senator Sir JOSIAH SYMON) agreed to—

That the words "of a State," line 1, be left out.

Senator MILLEN (New South Wales) [12.40].—Whatever legislation we enact is subject to the provisions of the Constitution Act. It is quite an unnecessary parading of a simple and well-known fact to set out that this clause more than any other is subject to the Constitution. Therefore I move—

That the words "subject to the Constitution," line 3, be left out.

Amendment agreed to.

Senator Sir JOSIAH SYMON (South Australia) [12.41].—Sub-clause 3, which is new, requires considerable attention, and I think ought to be eliminated. Whatever compensation a State is entitled to get it should receive. In regard to land ordinarily acquired, apart from the Federal territory, there can be no question of rights of dominion, though there might be a question of rights of taxation. In regard to the acquisition of a quarter acre block of land it is absurd to talk about rights of dominion. The term is absolutely illusory.

The question of imposing a land tax would have to be determined as a revenue problem. Again, why should not a State get compensation for severance, as well as any individual? Suppose that there was a block of land upon which State buildings were erected, or State industries carried on, and that, owing to the paramount national necessity, the land was taken. Why should not the State get compensation for severance when damage had resulted therefrom? If we place the States, in regard to the compulsory acquisition of lands, in the same position and under the same disabilities as an individual owner, why should it not get the same advantages? It does not seem to me to be fair to give this right to the individual owner, and to take it away from the State. Again, in respect of any injury to other land of the State, why should not the State get compensation therefor? We are all agreed that the State should get no more than the private individual, but there is no reason why any favour should be shown to the latter.

Senator KEATING (Tasmania—Honorary Minister) [12.44].—This provision recognises that, where the Commonwealth is acquiring property from a State for public purposes, in the vast majority of instances it is making that acquisition by virtue of the operation of the Constitution in transferring many Departments from the States. The transferred Departments have associated with them a certain amount of property which has been transferred to the Commonwealth under section 85 of the Constitution:

When any Department of the Public Service of a State is transferred to the Commonwealth—

1. All property of the State of any kind, used exclusively in connexion with the Department, shall become vested in the Commonwealth; but, in the case of the Departments controlling Customs and Excise and bounties, for such time only as the Governor-General in Council may declare to be necessary.

As honorable senators are aware, the State properties transferred were used before Federation in connexion with Departments of the States. The States did not impose taxation upon their own properties as they did upon the properties of private individuals. We, as the custodians of the revenues now being derived from those properties, are custodians for the Commonwealth and the States. It would be highly inexpedient, therefore, if a State were to

make, in respect of any transferred property—and it is to be remembered that the assessment or adjustment of compensation to be paid to the States is by this Bill determined—any claim in respect of loss, because they are no longer able to tax the properties, seeing that they never taxed them while under their own control. Nor would it be right that they should claim, as a constituent of their compensation loss of revenue through parting with the properties.

Senator MILLEN. — Is the honorable senator inferring that the land which came over to the Commonwealth by virtue of the Constitution would be affected by this Bill?

Senator KEATING.—Yes, in determining the amount of compensation to be paid. When the existing Act was before Parliament a considerable amount of discussion took place upon this subject, and one Thursday evening, if I remember rightly, the debate, which had occupied a long time, caused the then Vice-President of the Executive Council, Senator O'Connor, to state that he would bring down some amendments on the following day to deal with that particular class of case. He did so. It is desirable that the States should not be allowed to make any claim in respect of loss of taxation rights over the great bulk of the properties taken over from the States; nor should they claim compensation in respect of loss of dominion or loss of revenue entailed by parting with those properties. There has merely been a transfer from one authority to another by virtue of the Constitution. The same interests are at stake, namely, the interests of the people of the Commonwealth. I do not think that the States will be prejudiced, and the provision will, at any rate, prevent many additional complications being added to the already difficult problem of determining the amount of compensation to be paid to the States on account of properties transferred under section 85 of the Constitution.

Senator MILLEN (New South Wales) [12.52].—The Minister has made the definite statement that the payment for properties transferred by virtue of the Constitution will be determined under this Bill. I hesitate to dogmatize in a matter involving a question of law, but it seems to me that as, under the Constitution, the properties were transferred absolutely, they cannot be dealt with by a Bill which relates only to properties acquired in the

manner set out in the Bill. There is a difference between properties transferred under the Constitution, and those which it is intended to acquire under this Bill. But there is one matter to which Senator Keating made no reference. I allude to the question of severance, upon which Senator Symon dwelt at some length. It seems to me that the argument is unanswerable that where an estate is injured by severance it should, if it belong to a State, be placed in the same position as the estate of a private individual. Throughout this Bill we group States and private individuals together. We make no difference between them. If we run a road through property belonging to a State, I see no reason why the State should not receive the same compensation as a private individual would get. I cannot understand the distinction. There is no reason for it. I point to the very ominous silence of the Minister regarding Senator Symon's criticism on this point. I trust that the Minister will see the force of it. If he is not able to agree to the elimination of the whole sub-clause, which I think ought to go out, I hope he will agree that the exemption as to severance should be omitted.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That the words "The State shall not be entitled to compensation in respect of the loss of any rights of dominion, taxation, or revenue," lines 11 to 13, be left out.

Senator TRENWITH (Victoria) [12.53].—I agree with Senator MilLEN that reasons should be shown why a State which has suffered loss through severance, should not be compensated, but there is sufficient reason why the words it is proposed to omit should be retained. We know, as a matter of fact, that the proper principle is adopted by the States of not taxing State property. In some instances, a State preserves from taxation the property of other public bodies. It also preserves State properties from municipal taxation. The principal is a sound one: that there should be no power to tax the Crown.

Senator Sir JOSIAH SYMON.—That is a constitutional question.

Senator TRENWITH.—I admit that it is, but the principle is sound.

Senator MILLEN.—We do tax the Crown through the Customs.

Senator TRENWITH.—I believe we do in that case. It is, however, absurd to tax the Crown, because the taxes go to the

Crown. My experience of State Governments shows me that the principle of not taxing public property is a good one.

Senator KEATING (Tasmania) [12.55].—I point out, in answer to Senator Millen, that I have referred to the already complicated problem of adjusting the compensation between the Commonwealth and the States for transferred properties. I think that that, in itself, is a sufficient reason for my opposition to the amendment. I dealt sufficiently with the taxing rights, revenue rights, and dominion rights of the States. If Senator Millen will turn to clause 65, he will find that it provides that—

Any land which, before the commencement of this Act, has been acquired by the Commonwealth from any State or person, or has by virtue of section 85 of the Constitution become vested in the Commonwealth, shall, for the purposes of this Act, be deemed to have been acquired under this Act and to be vested in the Commonwealth as if acquired under this Act.

We have a corresponding provision in the existing Act, section 47. Under those provisions, compensation applies in the case of those transferred properties. We have power to legislate that compensation shall be paid to a State by virtue of section 85 of the Constitution, paragraph 3 of which says that—

The Commonwealth shall compensate the State for the value of any property passing to the Commonwealth under this section; if no agreement can be made as to the mode of compensation, it shall be determined under laws to be made by the Parliament.

It will be obvious that the bulk of the land which we get from a State being in connexion with the transferred properties, we should not allow any compensation for the loss of taxation rights, revenue rights, or dominion rights; and as to severance, I have indicated that we have adopted the proposed form from the existing Act. Some very solid reason should be advanced for departing from the existing law in this respect.

Sitting suspended from 1 to 2 p.m.

Senator Sir JOSIAH SYMON (South Australia) [2.01].—The Minister has pointed out that this provision is in the existing Act; but honorable senators will recollect that the Act was passed without, in some respects, the consideration which it deserved. I must take some blame for not giving the Act as much attention as, perhaps, I ought, when it came before us as a mere machinery measure. In the second place, the Minister has referred to clause 65, which, however,

does not touch the question before us in any way. I quite agree with a good deal of what the Minister has said as to the constitutional position in regard to the acquisition of land. But I point out that this sub-clause is intended to declare that the States shall not be entitled to compensation for the loss of any rights of "dominion, taxation, or revenue." I think it a mistake to have that provision, because it assumes that a State may, under the circumstances, lose the right of taxation in respect of Commonwealth property. That is a question for the Court to determine; and, no doubt, there have been decisions in regard to municipal rights, and so forth. I do not think we are justified in assuming that a State may lose its right of taxation, and in providing that there shall be no compensation for the loss. It is difficult to decide whether a State would lose the right, but, if so, we ought not to take away the right to claim compensation for the loss of a portion of revenue, which is an asset, small or great, of the State. So far as regards the introduction of the word "dominion," I do not think there should be any compensation in that respect. I am convinced by what the Minister has said in this connexion, but I feel that we ought to retain the provision in regard to taxation or revenue. "Dominion" could not be assessed for damages, except in regard to land taken for the Federal Capital, whereas "taxation or revenue," being money, is susceptible of assessment in some shape or other. With the permission of the Committee, I shall withdraw the amendment, with the view of substituting another embracing simply taxation or revenue.

Amendment, by leave, withdrawn.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That the words "taxation or revenue," line 13, be left out.

Senator KEATING (Tasmania—Honorary Minister) [2.4].—I was hoping for the moment that Senator Symon would permit the words "taxation, or revenue" to remain, because, in my opinion, they are the crux of the whole question. There may be some decisions in regard to the power of a municipal authority to tax or not to tax, and to draw revenues from Commonwealth-occupied or Commonwealth-owned property; but these decisions hardly touch the difficulty we are trying to overcome by the clause. The question

has reference to properties of the States that have been transferred. Those properties, although they were within the taxable powers of the States have, as a matter of fact and practice, never been taxed. When they have been transferred to the Commonwealth, it would be hardly fair for the States to claim in respect of any loss of a taxable area, so to speak, seeing that they are transferred, not to a foreign body, but to a body of which the States themselves may be said to be an integral part. No doubt, the property was taxable, but, in actual fact and practice, it never was taxed. The other decisions to which Senator Symon referred have more point with regard to the subsequent taxation of this property, either by a State or by any delegated authority.

Senator Sir JOSIAH SYMON.—That is what takes away the taxable right.

Senator KEATING.—The fact that it is the property of the Commonwealth takes away the taxable right, but at the time it was handed over to the Commonwealth, and prior to that, it was no doubt taxable by the State, although, as I say, it never was taxed. If there are any words in the clause that should be preserved, they are "taxation, or revenue." I hope the honorable senator will not press the amendment, but will recognise that the great bulk of these properties are transferred properties, and that it would considerably complicate the problem, to the advantage of nobody and to the disadvantage of all parties, if we allowed questions of the taxable value and the revenue-returning value of property so transferred, to enter as elements into consideration in adjusting the compensation to be paid to a State.

Senator MILLEN.—Would the adoption of the amendment necessarily bring about those complications?

Senator KEATING.—I am afraid it would, because one particular State, for instance, might raise the question. It is not to the interests of either the States or the Commonwealth that these should be elements in the determination of compensation. Is it not better to set the whole question beyond the possibility of any doubt? If we were proposing to take away from a State, or the people of a State, anything to which they were accustomed, we might consider the advisableness of leaving out the words; but the absence of the provision, especially in view of the fact that it has been the law for five or six years,

might lead to the belief in the minds of some persons that it was intended to consider on its merits any claim that might be made by a State for compensation in regard to the two items, or either of them. After all, this would be to a large extent, a matter of bookkeeping, and we should be only opening the door to the complication of the whole question of compensating the States for the properties transferred. I venture to say that seven-eighths would be a low estimate to give as the proportion of the transferred properties compared with all the properties that would now be affected by this clause. I venture to say, further, that none of the transferred properties in any State have ever been subject to taxation. At the same time, each State had the opportunity, if it chose, to tax its own property and apportion the revenue in a book-keeping way.

Senator Sir JOSIAH SYMON.—It would be merely a cross entry.

Senator KEATING.—In view of these facts, are we going to open the door to doubt?

Senator Sir JOSIAH SYMON.—Will the Minister consent to eliminate that portion of sub-clause 3 which relates to severance of land?

Senator KEATING.—I am prepared to do that.

Senator Sir JOSIAH SYMON.—Then I ask permission to withdraw my amendment.

Amendment, by leave, withdrawn.

Amendment (by Senator Sir JOSIAH SYMON) agreed to—

That the words, "or in respect of the severance of the land acquired from any other land of the State, or in respect of any injury to any other land of the State," lines 13 to 16, be left out.

Clause, as amended, agreed to.

Clause 29—

1. In determining the compensation under this Act, regard shall be had (subject to this Act) to the following matters:—

- (a) The value of the land acquired;
- (b) the damage caused by the severance of the land acquired from other land of the person entitled to compensation; and
- (c) the enhancement in value of other land of the person entitled to compensation by reason of the carrying out of the public purpose for which the acquired land was acquired.

2. The enhancement in value shall be set off against the amount of the value and damage specified in paragraphs a and b of sub-section 1 of this section.

Senator MILLEN (New South Wales) [2.10].—I shall anticipate one argument that the Minister may address to the Committee in reply to the objection I am about to take to paragraph *c* of sub-clause 1, by admitting that it is a reproduction of the corresponding section in the existing Act. It does not appear to me that paragraph *c* will be at all fair in its incidence. I do not propose to refer to the equity or otherwise of the betterment principle, but merely to point out that that principle differs very materially from the proposal set out in the clause. Under the betterment principle, when a public work is carried out, it is followed by a charge on all the lands benefited; whereas paragraph *c* provides that the one individual, to be subject to the betterment tax, shall be the individual from whom the land is resumed. All his neighbours may share the benefit with him—they may even obtain the greater portion of the benefit—and yet they are not to be called on to contribute one iota. Under this clause the Commonwealth might resume property and never have to pay the owner a single penny. An owner might have several parcels of land in the locality of a proposed public work, and if the Commonwealth resumed one parcel, and determined that, under the operation of the clause, the benefit to the remaining parcels equalled the value of the property resumed, the owner might get nothing. All round, however, a multiplicity of other owners might reap even a greater benefit, and yet would not be called upon to contribute. I appeal to those honorable senators who believe in the betterment principle. They must recognise the inequality of this proposal. If we desire the betterment principle to be attached to public works, let us so provide, and see that all who benefit are called upon to contribute. I recognise that this provision is in the existing Act; but the very fact that the Minister has introduced the Bill is an admission that the present law is not perfect in many particulars. Amongst its defects is the one I have pointed out, and, if honorable senators agree with me, it is our duty to remedy such a defect when an opportunity presents itself. I ask the Minister not to allow the fact that this provision is part of the present law to unduly weigh with him, but to consider whether there is not some force in my argument, and whether it would not be possible to draft an amendment more equitable in its incidence. If it is thought desirable to adopt the betterment principle, let us do so,

but, otherwise, let us agree to the elimination of paragraph *c*.

Senator WALKER (New South Wales) [2.15].—Curiously enough, when the Property for Public Purposes Acquisition Bill was before the Senate, I took up the same stand as Senator Millen has taken to-day, but I found only two supporters. I, therefore, hope that the honorable senator will press his amendment, in which case we shall have more than three honorable senators supporting a proposal to do what I think is fair as between man and man.

Senator KEATING (Tasmania—Honorary Minister) [2.16].—The alternative suggested by Senator Millen is, I think, surrounded with a certain amount of difficulty. In estimating the compensation to be paid we propose to consider the value of the land acquired for public purposes, the damage sustained by the owner as the result of the severance of his land, and, thirdly, the enhancement in value of the other land held by the same proprietor, which is, of course, set against the other considerations in determining the amount of compensation to be paid. That is the principle adopted not only in the existing Act, but also, I think, in some of the States Acts. If my recollection serves me rightly, it is the principle adopted in Tasmania, in connexion with the resumption of land, if not for general public purposes at least for the construction of railways. Senator Millen points out that, although the balance of the land retained by an individual from whom a portion of his land is acquired under this Bill may be enhanced in value by the construction of the public work, the value of the lands in the vicinity in the possession of other persons from whom no land has been acquired by the Commonwealth may also be enhanced in value in the same way. The honorable senator suggests that the question of betterment shall be determined, not only in relation to the particular individual, a portion of whose land is acquired, but in relation also to every owner of land whose property is enhanced in value by the construction of the public work. I doubt very much whether we could do what the honorable senator proposes in this Bill. We have power under the Constitution to make laws with respect to—

The acquisition of property on just terms from any State or person for any purpose in

respect of which the Parliament has power to make laws.

It might be open to question that what the honorable senator suggests would be just terms. It is very doubtful whether it is within our power in such a measure as this to impose any conditions on persons other than those from whom we acquire property. For instance, A, B, C, and D are adjoining owners of land, and for the purpose of the illustration I assume that the value of the land owned by each is £1,000. Under this Bill we take a portion of A's land, valued at £250, and the improvement in value of the rest of his land due to the construction of the public work is estimated at £150. In estimating the amount of compensation we shall pay him for the land we take we must take into consideration the extent to which the land he retains is enhanced in value by the construction of the public work, and we deduct that from the value of the land taken, to which, of course, there is added the value of the damage occasioned by the severance of the land. No land is taken from B, C, or D, although the construction of the public work enhances the value of their property. Senator Millen suggests that we should not deduct from the compensation paid to A any amount in respect of the enhancement in value of the remainder of his property, since we do not propose to do the same to meet the enhancement in value of the properties held by adjacent land-holders. I do not know that we should hesitate in the matter. It might be that, in the case I have suggested, under this measure, A will be placed in a less fortunate position than his neighbours, but are we to say that we shall not give ourselves credit in the individual transaction with which we have the power to deal for the additional value which the construction of the public work will give to the balance of the land held by the person from whom we take the land? I doubt very much whether we have the power to go beyond that individual and impose conditions on third or fourth parties—

Senator MILLEN.—Not under our powers of taxation?

Senator KEATING.—We might do so under our powers of taxation, but I am dealing with the powers we propose to exercise under this Bill. We are here proposing the acquisition of land from States and persons on just terms, and when we are dealing with an individual owner the terms must, I think, apply to that

owner alone. I think we cannot make the terms applicable to third parties.

Senator DOBSON.—That is a State matter.

Senator KEATING.—Or it might be a matter of general Federal legislation with regard to direct taxation. I do not know that Senator Millen would favour legislation of that character. At present we are concerned merely with the purposes of this Bill. I say that we should not go by this particular clause, and wait until some systematic legislation is passed in regard to betterment generally, but that in this measure we should apply the betterment principle in every transaction with individuals where the effect of a public work is to enhance the value of land retained by them. I think that is a fair and reasonable principle, and it has certainly been acted upon in the past by some of the States in connexion with acquisition of land for railway purposes.

Senator WALKER (New South Wales) [2.23].—In New South Wales, in the case of the resumptions in connexion with Martin-place, the Government made all the adjoining owners of land pay something in respect of the enhancement in value of their property. In the case to which the Minister has referred the proposal in this Bill is to make A contribute something in that respect, and to take nothing from B, C, and D.

Senator FRASER.—How can we deal with them?

Senator WALKER.—I do not know, and in the circumstances I think that the provision had better be left out. I am sorry to say that I have had a somewhat unfortunate experience in this connexion. We were given what was called compensation for the resumption of a certain area in Brisbane, although, as a matter of fact, we lost £3,000 by the transaction. In the case to which Senator Keating has referred, how is it possible to say that A's land will be benefited to the extent of £250 by the construction of the public work?

Senator KEATING.—That is a matter of valuation.

Senator WALKER.—It is a most difficult thing to decide. I think that it would be well to omit the provision.

Senator KEATING (Tasmania—Honorary Minister) [2.25].—I will put this case to Senator Walker: Suppose that in resuming land we take a strip along the border of a man's property which might be worth £100, whilst the block from which

it is taken might be worth some thousands of pounds. It is clear that the actual improvement in value of the balance of the property due to the construction of the public work might amount to considerably more than the actual value of the strip of land taken. What are we to do in such a case as that? Are we to pay the owner the value of the strip taken, without taking into consideration the value added to the rest of his property?

Senar **MILLEN** (New South Wales) [2.26].—The Minister naturally takes an extreme case to suit his argument.

Senator **KEATING**.—Extreme cases generally afford the best illustration of the effect of a provision.

Senator **MILLEN**.—Quite so, and let me put another case to the Minister. The owner of a block of land worth £1,000 is, say, one of a group of owners of land in the same locality, each of whom owns a block of the same value. The Commonwealth resumes one-half his land and for that should pay him £500. The effect of the public work carried out is to double the value of all the lands within a certain radius of it. Under this provision, in such a case the Commonwealth would take half of the first man's land and would pay him nothing for it, whilst it would make the adjoining owners a present of £1,000 each.

Senator **FINDLEY**.—The honorable senator is a land taxer, and we shall soon have him on our side.

Senator **MILLEN**.—If a land taxer is one who desires that the Commonwealth should act fairly to those from whom it acquires land, I am a land taxer. Where the Commonwealth steps in to do anything for the commonweal, it should not throw upon any one individual the sole burden of the operation. It seems to me that it would be far better to omit this provision, and if the Ministry think that the betterment principle is of so much value, they should introduce a separate Bill as they have power to do under the Constitution, to provide that wherever a public work is constructed the betterment principle shall apply to all property, the value of which is enhanced by the construction of the public work, is propose, as is done here, to tax one man and exempt others who are equally benefited by the construction of the public work, is unjust, and is entirely opposed to the principles on which we are supposed to legislate.

Senator Sir **JOSIAH SYMON** (South Australia) [2.28].—With Senator Keating, I do not see how it would be possible under this Bill to take from owners of land, none of whose land is acquired, the enhancement of value which the carrying out of a public work would give them. A special mode of taxation might be devised which would enable that to be done, if we were introducing a complete system to give effect to the betterment principle, with which I agree. Where land is improved in value by the construction of a public work, that increase in value should not go entirely to the owners, but the whole or some portion of it might very well go to the State. The objection to this provision, however, is that it introduces a lopsided kind of betterment under which, where the half of a man's land was taken, and by the construction of the public work, the balance was improved in value to the extent of the value of the half, he would be compelled to make a present to the Commonwealth of the land, whilst ten adjacent owners of land, who might have their properties doubled in value, would escape. That, on the face of it, is unjust. We should not do an injustice by attempting to introduce a partial betterment system by which one land-owner would have to pay something whilst his neighbours were benefited at his expense, without contributing anything to the Commonwealth. A similar provision is contained in the existing Act, but, like many other provisions, it was not sufficiently considered, and it seems to me that it is not desirable that it should be re-enacted in this Bill.

Senator **FINDLEY**.—The balance of the land held by the man from whom land is taken, might be enhanced in value to a very much greater extent than any land held by adjacent owners.

Senator Sir **JOSIAH SYMON**.—That might happen, but it might also happen that the construction of the public work might greatly enhance the value of property belonging to ten different owners of land in the locality.

Senator **FINDLEY**.—The land taken might be enhanced in value fivefold, and the other lands not be improved at all.

Senator Sir **JOSIAH SYMON**.—It might. On the other hand, it might happen that the land not taken had had its value enhanced fivefold. Yet it is proposed to compel the man whose land has

ascertain what are the principles as to compensation enacted by this Bill. He would find general provisions for compensation in all cases of damage, and specific provision in the case of damage resulting from temporary occupation, and the taking from temporarily occupied land of material of any kind. I think that it is better that the Bill should be allowed to stand as it is, and that those who have to work under it will find that its arrangement is as good as can be desired.

Senator MILLEN (New South Wales) [12.18].—I should like to remind the Committee of what took place when we were discussing this matter a little time ago. It was then pointed out that in the existing law there is an express provision dealing with this matter contained in sub-section 2 of section 49, which provides that—

The Commonwealth shall pay compensation to the occupier of the land for any damage done in carrying out the powers conferred by this section.

In the Bill now submitted, instead of that positive declaration, we have the negative provisions contained in sub-clause 3 of clause 25—

Nothing in this section shall take away the right of any person to compensation for damage sustained by reason of the exercise of any power under this Part of this Act.

The provision of the existing Act clearly sets out that compensation shall be paid, and we are asked to substitute for that positive provision the negative provision of sub-clause 3, of clause 25. When the matter was previously referred to, the Minister agreed that under this sub-clause the owner or occupier of the land would have to fall back upon his common law rights to compensation, and the honorable and learned senator assented to the proposition that it would be better that we should insert a positive statement of what we intend. I think that it would be much better to adhere to the provision of the existing law, and say that the owner or occupier shall be paid compensation for any damage sustained by reason of the temporary occupation of his land. I am surprised that the Minister, having assented to that proposition in the course of this morning, should now find himself once more in what I assume to be an inquiring frame of mind.

Senator TRENWITH (Victoria) [12.21].—I enter into this debate with a very great deal of diffidence, because we are discussing a highly technical Bill, but it seems to me that there is an obvious reason for the in-

section of sub-clause 3 of clause 25, in the negative form to which Senator Millen has referred. We have provided in the clause specifically for a form of compensation which does not arise in connexion with the other forms of the acquisition of land. We have provided for compensation in the form of rent for the temporary occupation of land, and lest it should be assumed that rent is to be the only compensation given, we say, in sub-clause 3, that nothing in this clause shall deprive the person whose land is temporarily occupied, of the right to compensation for damage sustained. Then, in sub-clause 3 of clause 32, we set out in the most comprehensive form, what are those rights of compensation, and they cover any damage sustained in the carrying out of the provisions of the law. I think that the Bill is sufficiently clear. My experience leads me to the conclusion that it is unwise to specify a particular form of damage, unless we desire that the compensation shall be restricted to that. I feel that I am bound, in the circumstances, to support the Bill as it stands.

Senator Sir JOSIAH SYMON (South Australia) [12.23].—Senator Trenwith is absolutely right in supposing that if we leave clause 25 as it stands sub-clause 3 of that clause is necessary; otherwise it might be contended that, because we provide for an occupation rent, we inferentially declare that that is the only form of compensation to which the owner of the land is entitled. No one desires that, but sub-clause 3 will become unnecessary if we insert a substantial provision, giving the owner or occupier of the land the right of compensation to which we think he is entitled.

Senator TRENWITH.—That is to say, if we substitute sub-clause 3 of clause 32, for sub-clause 3 of clause 25?

Senator Sir JOSIAH SYMON.—Or the shorter form which I have suggested.

Senator TRENWITH.—What is the difference?

Senator Sir JOSIAH SYMON.—I do not suggest that the Minister should adopt my drafting. But if we put into this clause a provision for compensation for damage arising from temporary occupation, we shall do in the one clause what is now done in two clauses. My amendment reads—

The Commonwealth shall pay compensation to the owner and occupier of the land for any damage done or sustained in exercising the powers or any of them conferred by this Part

of this Act. Such compensation to include the value of any crop or dressing on the land.

Senator TRENWITH.—I see no reason for the last portion of that provision, because it is sufficiently implied.

Senator Sir JOSIAH SYMON.—Quite so. It is possible that if we provided for compensation for any damage done or sustained that would include the value of a crop upon the land, but the words I have used are those which appear in the existing Act, and they are required in order that there may be no doubt that the value of a surface crop and not merely the damage to it shall be taken into consideration. It is, I think, only fair that if the Commonwealth temporarily occupies land on which a crop is growing, we should pay for the whole of the crop and not merely for the portion damaged. A crop of 40 acres is one thing, and a crop in patches is a very different thing.

Senator PLAYFORD.—Compensation to the extent of the value of the whole crop might amount to more than the injury inflicted.

Senator KEATING (Tasmania—Honorary Minister) [12.27].—Clause 32, to which reference has been made in anticipation, is included in Part IV. of the Bill, headed "Compensation." That part of the Bill is divided into a number of divisions. Division 1, for instance, deals with the "Right to Compensation." Division 2 deals with "Claims for Compensation," and contains all necessary provisions as to time of putting in claims, the procedure in respect of claims, and when claims become disputed.

Senator Sir JOSIAH SYMON.—They would apply equally to compensation dealt with in a sub-clause inserted in substitution of sub-clause 3 of clause 25.

Senator KEATING.—I am afraid not.

Senator Sir JOSIAH SYMON.—Yes, it would be compensation for damage.

Senator KEATING.—Yes; but we have in this Bill what might be called a complete system of provisions with respect to compensation. These are set out in different divisions of Part IV. I have mentioned the headings of two of these divisions, and division 3 deals with the "determination of "Disputed Claims for Compensation"; division 4 with the "Determination of Compensation where no Claim made"; division 5 with "Payment of Compensation." That part of the Bill is, so to speak, complete in itself, and its various provisions are inter-related. It might

be dangerous to take out of these general divisions some particular classes of damage, and insert provisions dealing with them in another part of the Bill. It is desirable to have all these provisions with respect to damage in the same part of the Bill. There can be no doubt that in the way in which the Bill has been framed, sub-clause 3 of clause 25 is treated in every respect in the same manner as any ordinary claim for compensation, as to the time within which the claim shall be made, the manner in which it shall be prosecuted in the event of difference, and also with regard to payment and interest, and the determination of the claim, when no claim has been forwarded, or when, after it has been forwarded, it has not been prosecuted. It is desirable that all these provisions should apply in every instance where compensation is being paid in respect of land actually acquired for a specified public purpose, or in respect of land temporarily occupied. That is, I think, a consideration which will appeal to my honorable and learned friend, who will see that even if there were, perhaps in an individual case, some inconvenience in the fact that the claimant for compensation would have to consult two different parts, yet, for the general working of the law, it is desirable that it should be free from any ambiguity or doubt that this particular claim for compensation shall be subject to all the general provisions in the several divisions of that part of the Bill entitled "Compensation."

Senator Sir JOSIAH SYMON (South Australia) [12.31].—Of course, I do not wish to interfere with the arrangement of the clause, because the Government are responsible for that as well as the actual drafting. Therefore, as the Minister makes the appeal on that ground, I shall not press the amendment, and we can deal with the details of clause 32 when it is reached. I should expect to receive similar treatment.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 26—

The Minister shall, if required by the owner or occupier of the land so to do, separate any land occupied in pursuance of this Part of this Act from any adjoining land by a sufficient fence, with such gates as may be necessary for the convenient occupation of the land.

Senator Sir JOSIAH SYMON (South Australia) [12.32].—This is, I think, a distinct improvement upon the provision in

the existing Act. Suppose, however, that there was a dispute, who would judge or how would it be determined whether the fence required by the owner or occupier was necessary for the convenient occupation of the land or not?

Senator KEATING (Tasmania—Honorary Minister) [12.33].—This is an obligation which is thrown upon the Minister, and I presume that, as far as possible, he, through his officers, would consult with the individual in case there should be a refractory individual or official.

Senator Sir JOSIAH SYMON.—Or a legitimate difference of opinion.

Senator KEATING.—Yes. The obligation to do this thing would come up probably for consideration by a Court.

Senator Sir JOSIAH SYMON.—But where?

Senator KEATING.—In connexion with the compensation that would be claimed.

Senator Sir JOSIAH SYMON.—Not as to the making of a fence.

Senator KEATING.—I think so. Suppose, for instance, that the Minister should fail to sufficiently fence, surely that would be damage occasioned by the exercise of the powers conferred in Part III.?

Senator Sir JOSIAH SYMON.—The Minister knows that under the Lands Clauses Consolidation Act that is called an accommodation work, and is dealt with by a different tribunal. I only wish to know whether there is a similar provision in the Bill?

Senator KEATING.—No.

Senator Sir JOSIAH SYMON.—Will the Minister consider that point?

Senator KEATING.—Yes. The individual who felt aggrieved would say that the Minister had exercised the powers under Part III. of the Act, and that the fact that he had not carried out his obligation to sufficiently fence had endamaged him, and, therefore, he would claim compensation in a Court of competent jurisdiction.

Senator Sir JOSIAH SYMON.—The point would be whether a fence was necessary.

Senator KEATING.—The Court would determine whether or not the Minister had fulfilled his obligation. In nearly every instance the officers of the Departments come to some reasonable arrangement with the owner of the land, and very often the provisions of the Act have to be relied upon only when an actual agreement has been entered into.

Senator Sir JOSIAH SYMON (South Australia) [12.35].—I merely wished to know what provision was made in respect of what are called and ordinarily understood to be accommodation works. A difference of opinion very rarely arises, because the persons are reasonable in regard to fencing, and all that kind of thing. But if an occupier or owner should require a certain fence to be erected, and regard it as necessary, and there should happen to be an honest difference between the persons looking after the work and the owner or occupier, who would settle it? I merely suggest to the Minister that he might look into the matter, and see whether there is provision made to meet such a case. I believe he will find that it would not be included in the compensation for damage. This is included in accommodation works, and is determined usually under the procedure of the States by Justices.

Senator TRENWITH.—If it were shown that there was insufficient protection, would not that be a ground for asking for further compensation if damage resulted?

Senator Sir JOSIAH SYMON.—If damage resulted. I ask the honorable senator to look at the wording of the clause. It applies to what is ordinarily called accommodation works, such as, for instance, level crossings in connexion with railways. These have nothing to do with the matter of compensation.

Senator TRENWITH.—Assuming that the Minister was wrong, and that damage had resulted from his failure to do what the owner required, would there not be ground for a further claim?

Senator Sir JOSIAH SYMON.—No. The Minister would say, "I am not going to give damages, because you got your level crossing." That would not be part of the compensation. The owner would have to go to the tribunal created, bring his claim forward, and apply for an order that the Minister should give the accommodation. It is temporary here, but it would be permanent in the case of a railway. That is a different question from compensation. It is a question of whether there is to be an accommodation work for the purpose of facilitating the convenient use of the owner's land. I shall be glad if, when we reach a later part of the Bill, the Minister will intimate what provision is made for settling a dispute.

Clause agreed to.

Clause 27—

Where any land (other than Crown land of a State) is acquired by compulsory process, the owner of the land shall, if deprived of the land in whole or in part, be entitled to compensation under this Act.

Senator Sir JOSIAH SYMON (South Australia) [12.38].—In this clause, and in others, it will be as well to leave out the words "of a State" where they come after the expression "Crown land," because the definition of "Crown land" in the interpretation clause renders them unnecessary. I move—

That the words "of a State" be left out.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 28—

1. Where any Crown land of a State is acquired by compulsory process, the State shall, subject to the Constitution, be entitled to compensation under this Act.

2. The compensation shall be estimated as if the State were the proprietor of an estate in fee-simple in the land, subject to any estate or interest which any person had in the land at the time of its acquisition by the Commonwealth.

3. The State shall not be entitled to compensation in respect of the loss of any rights of dominion, taxation, or revenue, or in respect of the severance of the land acquired from any other land of the State, or in respect of any injury to any other land of the State.

Amendment (by Senator Sir JOSIAH SYMON) agreed to—

That the words "of a State," line 1, be left out.

Senator MILLEN (New South Wales) [12.40].—Whatever legislation we enact is subject to the provisions of the Constitution Act. It is quite an unnecessary parading of a simple and well-known fact to set out that this clause more than any other is subject to the Constitution. Therefore I move—

That the words "subject to the Constitution," line 3, be left out.

Amendment agreed to.

Senator Sir JOSIAH SYMON (South Australia) [12.41].—Sub-clause 3, which is new, requires considerable attention, and I think ought to be eliminated. Whatever compensation a State is entitled to get it should receive. In regard to land ordinarily acquired, apart from the Federal territory, there can be no question of rights of dominion, though there might be a question of rights of taxation. In regard to the acquisition of a quarter acre block of land it is absurd to talk about rights of dominion. The term is absolutely illusory.

The question of imposing a land tax would have to be determined as a revenue problem. Again, why should not a State get compensation for severance, as well as any individual? Suppose that there was a block of land upon which State buildings were erected, or State industries carried on, and that, owing to the paramount national necessity, the land was taken. Why should not the State get compensation for severance when damage had resulted therefrom? If we place the States, in regard to the compulsory acquisition of lands, in the same position and under the same disabilities as an individual owner, why should it not get the same advantages? It does not seem to me to be fair to give this right to the individual owner, and to take it away from the State. Again, in respect of any injury to other land of the State, why should not the State get compensation therefor? We are all agreed that the State should get no more than the private individual, but there is no reason why any favour should be shown to the latter.

Senator KEATING (Tasmania—Honorary Minister) [12.44].—This provision recognises that, where the Commonwealth is acquiring property from a State for public purposes, in the vast majority of instances it is making that acquisition by virtue of the operation of the Constitution in transferring many Departments from the States. The transferred Departments have associated with them a certain amount of property which has been transferred to the Commonwealth under section 85 of the Constitution:

When any Department of the Public Service of a State is transferred to the Commonwealth—

1. All property of the State of any kind, used exclusively in connexion with the Department, shall become vested in the Commonwealth; but, in the case of the Departments controlling Customs and Excise and bounties, for such time only as the Governor-General in Council may declare to be necessary.

As honorable senators are aware, the State properties transferred were used before Federation in connexion with Departments of the States. The States did not impose taxation upon their own properties as they did upon the properties of private individuals. We, as the custodians of the revenues now being derived from those properties, are custodians for the Commonwealth and the States. It would be highly inexpedient, therefore, if a State were to

make, in respect of any transferred property—and it is to be remembered that the assessment or adjustment of compensation to be paid to the States is by this Bill determined—any claim in respect of loss, because they are no longer able to tax the properties, seeing that they never taxed them while under their own control. Nor would it be right that they should claim, as a constituent of their compensation loss of revenue through parting with the properties.

Senator MILLEN. — Is the honorable senator inferring that the land which came over to the Commonwealth by virtue of the Constitution would be affected by this Bill?

Senator KEATING.—Yes, in determining the amount of compensation to be paid. When the existing Act was before Parliament a considerable amount of discussion took place upon this subject, and one Thursday evening, if I remember rightly, the debate, which had occupied a long time, caused the then Vice-President of the Executive Council, Senator O'Connor, to state that he would bring down some amendments on the following day to deal with that particular class of case. He did so. It is desirable that the States should not be allowed to make any claim in respect of loss of taxation rights over the great bulk of the properties taken over from the States; nor should they claim compensation in respect of loss of dominion or loss of revenue entailed by parting with those properties. There has merely been a transfer from one authority to another by virtue of the Constitution. The same interests are at stake, namely, the interests of the people of the Commonwealth. I do not think that the States will be prejudiced, and the provision will, at any rate, prevent many additional complications being added to the already difficult problem of determining the amount of compensation to be paid to the States on account of properties transferred under section 85 of the Constitution.

Senator MILLEN (New South Wales) [12.52].—The Minister has made the definite statement that the payment for properties transferred by virtue of the Constitution will be determined under this Bill. I hesitate to dogmatize in a matter involving a question of law, but it seems to me that as, under the Constitution, the properties were transferred absolutely, they cannot be dealt with by a Bill which relates only to properties acquired in the

manner set out in the Bill. There is a difference between properties transferred under the Constitution, and those which it is intended to acquire under this Bill. But there is one matter to which Senator Keating made no reference. I allude to the question of severance, upon which Senator Symon dwelt at some length. It seems to me that the argument is unanswerable that where an estate is injured by severance it should, if it belong to a State, be placed in the same position as the estate of a private individual. Throughout this Bill we group States and private individuals together. We make no difference between them. If we run a road through property belonging to a State, I see no reason why the State should not receive the same compensation as a private individual would get. I cannot understand the distinction. There is no reason for it. I point to the very ominous silence of the Minister regarding Senator Symon's criticism on this point. I trust that the Minister will see the force of it. If he is not able to agree to the elimination of the whole sub-clause, which I think ought to go out, I hope he will agree that the exemption as to severance should be omitted.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That the words "The State shall not be entitled to compensation in respect of the loss of any rights of dominion, taxation, or revenue," lines 11 to 13, be left out.

Senator TRENWITH (Victoria) [12.53].—I agree with Senator Millen that reasons should be shown why a State which has suffered loss through severance, should not be compensated, but there is sufficient reason why the words it is proposed to omit should be retained. We know, as a matter of fact, that the proper principle is adopted by the States of not taxing State property. In some instances, a State preserves from taxation the property of other public bodies. It also preserves State properties from municipal taxation. The principal is a sound one: that there should be no power to tax the Crown.

Senator Sir JOSIAH SYMON.—That is a constitutional question.

Senator TRENWITH.—I admit that it is, but the principle is sound.

Senator MILLEN.—We do tax the Crown through the Customs.

Senator TRENWITH.—I believe we do in that case. It is, however, absurd to tax the Crown, because the taxes go to the

Crown. My experience of State Governments shows me that the principle of not taxing public property is a good one.

Senator KEATING (Tasmania) [12.55].—I point out, in answer to Senator Millen, that I have referred to the already complicated problem of adjusting the compensation between the Commonwealth and the States for transferred properties. I think that that, in itself, is a sufficient reason for my opposition to the amendment. I dealt sufficiently with the taxing rights, revenue rights, and dominion rights of the States. If Senator Millen will turn to clause 65, he will find that it provides that—

Any land which, before the commencement of this Act, has been acquired by the Commonwealth from any State or person, or has by virtue of section 85 of the Constitution become vested in the Commonwealth, shall, for the purposes of this Act, be deemed to have been acquired under this Act and to be vested in the Commonwealth as if acquired under this Act.

We have a corresponding provision in the existing Act, section 47. Under those provisions, compensation applies in the case of those transferred properties. We have power to legislate that compensation shall be paid to a State by virtue of section 85 of the Constitution, paragraph 3 of which says that—

The Commonwealth shall compensate the State for the value of any property passing to the Commonwealth under this section; if no agreement can be made as to the mode of compensation, it shall be determined under laws to be made by the Parliament.

It will be obvious that the bulk of the land which we get from a State being in connexion with the transferred properties, we should not allow any compensation for the loss of taxation rights, revenue rights, or dominion rights; and as to severance, I have indicated that we have adopted the proposed form from the existing Act. Some very solid reason should be advanced for departing from the existing law in this respect.

Sitting suspended from 1 to 2 p.m.

Senator Sir JOSIAH SYMON (South Australia) [2.01].—The Minister has pointed out that this provision is in the existing Act; but honorable senators will recollect that the Act was passed without, in some respects, the consideration which it deserved. I must take some blame for not giving the Act as much attention as, perhaps, I ought, when it came before us as a mere machinery measure. In the second place, the Minister has referred to clause 65, which, however,

does not touch the question before us in any way. I quite agree with a good deal of what the Minister has said as to the constitutional position in regard to the acquisition of land. But I point out that this sub-clause is intended to declare that the States shall not be entitled to compensation for the loss of any rights of "dominion, taxation, or revenue." I think it a mistake to have that provision, because it assumes that a State may, under the circumstances, lose the right of taxation in respect of Commonwealth property. That is a question for the Court to determine; and, no doubt, there have been decisions in regard to municipal rights, and so forth. I do not think we are justified in assuming that a State may lose its right of taxation, and in providing that there shall be no compensation for the loss. It is difficult to decide whether a State would lose the right, but, if so, we ought not to take away the right to claim compensation for the loss of a portion of revenue, which is an asset, small or great, of the State. So far as regards the introduction of the word "dominion," I do not think there should be any compensation in that respect. I am convinced by what the Minister has said in this connexion, but I feel that we ought to retain the provision in regard to taxation or revenue. "Dominion" could not be assessed for damages, except in regard to land taken for the Federal Capital, whereas "taxation or revenue," being money, is susceptible of assessment in some shape or other. With the permission of the Committee, I shall withdraw the amendment, with the view of substituting another embracing simply taxation or revenue.

Amendment, by leave, withdrawn.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That the words "taxation or revenue," line 13, be left out.

Senator KEATING (Tasmania—Honorary Minister) [2.4].—I was hoping for the moment that Senator Symon would permit the words "taxation, or revenue" to remain, because, in my opinion, they are the crux of the whole question. There may be some decisions in regard to the power of a municipal authority to tax or not to tax, and to draw revenues from Commonwealth-occupied or Commonwealth-owned property; but these decisions hardly touch the difficulty we are trying to overcome by the clause. The question

has reference to properties of the States that have been transferred. Those properties, although they were within the taxable powers of the States have, as a matter of fact and practice, never been taxed. When they have been transferred to the Commonwealth, it would be hardly fair for the States to claim in respect of any loss of a taxable area, so to speak, seeing that they are transferred, not to a foreign body, but to a body of which the States themselves may be said to be an integral part. No doubt, the property was taxable, but, in actual fact and practice, it never was taxed. The other decisions to which Senator Symon referred have more point with regard to the subsequent taxation of this property, either by a State or by any delegated authority.

Senator Sir JOSIAH SYMON.—That is what takes away the taxable right.

Senator KEATING.—The fact that it is the property of the Commonwealth takes away the taxable right, but at the time it was handed over to the Commonwealth, and prior to that, it was no doubt taxable by the State, although, as I say, it never was taxed. If there are any words in the clause that should be preserved, they are "taxation, or revenue." I hope the honorable senator will not press the amendment, but will recognise that the great bulk of these properties are transferred properties, and that it would considerably complicate the problem, to the advantage of nobody and to the disadvantage of all parties, if we allowed questions of the taxable value and the revenue-returning value of property so transferred, to enter as elements into consideration in adjusting the compensation to be paid to a State.

Senator MILLEN.—Would the adoption of the amendment necessarily bring about those complications?

Senator KEATING.—I am afraid it would, because one particular State, for instance, might raise the question. It is not to the interests of either the States or the Commonwealth that these should be elements in the determination of compensation. Is it not better to set the whole question beyond the possibility of any doubt? If we were proposing to take away from a State, or the people of a State, anything to which they were accustomed, we might consider the advisableness of leaving out the words; but the absence of the provision, especially in view of the fact that it has been the law for five or six years,

might lead to the belief in the minds of some persons that it was intended to consider on its merits any claim that might be made by a State for compensation in regard to the two items, or either of them. After all, this would be to a large extent, a matter of bookkeeping, and we should be only opening the door to the complication of the whole question of compensating the States for the properties transferred. I venture to say that seven-eighths would be a low estimate to give as the proportion of the transferred properties compared with all the properties that would now be affected by this clause. I venture to say, further, that none of the transferred properties in any State have ever been subject to taxation. At the same time, each State had the opportunity, if it chose, to tax its own property and apportion the revenue in a book-keeping way.

Senator Sir JOSIAH SYMON.—It would be merely a cross entry.

Senator KEATING.—In view of these facts, are we going to open the door to doubt?

Senator Sir JOSIAH SYMON.—Will the Minister consent to eliminate that portion of sub-clause 3 which relates to severance of land?

Senator KEATING.—I am prepared to do that.

Senator Sir JOSIAH SYMON.—Then I ask permission to withdraw my amendment.

Amendment, by leave, withdrawn.

Amendment (by Senator Sir JOSIAH SYMON) agreed to—

That the words, "or in respect of the severance of the land acquired from any other land of the State, or in respect of any injury to any other land of the State," lines 13 to 16, be left out.

Clause, as amended, agreed to.

Clause 29—

1. In determining the compensation under this Act, regard shall be had (subject to this Act) to the following matters:—

- (a) The value of the land acquired;
- (b) the damage caused by the severance of the land acquired from other land of the person entitled to compensation; and
- (c) the enhancement in value of other land of the person entitled to compensation by reason of the carrying out of the public purpose for which the acquired land was acquired.

2. The enhancement in value shall be set off against the amount of the value and damage specified in paragraphs a and b of sub-section 1 of this section.

Senator MILLEN (New South Wales) [2.10].—I shall anticipate one argument that the Minister may address to the Committee in reply to the objection I am about to take to paragraph *c* of sub-clause 1, by admitting that it is a reproduction of the corresponding section in the existing Act. It does not appear to me that paragraph *c* will be at all fair in its incidence. I do not propose to refer to the equity or otherwise of the betterment principle, but merely to point out that that principle differs very materially from the proposal set out in the clause. Under the betterment principle, when a public work is carried out, it is followed by a charge on all the lands benefited; whereas paragraph *c* provides that the one individual, to be subject to the betterment tax, shall be the individual from whom the land is resumed. All his neighbours may share the benefit with him—they may even obtain the greater portion of the benefit—and yet they are not to be called on to contribute one iota. Under this clause the Commonwealth might resume property and never have to pay the owner a single penny. An owner might have several parcels of land in the locality of a proposed public work, and if the Commonwealth resumed one parcel, and determined that, under the operation of the clause, the benefit to the remaining parcels equalled the value of the property resumed, the owner might get nothing. All round, however, a multiplicity of other owners might reap even a greater benefit, and yet would not be called upon to contribute. I appeal to those honorable senators who believe in the betterment principle. They must recognise the inequality of this proposal. If we desire the betterment principle to be attached to public works, let us so provide, and see that all who benefit are called upon to contribute. I recognise that this provision is in the existing Act; but the very fact that the Minister has introduced the Bill is an admission that the present law is not perfect in many particulars. Amongst its defects is the one I have pointed out, and, if honorable senators agree with me, it is our duty to remedy such a defect when an opportunity presents itself. I ask the Minister not to allow the fact that this provision is part of the present law to unduly weigh with him, but to consider whether there is not some force in my argument, and whether it would not be possible to draft an amendment more equitable in its incidence. If it is thought desirable to adopt the betterment principle, let us do so,

but, otherwise, let us agree to the elimination of paragraph *c*.

Senator WALKER (New South Wales) [2.15].—Curiously enough, when the Property for Public Purposes Acquisition Bill was before the Senate, I took up the same stand as Senator Millen has taken to-day, but I found only two supporters. I, therefore, hope that the honorable senator will press his amendment, in which case we shall have more than three honorable senators supporting a proposal to do what I think is fair as between man and man.

Senator KEATING (Tasmania—Honorary Minister) [2.16].—The alternative suggested by Senator Millen is, I think, surrounded with a certain amount of difficulty. In estimating the compensation to be paid we propose to consider the value of the land acquired for public purposes, the damage sustained by the owner as the result of the severance of his land, and, thirdly, the enhancement in value of the other land held by the same proprietor, which is, of course, set against the other considerations in determining the amount of compensation to be paid. That is the principle adopted not only in the existing Act, but also, I think, in some of the States Acts. If my recollection serves me rightly, it is the principle adopted in Tasmania, in connexion with the resumption of land, if not for general public purposes at least for the construction of railways. Senator Millen points out that, although the balance of the land retained by an individual from whom a portion of his land is acquired under this Bill may be enhanced in value by the construction of the public work, the value of the lands in the vicinity in the possession of other persons from whom no land has been acquired by the Commonwealth may also be enhanced in value in the same way. The honorable senator suggests that the question of betterment shall be determined, not only in relation to the particular individual, a portion of whose land is acquired, but in relation also to every owner of land whose property is enhanced in value by the construction of the public work. I doubt very much whether we could do what the honorable senator proposes in this Bill. We have power under the Constitution to make laws with respect to—

The acquisition of property on just terms from any State or person for any purpose in

respect of which the Parliament has power to make laws.

It might be open to question that what the honorable senator suggests would be just terms. It is very doubtful whether it is within our power in such a measure as this to impose any conditions on persons other than those from whom we acquire property. For instance, A, B, C, and D are adjoining owners of land, and for the purpose of the illustration I assume that the value of the land owned by each is £1,000. Under this Bill we take a portion of A's land, valued at £250, and the improvement in value of the rest of his land due to the construction of the public work is estimated at £150. In estimating the amount of compensation we shall pay him for the land we take we must take into consideration the extent to which the land he retains is enhanced in value by the construction of the public work, and we deduct that from the value of the land taken, to which, of course, there is added the value of the damage occasioned by the severance of the land. No land is taken from B, C, or D, although the construction of the public work enhances the value of their property. Senator Millen suggests that we should not deduct from the compensation paid to A any amount in respect of the enhancement in value of the remainder of his property, since we do not propose to do the same to meet the enhancement in value of the properties held by adjacent land-holders. I do not know that we should hesitate in the matter. It might be that, in the case I have suggested, under this measure, A will be placed in a less fortunate position than his neighbours, but are we to say that we shall not give ourselves credit in the individual transaction with which we have the power to deal for the additional value which the construction of the public work will give to the balance of the land held by the person from whom we take the land? I doubt very much whether we have the power to go beyond that individual and impose conditions on third or fourth parties—

Senator MILLEN.—Not under our powers of taxation?

Senator KEATING.—We might do so under our powers of taxation, but I am dealing with the powers we propose to exercise under this Bill. We are here proposing the acquisition of land from States and persons on just terms, and when we are dealing with an individual owner the terms must, I think, apply to that

owner alone. I think we cannot make the terms applicable to third parties.

Senator DOBSON.—That is a State matter.

Senator KEATING.—Or it might be a matter of general Federal legislation with regard to direct taxation. I do not know that Senator Millen would favour legislation of that character. At present we are concerned merely with the purposes of this Bill. I say that we should not go by this particular clause, and wait until some systematic legislation is passed in regard to betterment generally, but that in this measure we should apply the betterment principle in every transaction with individuals where the effect of a public work is to enhance the value of land retained by them. I think that is a fair and reasonable principle, and it has certainly been acted upon in the past by some of the States in connexion with acquisition of land for railway purposes.

Senator WALKER (New South Wales) [2.23].—In New South Wales, in the case of the resumptions in connexion with Martin-place, the Government made all the adjoining owners of land pay something in respect of the enhancement in value of their property. In the case to which the Minister has referred the proposal in this Bill is to make A contribute something in that respect, and to take nothing from B, C, and D.

Senator FRASER.—How can we deal with them?

Senator WALKER.—I do not know, and in the circumstances I think that the provision had better be left out. I am sorry to say that I have had a somewhat unfortunate experience in this connexion. We were given what was called compensation for the resumption of a certain area in Brisbane, although, as a matter of fact, we lost £3,000 by the transaction. In the case to which Senator Keating has referred, how is it possible to say that A's land will be benefited to the extent of £250 by the construction of the public work?

Senator KEATING.—That is a matter of valuation.

Senator WALKER.—It is a most difficult thing to decide. I think that it would be well to omit the provision.

Senator KEATING (Tasmania—Honorary Minister) [2.25].—I will put this case to Senator Walker: Suppose that in resuming land we take a strip along the border of a man's property which might be worth £100, whilst the block from which

it is taken might be worth some thousands of pounds. It is clear that the actual improvement in value of the balance of the property due to the construction of the public work might amount to considerably more than the actual value of the strip of land taken. What are we to do in such a case as that? Are we to pay the owner the value of the strip taken, without taking into consideration the value added to the rest of his property?

Senator MILLEN (New South Wales) [2.26].—The Minister naturally takes an extreme case to suit his argument.

Senator KEATING.—Extreme cases generally afford the best illustration of the effect of a provision.

Senator MILLEN.—Quite so, and let me put another case to the Minister. The owner of a block of land worth £1,000 is, say, one of a group of owners of land in the same locality, each of whom owns a block of the same value. The Commonwealth resumes one-half his land and for that should pay him £500. The effect of the public work carried out is to double the value of all the lands within a certain radius of it. Under this provision, in such a case the Commonwealth would take half of the first man's land and would pay him nothing for it, whilst it would make the adjoining owners a present of £1,000 each.

Senator FINDLEY.—The honorable senator is a land taxer, and we shall soon have him on our side.

Senator MILLEN.—If a land taxer is one who desires that the Commonwealth should act fairly to those from whom it acquires land, I am a land taxer. Where the Commonwealth steps in to do anything for the commonweal, it should not throw upon any one individual the sole burden of the operation. It seems to me that it would be far better to omit this provision, and if the Ministry think that the betterment principle is of so much value, they should introduce a separate Bill as they have power to do under the Constitution, to provide that wherever a public work is constructed the betterment principle shall apply to all property, the value of which is enhanced by the construction of the public work, is propose, as is done here, to tax one man and exempt others who are equally benefited by the construction of the public work, is unjust, and is entirely opposed to the principles on which we are supposed to legislate.

Senator Sir JOSIAH SYMON (South Australia) [2.28].—With Senator Keating, I do not see how it would be possible under this Bill to take from owners of land, none of whose land is acquired, the enhancement of value which the carrying out of a public work would give them. A special mode of taxation might be devised which would enable that to be done, if we were introducing a complete system to give effect to the betterment principle, with which I agree. Where land is improved in value by the construction of a public work, that increase in value should not go entirely to the owners, but the whole or some portion of it might very well go to the State. The objection to this provision, however, is that it introduces a lopsided kind of betterment under which, where the half of a man's land was taken, and by the construction of the public work, the balance was improved in value to the extent of the value of the half, he would be compelled to make a present to the Commonwealth of the land, whilst ten adjacent owners of land, who might have their properties doubled in value, would escape. That, on the face of it, is unjust. We should not do an injustice by attempting to introduce a partial betterment system by which one land-owner would have to pay something whilst his neighbours were benefited at his expense, without contributing anything to the Commonwealth. A similar provision is contained in the existing Act, but, like many other provisions, it was not sufficiently considered, and it seems to me that it is not desirable that it should be re-enacted in this Bill.

Senator FINDLEY.—The balance of the land held by the man from whom land is taken, might be enhanced in value to a very much greater extent than any land held by adjacent owners.

Senator Sir JOSIAH SYMON.—That might happen, but it might also happen that the construction of the public work might greatly enhance the value of property belonging to ten different owners of land in the locality.

Senator FINDLEY.—The land taken might be enhanced in value fivefold, and the other lands not be improved at all.

Senator Sir JOSIAH SYMON.—It might. On the other hand, it might happen that the land not taken had had its value enhanced fivefold. Yet it is proposed to compel the man whose land has

been taken to present it to the Commonwealth for the benefit of neighbouring owners. I am entirely in favour of the betterment principle, and I am glad that it is being introduced into State laws with regard to State undertakings. But I think it is a bad thing to attempt to introduce it in a one-sided way. It ought to be made equal in its application all round if that can be done. It cannot, however, be done in this Bill. Therefore, I think it is unfair to the man whose land has been taken that he alone should be singled out as the person who is to make a compulsory present to the Commonwealth, simply because his land has been enhanced in value. Then let us take the other side. Suppose that land has been depreciated in value, why should not that be considered?

Senator KEATING.—That case would be met by paragraph *b*.

Senator Sir JOSIAH SYMON.—No. Suppose, for instance, that a battery were erected on Jones' land, I should say that if his house were within 100 yards of the battery, it would mean a very serious depreciation in the value of his land. But it is not proposed to take that into consideration. What I suggest is that it would be much better to eliminate paragraph *c*, but if not, to insert the words "or depreciation" after the word "enhancement."

Senator FRASER.—Depreciation would occur very rarely.

Senator Sir JOSIAH SYMON.—Why not?

Senator FRASER.—It would occur in only a few cases.

Senator WALKER.—I know cases where it has occurred.

Senator Sir JOSIAH SYMON.—I think that Senator Fraser is mistaken. In the case of railways it would very seldom occur, but that is not what the Commonwealth has to deal with. It has to establish batteries for defence purposes, and that would mean a very serious depreciation in the value of a man's land. I am quite sure that my honorable friend would not like a battery or rifle range to be placed within a few hundred yards of his front door. The existing law is limited to the enhancement in value of other land adjoining the land taken or severed therefrom. That is a right principle. But it would be a monstrous thing to deduct the enhancement in value of other land which a man might

have in a place half-a-mile away. Suppose, for instance, that a railway station were put near a man's land in one place. That land might be enhanced in value; but it would be very unfair to make an assessment of the improvement in the value of his other land, situated half-a-mile away, in consequence of the erection of that railway station. I admit that it is a very difficult and complex question, and I think it is a pity that the provision in the existing Act should be altered. I did not hear what Senator Millen said, but for these reasons I am against paragraph *c* altogether, because of its fragmentary character. If it is to be retained, I shall propose the insertion after the word "enhancement," of the words "or depreciation," and the insertion after the word "land" of the words contained in the present Act, namely, "adjoining the land taken or severed therefrom." If it be part of the same land, then it might be only a fair thing that the enhancement should be taken. If the Committee are agreed that one man is to be singled out to be a sort of scapegoat, and to the advantage it might be of adjacent owners, at any rate, it should only relate, as the Act limits it, to land adjoining the land taken or severed therefrom. I move—

That the words "or depreciation" be inserted after the word "enhancement," line 9.

Senator KEATING.—I do not mind the proposed amendments, but I should not like to see the provision struck out. It does seem to me to be a little wide to say other lands.

Senator STEWART (Queensland) [2.35].—I am rather surprised that Senator Symon should move an amendment of this character, after giving us such excellent reasons why paragraph *c* should be omitted. The whole trend of his argument was in favour of its elimination.

Senator Sir JOSIAH SYMON.—But the Minister thinks that that would be undesirable. I think it ought to be struck out.

Senator STEWART.—Cannot we test the point? I think that paragraph *c* and sub-clause 2 ought to be omitted.

Senator KEATING.—In paragraph *b* we are giving damage for severance, and we ought to take into consideration any improvement effected to the property.

Senator STEWART.—The arguments have been so forcibly and clearly stated that surely it is superfluous for me to re-iterate them. I think that the Minister

must see the force of the position which has been stated by Senators Millen, Walker, and Symon. What is the position? If the Commonwealth acquire a certain area of land worth, say, £50, and the damage caused by the severance of that portion from adjoining lands be estimated at £10, the duty of the Commonwealth should be to pay the owner £60. Then if the land of that man and of other persons in the neighbourhood has been increased in value by the expenditure of public money, a betterment tax ought to be imposed which would apply to each owner whose land had been increased in value thereby. If, however, it were done in the way proposed by the Bill, it would simply penalize one man and allow a number of men to escape scot free. Let us take the instance given by Senator Millen of a man who had an area of land worth £1,000. If the Government took half the area, valued at £500, and the value of the other half were increased to £1,000, the Commonwealth would set that increased value against the £500 which it ought to pay the owner for the area resumed, and give him nothing. Suppose, for instance, that originally his land comprised 1,000 acres. At the end of the transaction he would have 500 acres worth £1,000. Take the case of his next-door neighbour, who had an area of land worth £1,000. His value would be increased to £2,000, and yet he would pay nothing. Is there anything fair or reasonable in that? I would ask the Minister to eliminate paragraph *c* and sub-clause 2.

Senator KEATING.—And paragraph *b*?

Senator STEWART.—No, because I think that the Government ought to pay for damage caused by severance. If lands be increased in value by the expenditure of public money, as they usually are, then let the Commonwealth scoop it up by means of a land values tax, which would apply equally to all.

The CHAIRMAN.—If Senator Stewart wishes to take a test vote as to the omission of paragraph *c*, perhaps Senator Symon will withdraw his amendment.

Senator Sir JOSIAH SYMON.—It cannot affect Senator Stewart's contention, first to make my two amendments, and then to put the clause.

The CHAIRMAN.—I would suggest to Senator Symon that the better method would be to take a test division on the

question of omitting the words "the enhancement."

Senator Sir JOSIAH SYMON.—Very well. I ask leave to withdraw my amendment temporarily.

Amendment, by leave, withdrawn.

Senator STEWART.—I am not sure that that is the proper method of procedure.

Senator Sir JOSIAH SYMON.—I would ask the Chairman to first put sub-clause 1 to the end of paragraph *b*, and then to put paragraph *c* by itself.

The CHAIRMAN.—I think that the course which was suggested from the Chair would be more convenient. The question can be tested on a proposal to omit the words "the enhancement," but if the sub-clause as a whole were put, and it were decided that it should stand, it would be difficult to make an amendment. I would suggest that Senator Stewart should move the omission of the words "the enhancement," on the understanding that if that amendment be carried, the whole paragraph shall go out, but that, if it be not carried, the words "the enhancement" shall stand, and Senator Symon can then move his amendment.

Amendment (by Senator STEWART) proposed —

That the words "the enhancement," line 9, be left out.

Senator PEARCE (Western Australia) [2.45].—I trust that the Government will not accept the amendment. I think we ought to look at this question from a practical point of view. What is the most likely kind of case to which this clause would be applied? I suppose that more land will be resumed by the Post and Telegraph Department than by any other Department under the Commonwealth. Say that the Government proposes to take an area in a country town for the purpose of building a post-office. Those who have had any experience of country towns know that the determination of the site of a post-office determines the centre of the town, and therefore affects the value of land in the vicinity. The farmers come for their letters to the post-office, and the store which is nearest becomes the principal store in the town. In fact, the whole business of the place centres around the post-office. What does the determination of the Government mean? Suppose that there is a block of land half-an-acre in extent, and that the Government say to the owner, "We want a quarter of an acre of your

land for a post-office site." Take the value of the land before the determination is made as £100. The Government, we will assume, say to the owner, "We will give you £50 for a quarter of an acre, and we estimate that the damage sustained by severance will be £10." That is to say, the Government give credit to the owner for £60 for half his block. But there is a contra account in the increased value given to the quarter of an acre retained by the owner. We will assume that that added value amounts to £10. The owner of the land has been compensated to the extent of £50, and is still in the possession of a block of land worth £60. If the Government take the whole block there is no factor to be considered except the value of the land taken. The owner gets £100 in money, and the transaction is at an end. He has no cause to complain. Under this Bill, if half his property is taken, he will be treated equitably and fairly, allowance being made for the damage caused by severance. Senator Stewart took a most unlikely case. He assumed that the Government would take half a man's farm. What would they want half a farm for? I admit that to carry out the principle to the extreme of justice, something should be taken from the owners of property in the district on account of the added value given to their land by the building of the post-office. I agree with that principle because I advocate a tax on land values. But we have to deal with this matter in a practical way; and those whom Senator Stewart proposes to assist in striking out this clause would be the last to assist him in getting back from the land-owners the increased value given to them by the erection of public buildings.

Senator MILLEN.—Does the honorable senator determine his votes according to the men he votes with?

Senator PEARCE. — We are dealing with a matter of practical politics, and we know that this Parliament would not sanction a general betterment tax. It is impossible to put such a provision into this Bill.

Senator Sir JOSIAH SYMON.—Does that justify singling out one man for special taxation and exempting the others?

Senator PEARCE.—We are not singling out an individual for special taxation. We are doing no injury whatever to the man

whose land is taken. He is paid for his property. The example given by Senator Stewart has only to be looked at for its improbability to be realized. He assumes the case of a farm worth £1,000, the Government taking one half and paying £500, and the other half being increased in value to the extent of £500. But can we imagine any public work that is likely to be carried out in a country district having the effect of increasing the value of land to such an enormous extent. There is no public work which the Commonwealth is likely to undertake which would increase the value of land in the district to the equivalent of the value of the land taken for the purposes of the work. The effect of Senator Stewart's proposal is that not only will he not achieve what he has in view—the carrying out of the betterment principle—but he will also strike out the measure of justice which this proposal contains. We have not only to consider justice to the land-owner, but also justice to the community; and what right has Senator Stewart to say that the individual whose land is taken shall reap the value given by the community in erecting the public work? The position of the land-owner in the illustration which I gave will be this: He has, in the first instance, a block of land worth £100. He is paid £50 for one-half of it, £10 for severance, and the remaining half goes up in value £10. The very fact of the erection of the Commonwealth public work gives him £120, whereas formerly he had only £100.

Senator STEWART.—Well, what about the neighbouring land-owners?

Senator PEARCE.—We cannot get at the neighbouring land-owners by means of this Bill. But because Senator Stewart cannot get at them, he would enable a person, from whom land is purchased, to reap all the advantage from the community. I think that Senator Symon's amendments are necessary, because, if it is just to take into account the enhancement in value, it is also just to take into account the depreciation in value of any property.

Senator FRASER (Victoria) [2.53].—I cannot conceive of a case where an increase in the value of broad acres would be occasioned by the erection of a Commonwealth public building. It is only railways which enhance the value of broad acres. They cannot be affected by building a post-office in a country town. Such a work would improve township sites, but broad acres

would be unaffected. I have known broad acres to be increased in value threefold by a railway. Of course, there is a selfish propensity on the part of people whose land is increased in value by railway construction. If a railway goes to a township, and stops there, the local residents will want their town to be a terminus for all time. The question is this: Say that the man whose land is taken has a township block. Why should the Commonwealth give that man more than he is entitled to? He is not made any poorer by the Commonwealth taking it, and he is not entitled to be made rich at public expense. Because we cannot get at B, C, and D, that is no reason why we should put a lump of sugar into the mouth of A. I agree with Senator Symon, and I shall not support Senator Stewart's amendment.

Senator DOBSON (Tasmania) [2.56].—I deem it to be my duty to oppose Senator Stewart's amendment. I am in accord with the principle of the Bill. I recollect that some thirty years ago in Tasmania we first had to do with the betterment system in connexion with our main line of railway between Hobart and Launceston. If it is desired to carry it further than it has yet been carried in the matter of railway construction, that can only be done by adopting the system of not building a railway until the people of the locality affected form themselves into a trust, and contribute in proportion to the increase in value of their land. But we cannot apply that principle in connexion with the erection of post-offices and other Federal buildings. It may become important if we ever undertake the construction of a railway to Western Australia. Then we shall probably have to say, "If we are going to build this line, the land must be given to us free"; and the Western Australian Government will have to pass an Act applying the betterment system. But we cannot apply that principle now. I have been struck with the very terse way in which Senator Fraser has dealt with the matter. Because we cannot do ample justice to half-a-dozen people, is that any reason why we, as trustees for the public, should pay more for land than property-owners are entitled to? The system proposed by the Bill is just as between the land-owner and the taxpayer. If we take a portion of a man's property, and benefit him almost to the extent of the value of the land taken, he is not entitled to anything more than the fair price.

Senator STEWART (Queensland) [2.59].—I intend to press my amendment because I am actuated by what I conceive to be its justice.

Senator FRASER.—It is impossible.

Senator STEWART.—I can see nothing impossible about it. Of course, Senator Fraser does not want the betterment principle to be adopted. I do.

Senator FRASER.—I do not in the least object to betterment.

Senator STEWART.—I want to have a betterment provision that will not single out special individuals for taxation, and permit a large number of others to escape scot free. Take Senator Pearce's example. Say that there is a block of land an acre in extent in a township. Say that it is owned by four different individuals, each holding a quarter of an acre. The Commonwealth comes along and tells one of these holders that he must give up half of his land for public purposes? Let us say that the quarter-acre is worth £20, that the Commonwealth resumes £10 worth of it, and that the remaining portion of the allotment is, by the building of the post-office or other buildings, increased in value by 50 per cent. The half of the allotment resumed is, as I say, worth £10, and the half that is left over is increased in value to £15; and, thereupon, the Commonwealth says, "We have increased the value of your land by £5, and, therefore, we shall pay you only £5." The owner of the land finds that, instead of possessing a quarter of an acre worth £20, he has an eighth of an acre worth £15 and £10 in his pocket.

Senator PLAYFORD.—That is £5 more than the man would have got, or ought to have got, if the whole of his land had been taken.

Senator STEWART.—What is the position of the other owners of quarter-acre blocks in the neighbourhood?

Senator PLAYFORD.—We cannot deal with them under this clause.

Senator STEWART.—I do not say that we can deal with them, but surely we will not single out an individual simply because he is unfortunate enough to be the owner of the allotment which the Commonwealth desires? Why should he be penalized? All I ask is that he should be placed on exactly the same level as the other owners. What I now desire is to show the position of those other owners. Each of the holdings has, by the erection of a

public building, 'been increased in value by 50 per cent., so that each owner finds himself in the possession of land worth £30, while the man on whose land the building has been erected has only an eighth of an acre, worth £15, and £10 in his pocket. If I had to choose whether a post-office should be built on my land or the land of the other fellow, I should say that by all means it should be on the other fellow's land. What I claim is that each person whose land is increased in value should pay in proportion to that increase. There ought to be no differentiation between the man whose land is taken and the man whose land is not taken. The Government ought to pay the market value for the land, and tax the owner on the increased value; that is the only just and moral way.

Senator FINDLEY.—How does the honorable senator propose to tax the owner?

Senator STEWART. — The honorable senator should not ask.

Senator FINDLEY.—But I am asking because taxation must be uniform in its incidence.

Senator STEWART. — I thought the honorable senator knew all about the matter. In my opinion, we should impose a land tax which would scoop up all the community-created increment.

Senator FINDLEY. — For all over the Commonwealth, yes; but we are not dealing with a measure of that kind.

Senator STEWART.—Why penalize one man?

Senator DE LARGIE.—He is not penalized.

Senator STEWART. — The honorable senator has not listened to the argument, or, if he has listened, he has not understood. I am governed in this matter only by my sense of justice. I do not desire to penalize any man in the way proposed by the Bill; and so long as I occupy a seat in this Chamber I shall never be a consenting party to legislation of the kind. We hear the capitalistic party accusing the Labour Party of confiscation. The proposal now before us means direct confiscation, which cannot be defended by any law, human or divine, that I know of, except the law of highway robbery.

Senator PEARCE.—The honorable senator is in good company with Senator Fraser.

Senator STEWART. — I think that Senator Fraser sees further through this business than do some other honorable sena-

tors. Senator Fraser desires to pounce on one individual, so that he may be offered up as a sacrifice for the others.

Senator FRASER.—Get at the others if we can; but we cannot.

Senator STEWART.—I do not wish any one to escape. If land is increased in value by public expenditure, all who are benefited ought to pay, but one man ought not to be called upon to pay double. Let me go further with my argument. Suppose the State Government imposed a betterment tax, the man whose land had been taken, and who had already been penalized by the Commonwealth Government, would be called upon to pay to the State as well as to the Commonwealth, while the other owners would pay only to the State. The poor wretch who had had the misfortune to own the particular corner desired by the Commonwealth Government would pay double.

Senator GIVENS.—It is not always a misfortune to be the owner of land which is required by the Government.

Senator STEWART.—Under the laws as we have known them, that has never been a misfortune; but it would be a serious misfortune under a law of this kind. If honorable senators desire to act fairly and squarely as between man and man, they will not consent to an arrangement of the character proposed. I am sure that Senator de Largie has no other idea than to do the "square thing." If land is increased in value by public expenditure, a betterment tax could easily be applied with equal justice all round. I ask the Committee to support my amendment.

Senator WALKER (New South Wales) [3.10].—It has afforded me great pleasure to hear Senator Stewart speak as he has done. The honorable senator has certainly exhibited a desire to be fair all round. Senator Fraser told us that he had never known a railway run through a property which it did not improve. But I can give as an illustration a case in which the result was very different.

Senator FRASER.—I was speaking of broad acres.

Senator WALKER.—I am speaking of city property, consisting of 18 acres, known as Tenerife, in Fortitude Valley, Brisbane. That property was valued by Mr. John Cameron at £30,000, and on the strength of that valuation £15,000 was advanced on mortgage. After a time, the Queensland Government desired to construct a railway to Bolimba, and the line

was constructed through this property, leaving such a narrow strip between the railway and the river that the river frontage had to be sold for a song, while the balance of the estate, which was valued at £30,000, has, up to the present, not realized £8,000. All that the Queensland Government had the impudence to offer as compensation for severance was £600; and on resorting to arbitration the owners received only £1,200.

Senator FRASER.—A bad arbitrator!

Senator WALKER.—I shall support the amendment of Senator Stewart, and if that is not carried, I shall support the proposal of Senator Symon.

Senator DE LARGIE (Western Australia) [3.12].—When, in the course of debate, we hear certain honorable senators address each other as "my honorable friend," we do not pay much attention to the phrase, because we regard it only as common courtesy. But when honorable senators of the school of thought to which Senator Walker and Senator Fraser belong, so address Senator Stewart, we cannot help feeling that there is a great deal of significance in the term.

Senator WALKER.—Senator Stewart has supported me before.

Senator DE LARGIE.—To be addressed in such a way ought to be a warning to Senator Stewart.

Senator WALKER.—I have called Senator de Largie "my honorable friend" before now.

Senator DE LARGIE.—I dare say, when I have agreed with the honorable senator. I am inclined to think that Senator Stewart has been so long at his farm, near Rockhampton, that he has come to regard himself as a land-owner, and he fancies that there may be something in the Bill which will adversely affect him. The honorable senator's argument when boiled down means that if the Government take from a man half his land, they should not consider the enhancement in value of the remaining half, because the value of the land of other people, who cannot be reached, has been increased in greater ratio. In other words, the local land-owners should get the whole of the benefit of the public work.

Senator STEWART.—No.

Senator DE LARGIE.—That is the sum and substance of the honorable senator's argument. When framing laws of this

kind, all we can do is to act as fairly as possible; and if other people benefit to a greater extent than do the individuals with whom the Government are doing business, we cannot help it.

Question—That the words "the enhancement" proposed to be left out be left out—put. The Committee divided.

Ayes	...	...	...	6
Noes	...	...	...	20
Majority	...	...	...	14

AYES.

Dawson, A.
Givens, T.
McGregor, G.
Millen, E. D.

Walker, J. T.

Teller:
Stewart, J. C.

NOES.

Croft, J. W.
Dobson, H.
Drake, J. G.
Findley, E.
Fraser, S.
Guthrie, R. S.
Higgs, W. G.
Keating, J. H.
Macfarlane, J.
Mulcahy, E.
Neild, J. C.

Pearce, G. F.
Playford, T.
Smith, M. S. C.
Story, W. H.
Styles, J.
Symon, Sir J. H.
Trenwith, W. A.
Turley, H.

Teller:
De Largie, H.

Question so resolved in the negative.

Amendment negatived.

Amendments (by Senator Sir JOSIAH SYMON) agreed to—

That after the word "enhancement," line 9, the words "or depreciation" be inserted.

That after the word "land," line 10, the words "adjoining the land taken or severed therefrom" be inserted.

That after the word "enhancement," line 14, the words "or depreciation" be inserted.

That after the word "against," line 15, the words "or added to" be inserted.

Clause, as amended, agreed to.

Progress reported.

ADJOURNMENT.

ORDER OF BUSINESS.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator Sir JOSIAH SYMON (South Australia) [3.20].—It would be a convenience to honorable senators if the Minister of Defence would indicate, so far as he can, the order of business for Wednesday next.

Senator PLAYFORD (South Australia—Minister of Defence) [3.20].—We propose to submit first on Wednesday a motion for the ratification of the mail contract, because

it is important that that matter should be decided at the earliest possible date. We shall then continue the consideration in Committee of the Eminent Domain Bill, because the attention of honorable senators has been directed to it, and I think it is better that it should be dealt with before other business is taken up.

The PRESIDENT.—So far notice has not been given of any motion with respect to the mail contract.

Senator Sir JOSIAH SYMON.—I do not suppose there would be much difficulty about that, because everybody recognises that it is pressing.

The PRESIDENT.—The Minister in charge of that business might, by leave, give notice now.

Senator KEATING (Tasmania—Honorary Minister) [3.22].—I ask the leave of the Senate to give notice that on Wednesday next I shall move a motion for the ratification by the Senate of a contract entered into by the Commonwealth Government in connexion with the mail service to Europe. I am not in a position, at the moment, to give the exact terms of the notice, but they will be in conformity with the terms of the resolution on the same subject adopted by the House of Representatives.

The PRESIDENT. — The Minister, under standing order 104, may give notice in general terms if he hands in the exact words of the motion twenty-four hours before the day for which the notice is given.

Leave granted; notice given.

Question resolved in the affirmative.

Senate adjourned at 3.25 p.m.

House of Representatives.

Friday, 27 July, 1906.

Mr. SPEAKER took the chair at 11.30 a.m., and read prayers.

THE REV. MR. WORRALL.

Mr. KING O'MALLEY.—I should like to ask the Minister representing the Minister of Defence whether, in view of the extraordinary occurrences which have taken place, a military escort from Bendigo to the State Parliament House, Melbourne, will be furnished to the Rev. Mr. Worrall on Tuesday next?

PRINTING COMMITTEE: SENATE PRINTING.

Sir JOHN QUICK (Bendigo) [11.30].—On behalf of the Printing Committee, I desire to make a personal explanation in reference to a resolution passed yesterday by the Senate. On 28th June, 1906, I, as Chairman of the Committee, sent the following letter to the Prime Minister:—

Sir,—

I have the honour to inform you that at a meeting of the Printing Committee of the House of Representatives, held on the 15th inst., I was requested to call your attention to the unnecessary printing and extra expense incurred by the Senate in printing regulations under the Post and Telegraph Act 1901, as set out in the journals forwarded herewith. As I pointed out in my letter of 14th July, 1904, regulations of this character are published under the Rules Publication Act 1903, and presented to Parliament in the usual printed form of such rules.

The resolution passed by the Printing Committee was as follows:—

That the attention of the honorable the Prime Minister be again called to the fact that these regulations (see page 11 of Journals of the Senate) are published under the Rules Publication Act, and that there is no necessity for their being printed as parliamentary papers.

The Printing Committee, in forwarding that letter, had no desire to question the right of the Senate to order the printing of any document, nor to assail the discretion of the Printing Committee of that Chamber. We, in no way, criticise or challenge the exercise of its prerogatives by the Senate. But, in the performance of the duties for which we were appointed by this House, we think that we have a perfect right to draw the attention of the Government to what we consider extravagance in the matter of printing. The letter was merely a continuation of correspondence which has been conducted by me on behalf of the Printing Committee during a period of some years. The first letter on the subject was sent to the Right Honorable Sir Edmund Barton, then Prime Minister, and he concurred in its recommendations. We sent a second letter to the honorable member for Bland, when he was at the head of affairs, and he, too, thoroughly agreed with the Committee's suggestions. This is the third letter on the subject. Our object is to draw the attention of the Government to the facts, so that the Prime Minister may place himself in communication with his colleague, the leader of the Senate, and inform him that certain documents are printed, published, and circulated by authority of an

Act of Parliament, so that he may not inadvertently move for their printing a second time, and thus cause unnecessary expense.

Mr. DEAKIN (Ballarat.—Minister of External Affairs) [11.36].—I do not think that either Chamber would dispute the need for economy in the printing of documents. Had I been aware that the letter was intended merely as an expression of opinion by the Printing Committee in reference to the ordering of certain printing, I should have asked the Chairman—as I do now—to place himself in direct communication with the Printing Committee of the Senate.

Mr. JOSEPH COOK.—Has the Prime Minister the right to speak at this stage?

Mr. SPEAKER.—I understand that he is making a personal explanation as to the reasons why the letter of the Printing Committee was sent on to the Senate.

Mr. DEAKIN.—There has been some misunderstanding. Yesterday my honorable colleague put before the Senate the very case which has just been stated by the honorable and learned member for Bendigo.

Mr. FOWLER.—The Printing Committee of this House has communicated with the Printing Committee of the Senate time and again, but can get no satisfaction. That body seems to be purely honorary, and does nothing.

Sir JOHN QUICK.—It never meets.

Mr. DEAKIN.—I suggest a personal conference.

Mr. FOWLER.—We have had that.

Mr. DEAKIN.—I understand from the leader of the Senate that such a conference might lead to the settlement of this and any other differences.

Mr. SPEAKER.—In my opinion, the proper course in matters such as this, is for the Printing Committee to report to the House, and should its report be adopted, it can be forwarded by message to the Senate. That procedure would meet the constitutional requirements of the case. I do not think it desirable that any Committee should communicate by letter, or in any other fashion, with a Committee of another House, unless expressly authorized so to do by this House.

PERSONAL EXPLANATION.

Mr. R. EDWARDS (Oxley) [11.39].—While speaking last night on the amendment of the honorable member for Koovong, I said, feeling strongly that Queensland will not obtain the advantages to which she is entitled under the mail contract, because

Brisbane has not been made a port of call for the steamers, that I condemned the Government for ignoring the interests of the State, and that it seems useless to appeal to them for justice. Apparently I was understood to say, or may unwittingly have said, that it seems useless to appeal to this House. I had no intention of using those words, because, of course, many honorable members are favorably disposed to the State of which I am a representative, and, if I have accidentally hurt their feelings, I am sorry, and apologize for my mistake.

BRANDING OF BUTTER.

Mr. FULLER asked the Minister of Trade and Customs, *upon notice*—

1. Are Government officers to examine, test, and brand butter under Part III., clause 8, section 3, sub-section a of the Regulations under the Commerce (Trades Description) Act 1905?

2. If not, is the branding to be done by the factory manager or the exporter?

3. If by the factory manager or exporter, will that branding be accepted or will Government officers subsequently examine and test the butter to prove the accuracy of the branding?

4. Will the examination and testing, if performed by Government officers, be done on the wharf or in the store or factory, and at whose cost?

Sir WILLIAM LYNE.—In reply to the honorable and learned member's questions I desire to say—

1. Exporters can either—

(a) Give a certificate containing the particulars prescribed in the sub-section quoted; or

(b) Have the article tested, &c., and stamped by an officer.

The accuracy of the exporter's certificate may be tested by the officers, as may also any other statement the description may include.

2. This branding or marking is to be done by the Customs only, but it is optional to factory managers or exporters to show on the coverings of butter any particulars in addition to the prescribed description.

3. See last paragraph, reply No. 1.

4. Examination and testing of butter will probably be made at appointed freezing works, or the factory, as may be decided.

The exporters must supply all assistance for opening packages, handling goods, &c.

CLOSING OF TELEGRAPH OFFICES.

Mr. AUSTIN CHAPMAN.—I promised, on the 18th July, to furnish the honorable member for Grey with replies to four questions which he asked on that date relating to the closing on Saturdays of

telegraph offices in the State of South Australia. The replies are as follow:—

1. The inconvenience naturally caused by the public being unable to send telegrams on Saturdays during the hours at which telegraph offices are open for business on other week days.

2. I am not aware that the inconvenience would be affected by the question of whether the Department was under State or Federal control.

3. In no State do telegraph offices close at the early hour at which they were closed in South Australia on Saturdays.

4. The question of uniformity with regard to the hours of closing telegraph offices throughout the Commonwealth is under consideration.

COUNTRY POST OFFICES.

Mr. AUSTIN CHAPMAN.—Yesterday the honorable member for Echuca gave notice of his intention to ask the following questions:—

1. What conditions are required in order to have a post office established in a country district?

2. Is there any scale of business required?

3. If so, what is the business required for an office and for a daily or bi-weekly or tri-weekly mail?

4. When was the scale of business (if any) adopted?

I was not able then to give the information desired, but am now furnished with the following replies:—

1. The condition required in order to have a post office established in a country district is that the amount of correspondence and the local requirements must warrant greater facilities than are provided by a receiving office or loose bag, which is usually the first form of postal facility granted. The matter is decided upon the report of the District Inspector and the Deputy Postmaster-General of the State in each case.

2, 3, and 4. At present no uniform scale of business is laid down. The question of arranging such a scale throughout the Commonwealth is under consideration, the principal difficulty in the way so far having been the varying conditions in the different States.

GOVERNOR-GENERAL'S RESIDENCES BILL.

Bill returned from the Senate without amendment.

BOUNTIES BILL.

SECOND READING.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [11.43].—I move—

That the Bill be now read a second time.

This is a measure of importance, especially to those who are making their living upon the land, and I hope that very few honorable members will object to the course which the Government propose to take. Our proposals are by no means new. Prior

to Federation, Victoria had inaugurated a very extensive system of bounties.

Mr. LONSDALE.—The Bounties Commission has told us all about their results.

Sir WILLIAM LYNE.—I ask honorable members not to interrupt, because I have a great deal of interesting matter to put before the House, and do not wish to unduly prolong my remarks. One of the objects of this measure is to offer inducements to a large number of our people to leave the cities and go upon the land. There is a tendency on the part of the population in Australia, as in other parts of the world, to gravitate to the large centres, and we hope that we shall be able to encourage the owners of land, either to make use of it themselves, or to afford others an opportunity of doing so. The present population of the Commonwealth is 4,052,000, the number resident in the capital cities being 1,435,000, whilst our urban population is 1,944,000. Therefore, in our capitals there are nearly as many people as are resident in the country districts. If we can do anything to bring about a change in this respect we shall confer great benefit upon the whole community.

Mr. JOHNSON.—Are we ever going to get rid of this practice of State coddling?

Sir WILLIAM LYNE.—It will always be necessary for the State to help its people. The honorable member, and those who are associated with him, would allow everything to drift. They would allow black-fellows to come here, and would do nothing to help our people. If the honorable member will look at past legislation in other countries as well as in the Commonwealth, he will see that it is necessary for us to encourage primary production. I regret very much that we have not been able to apply the principle of bounties to the development of our iron industry. If the majority of the people had been of the same way of thinking as myself, we should now be producing our own iron, instead of importing it. All over the world the system of assisting industry by the payment of bounties is adopted. In the Argentine Republic exporters of sterilized milk are allowed a refund of duty on cases, packing paper, and tins. For cotton weaving an exemption from duty is allowed on machinery, accessories, and materials necessary for the installation and working of the factory for a period of ten years. This is to be suspended if, within three years of installation, native-grown cotton is not

wholly employed in the factory. The factory, its capital, and its products are exempted from national taxation for ten years. In Hungary the bounty system is confined to preferential railway rates on certain agricultural products. In Brazil the same procedure obtains. In Bulgaria the manufacture of yarn, and certain other articles, is encouraged by the factories being exempted for fifteen years from licensing, land, and stamp taxation, by reduced railway rates, and by a proviso that—

The produce of these factories is to be preferred to foreign goods in all States and municipal contracts, even though it be 15 per cent. dearer than the latter, including the Customs duties paid by them.

In Chili bounties are allowed on the exportation of wines and spirits, and the manufacture of beet sugar and sulphuric acid. In France, in order to encourage the cultivation of hemp and flax, a law, dated the 8th April, 1898, provides that for a period of six years an annual expenditure of £100,000 shall be allowed for bounties to growers of hemp and flax. No bounty is paid unless the surface cultivated is more than 956 square yards in extent, and the rate of bounty is fixed by Ministerial decree. For 1902 it was fixed at about £1 3s. per acre. The expenditure for bounties since 1898 has been—

1898	...	...	£ 97,228
1899	...	...	97,250
1900	...	...	97,250
1901 (estimated)	...	...	100,000
1902	..	...	100,000
1903	..	...	100,000

Bounties to encourage cod fishing are granted to the crews of French vessels engaged in the industry. These bounties range from 12s. to £2 per head, according to the location of the fishery. A bounty on dried cod from French fisheries is also allowed, ranging from 4s. 10d. to 8s. 1d. per cwt., according to port of shipment and country of destination. From 1899 to 1903 £1,037,000 has been expended in this manner. A system of preferential railway rates is also in force in connexion with French products. In Germany no bounties are given for agricultural products, but in the case of goods manufactured from imported or excisable material, and afterwards exported, a drawback is allowed of the duty involved. In Italy there are no bounties, but preferential railway rates are allowed in a few unimportant cases. In Japan the Government granted a subsidy of £7,000 per annum in 1893, for a period of ten years, to advertise and promote the com-

merce in Japanese tea. The Ministry of Finance are reported to be satisfied with the results obtained. In Portugal an effort was made by the Government in 1892 to encourage the consumption of native wines by the grant of a bounty to a company called the "Companhia Vinicola de Norte." This association, in return for a bounty of £3,330 annually, bound itself to display exhibits and establish depôts at various foreign cities, one of which was Berlin. The term fixed for the continuance of the subsidy was fifteen years, with the proviso that should the company's profits attain to a certain magnitude at the close of ten years, a corresponding reduction in the grant should be made for the ensuing five. In Russia, in addition to the drawback of excise duty paid on the exportation of spirits, corn-brandy, and preparations of the same (infusions), the exporter receives a bounty. This bounty is fixed at the rate of 3½ per cent. for spirits of every strength, both rectified and unrectified; for rectified spirit not lower than 95½ per cent. proof, and satisfying the standard fixed for purity; 1½ per cent. is additionally payable to the exporter. The latter is, moreover, allowed a bounty for leakage or loss during the carriage of the spirit from the distillery to the Custom House—3½ per cent. for the first month of transit, 2 per cent. for the second, and 1 per cent. for the third. On rectified corn-brandy, and preparations of the same, the bounty is fixed at 5½ per cent. Payment of the drawback and bounty is effected in "instalment notes," calculated at the rate of 2d. per degree—the actual excise rate being 2½d. The allowance, however, on spirits extracted from fruit and grapes is reckoned at 1½d.; the actual excise being 1½d., with a like addition to the rate according to the increase of the excise duty. If the excise duty has been actually paid, the drawback is payable in full at 1½d. per degree. On hemp and flax goods exported from Russia the following bounties are given:—

- On yarn and thread, unbleached, 7½d. per 36 lbs.
- On yarn and thread, bleached, 1s. 5½d. per 36 lbs.
- On tissues, unbleached, 1s. 6¾d. per 36 lbs.
- On tissues, bleached, 2s. 4¾d. per 36 lbs.
- On tissues, dyed, &c., 3s. 0¼d. per 36 lbs.

MR. JOHNSON.—The fact that other countries have acted unwisely affords no reason why we should follow their bad example.

Sir WILLIAM LYNE—There is every reason why we should follow a good

example when we have one set for us, and I think we shall do well to adopt methods similar to those I have indicated. It would not be wise to follow in the footsteps of Russia in every respect, but we should take a note of what is being done in that country in order to increase production.

Mr. JOHNSON. — The examples quoted by the Minister are shocking ones.

Sir WILLIAM LYNE.—I hope that the honorable member will be quiet, and not continue to exhibit his mad antagonism to everything that is good for the country. The Bill does not deal with as many industries as some honorable member might desire.

Mr. JOSEPH COOK.—Or as the Minister would like.

Sir WILLIAM LYNE. — If I had thought it desirable to deal with other industries, my colleagues would doubtless have agreed with me. I wish to quote a statement made by the honorable member for Gippsland at the Hobart Conference. In reference to bounties, he said—

These are matters which would naturally fall under the Commonwealth Department of Agriculture. Another is, of course, the Federal Government have sole power to encourage production and export by means of bounties or bonuses; then, naturally, the Federal Agricultural Department should do what it could to encourage the establishment of new and valuable industries. There are many industries which are being successfully carried on in other parts of the world, and which to all appearances might be very successfully established here; but the transplanting of a new industry to a new country always involves new conditions of production. For instance, we would have to find the best seasons for planting, and the best seasons for harvesting, and many other things which involve a certain amount of risk; and therefore people are very slow to undertake that risk unless the State as a whole will give some encouragement during the first few years. I think we should be very careful about encouraging the establishment of any industry, unless we are tolerably sure that it could be successfully and profitably carried on, after it had a fair start, without any State advantage whatever in the future, and become a profitable industry to the whole Commonwealth.

I quite agree with the statement of the honorable member, but at present we have not a Federal Department of Agriculture. My colleagues agree with me that the time is not very far distant when we shall have to establish a department of that kind. At present, however, the States have organised such departments, and perhaps it would be better for us for some years to come to work in co-operation with them, instead of duplicating expense. If the Bill be passed,

we shall probably enter into negotiations with the States Governments with a view to securing their co-operation in giving effect to our intentions. In the same way I am applying to the States to practically work the Commerce Act with the machinery at their disposal, reserving to the Commonwealth merely the supreme power of control. In Victoria, I may mention that many years ago a bounty was offered in connexion with the planting of vines. The payment, I think, was based upon the acreage put under vines, and I am told that in a great many instances that bounty was practically wasted because sufficient inducement was not offered to the planters to obtain the best possible stock with a view to making substantial profits at a later period.

Mr. BATCHELOR.—Surely, there was the ordinary business incentive?

Sir WILLIAM LYNE.—I do not know why that incentive was lacking, but I am informed that after the planters had received the bounty, they did not proceed with the cultivation of their vines.

Mr. FISHER.—The bounty must have been too high.

Sir WILLIAM LYNE.—Probably. Under this Bill we do not propose to pay any bounty for the cultivation of the soil, or for planting operations. We intend to pay upon results only.

Mr. BATCHELOR.—Who will get the bounty—the grower or the manufacturer?

Sir WILLIAM LYNE.—The grower.

Mr. BATCHELOR.—The Bill does not say so.

Sir WILLIAM LYNE.—If the measure be faulty in that direction, I am quite prepared to amend it. Its object is that the grower shall obtain the bounty. In connexion with the payment of the sugar bounty, I am aware that in some instances the growers do not get it.

Mr. FISHER.—It must be handed to the grower in the first instance.

Sir WILLIAM LYNE.—That is so. But I have seen some of the agreements with the growers—agreements under which the bounty is not secured to them in the way that it should be. Whenever we discover a weak spot in that respect, we should endeavour to provide against it. The Bill is so framed that no bounty will be payable in respect of the articles enumerated in the schedule unless they have been produced by white labour. That provision is in accord with the declared policy of this

Parliament and of the country. It is further proposed that the bounty shall become operative only when the plants are sufficiently matured to produce the particular commodity required. Just now I heard an interjection in reference to chicory. That leads me to say that I have received information from one or two persons in Sydney who have been dealing in that article. From them I gather that the granting of a bounty upon the production of chicory is not a very important matter. I learn that a great deal of chicory—almost sufficient to supply the requirements of Australia—is grown in the neighbourhood of Western Port. Consequently, when we come to deal with that item, I shall move that it be omitted. I was not aware until a few weeks ago that so much chicory was produced in the locality indicated. I hold in my hand a list of articles which is interesting from the standpoint of showing how much employment might be afforded to our own people if we produced them in sufficient quantities to provide for our own requirements. Take the article cocoa as an instance in point. I find that the value of the raw cocoa imported into the Commonwealth in 1904 was £17,037; in 1905 it was £19,441, whereas the value of the manufactured cocoa imported in those years was £157,527 and £185,686 respectively.

Mr. BAMFORD.—We ought to produce the whole of that ourselves.

Sir WILLIAM LYNE.—Exactly. Last year the importations of flax and hemp were valued at £128,383; of preserved milk, at £194,658; of concentrated preserved milk, at £1,813; of oils, at £174,501; of rice, uncleaned, at £113,554; and of rubber, crude, which is not dutiable, at £102,983, and of rubber manufactures, *n.e.i.*, at £129,482.

Mr. SKENE.—Pounds sterling?

Sir WILLIAM LYNE.—Yes. At the present stage I do not intend to deal in detail with the various articles in respect of which I have information. I propose to have that information printed, and copies of it distributed amongst honorable members. In this connexion, I may say that a great deal of very valuable data has been placed in my hands by the Vice-President of the Executive Council, who has gone to considerable trouble to supply it. I may inform honorable members that the Government have had under consideration the advisableness of granting a bounty upon the production of a number of other articles,

but, after discussing the matter very carefully, it was not deemed desirable to go further than we have gone in this Bill.

Mr. POYNTON.—There is no provision made in the measure for the grower.

Sir WILLIAM LYNE.—If the honorable member is of opinion that the Bill is weak in that respect we are quite prepared to amend it. It is intended to benefit the grower. If honorable members will defer raising objections to it until the measure reaches Committee, they will enable me to get along much faster than I can do if I am called upon to reply to a running fire of interjections.

Mr. BATCHELOR.—But the Bill should make it perfectly clear whether the bounty is to be paid upon the finished article or to the grower.

Sir WILLIAM LYNE.—At the end of the Bill the honorable member will see that certain powers are vested in the Minister to make regulations. I can assure him that the bulk of the money is intended to go to the grower. The Bill is designed to prevent the manufacturer from fleecing him.

Mr. HUTCHISON.—The Bill says that the "owner of the land shall be deemed to have been employed in the production of the goods," although, as a matter of fact, he may have nothing to do with it.

Sir WILLIAM LYNE.—The principle is that the bounty shall be paid to the grower. In some cases in which it must be paid upon the finished article, I wish so to frame the measure that it shall provide that the producer shall get the larger share of it.

Mr. HUTCHISON.—Then this is a very ill-considered Bill.

Sir WILLIAM LYNE.—If that be so, the honorable member must blame the draftsman. Under the Bill a bounty of 1d. per lb. will be paid upon manufactured cocoa. I have already mentioned the importations of raw and manufactured cocoa. I think that the quantity of cocoa imported into the Commonwealth is sufficiently large to warrant us straining every nerve to produce that article for ourselves. I quite admit that it cannot be grown in the south of Australia. I recognise that it can only be successfully cultivated in the northern parts of the Commonwealth. In dealing with that question we might well consider the prospects of the successful cultivation of cocoa in the Northern Territory. That Territory—if transferred to the Commonwealth—would be very much

benefited if a stimulus were imparted to the production of cocoa by the granting of a bounty.

Mr. HUTCHISON.—Then send Dr. Holtze up to the Territory. He will grow it successfully.

Mr. DUGALD THOMSON.—Does the Minister think that a bounty of 1d. per lb. will be sufficient?

Sir WILLIAM LYNE.—Before the honorable member entered the Chamber I referred to an experiment which was undertaken in Victoria some years ago, and which provided for the payment of a bounty upon the acreage put under vines. I stated that that experiment was a failure, and the honorable member for Wide Bay at once interjected that probably that result was due to the fact that the bounty was too large.

Mr. KENNEDY.—That was not the cause of the failure.

Sir WILLIAM LYNE.—I am not sufficiently acquainted with all that took place upon that occasion to say definitely what was the direct cause of the failure. No doubt we shall hear what it was from the honorable member for Moira.

Mr. BATCHELOR.—What is the maximum amount of bounties to be paid each year?

Sir WILLIAM LYNE.—The maximum is £50,000. Under the heading of "Fish—canned or tinned," I notice a typographical error. The amount payable in respect of that item should be £11,000—not £1,000, as it appears in the Bill. I do not wish to enter into details, but I may inform honorable members that I have a mass of information in my possession which I regard as of sufficient importance to warrant its printing and distribution amongst them. Consequently, I content myself at the present stage with dealing merely with summaries. Instead of having the details published in *Hansard* I intend to get them printed and circulated in a handy form.

Mr. JOSEPH COOK.—Why not hand them to *Hansard* for publication?

Sir WILLIAM LYNE.—The Prime Minister reminds me that twelve months have been absorbed in securing this information.

Mr. FISHER.—Put it in *Hansard*.

Sir WILLIAM LYNE.—I do not propose to read the whole of it, but I intend to have it printed. The quantity of information I have would probably be found to occupy too much space in *Hansard*, and

can be conveniently published in the form of a paper. It is proposed to give a bounty of 1d. per lb. on dried beans. I do not know whether the honorable member for Boothby was referring to this item when he said the grower, and not the manufacturer, would receive the bounty.

Mr. HUTCHISON.—Under the Bill the owner of the land may secure it.

Sir WILLIAM LYNE.—If the Bill is defective in any respect we can amend it.

Mr. JOSEPH COOK.—It is a case of "just say what you want."

Sir WILLIAM LYNE.—I say that the principle of the Bill is sound, and that, although some honorable members occasionally accuse me of obstinacy, I am quite prepared to vary the wording should it appear to be wrong. This bounty is to extend over a period of nine years. The cocoa plant takes from four to five years to mature. It is said that in some cases it does not reach maturity for a period of nine years, but that is the exception to the rule. Under our proposal, therefore, assuming that the plants reach maturity in four years, the producers of the dried beans would participate in the bonus for five years. The life of the cocoa plant I am informed is about thirty years. I come now to our proposal in regard to the production of coffee. A duty of 3d. per lb. is imposed on raw coffee, and of 5d. per lb. on roasted or ground coffee. In 1904 the imports of raw coffee comprised 1,291,114 lbs. valued at £37,668, whilst the imports of coffee ground, &c., consisted of 403,529 lbs. valued at £20,523. In 1905, 1,754,866 lbs. of raw coffee valued at £54,482 were imported, whilst 324,558 lbs. weight of ground, &c., were imported, the value being £16,028. So far as I have been able to ascertain, the production in Australia totals 83,632 lbs. per annum.

Mr. POYNTON.—Has the honorable gentleman made any inquiry as to whether the producers prepare the article?

Mr. BAMFORD.—We have had Queensland coffee in this House.

Sir WILLIAM LYNE.—I know that a number of gentlemen established coffee plantations on Norfolk Island, and that the soil and climate there are most suitable for the purpose. Whether or not an arrangement can be made to allow coffee produced there to enter Australia free of duty, I cannot say, but at present it is being grown on Norfolk Island under very

great difficulties. I believe that, as a rule, the growers there send the berry somewhere else to be ground, but we all know that any one can grind coffee beans.

Mr. POYNTON.—In those circumstances, the growers would not secure the bounty?

Sir WILLIAM LYNE.—The grower will receive the bounty. It is proposed to give a bounty of 1d. per lb. on dried coffee beans, and that that bounty shall extend over a period of eight years. In no case is more than £2,500 to be paid away in any one year in respect of the production of coffee beans. I do not know how long the coffee plant takes to reach maturity, but I am advised that it is about three years. If that statement be correct the bounty will be payable during a period of five years.

Mr. BAMFORD.—It takes from three to four years.

Sir WILLIAM LYNE.—My information is that it takes three years, but probably the honorable member's statement is correct. There are very large areas, not only in Norfolk Island, but in certain parts of New South Wales and Queensland, and the northern parts of South Australia and Western Australia, where coffee can be produced, and the industry is one that certainly ought to be well advanced. It should not be necessary for us to import as much as we do at the present time. There is ample room for a rapid increase in its production here.

Mr. DUGALD THOMSON.—What about the bounty on chicory?

Sir WILLIAM LYNE.—I stated before the honorable member entered the Chamber that I did not intend to proceed with that proposal.

Mr. DUGALD THOMSON.—I should think not.

Sir WILLIAM LYNE.—As the honorable member is in agreement with me in regard to that matter, we ought not to quarrel about it. The next item in the list relates to cotton, to the production of which the northern parts of Australia are peculiarly adapted. When I was in Queensland about 1864, I saw, on the Logan River, a cotton plantation where the plants were growing very well indeed. Several attempts have since been made to establish the industry there, but they have not been altogether successful. For the information of the House I shall quote the statistics as to our imports of cotton, which is free. In 1904 we imported 537,793 lbs., valued at

£11,844, and in 1905, 1,049,306 lbs., valued at £20,962.

Mr. DUGALD THOMSON.—Raw cotton.

Sir WILLIAM LYNE.—The statement from which I am quoting does not indicate whether it was or was not raw cotton. The word "cotton" is used. The quantity of cotton produced in Australia is very small. In 1904, 30 acres were grown in Queensland, and cotton in seed netted 1 4-5ths of a penny per lb. f.o.b. Brisbane, whilst ginned cotton realized 6½d. to 4¾d. f.o.b. there. It is proposed that the bounty shall extend over a period of five years, and that it shall be 10 per cent. on the market value, payable in respect of quantities of not less than one bale of 300 lbs. The reason we have decided that this bounty shall be payable for only five years is that the time occupied by this plant in reaching maturity is not as long as in the case of other plants to which I have referred. The producers of this cotton will enjoy the bounty for, at all events, four years. I need hardly remind honorable members that whilst we have refrained from proposing to grant the bounty for an extended period, it is always open to the Parliament to readjust the bounty, and, if necessary, to extend the period during which it shall be payable. We should be able to grow in Queensland and the northern parts of South Australia and Western Australia, a great deal, if not all, the cotton we require.

Mr. LIDDELL.—Who would pick it?

Sir WILLIAM LYNE.—I have before me a statement that it has been discovered that cotton can be grown in other parts of the world by means of white labour. If that be so, why could not white labour be employed in its production here? The idea so firmly entertained by Australian producers a few years ago that white labour could not be substituted for black labour in certain industries is rapidly dying away. It was said, for instance, to be impossible to grow sugar by white labour, but that objection is vanishing into thin air. I feel that that will be our experience in regard to other industries.

Mr. R. EDWARDS.—Do the Government provide a bounty for the manufacture of cotton piece-goods?

Mr. DEAKIN.—Not under this Bill. We must first obtain our raw material.

Sir WILLIAM LYNE.—I come now to a very important proposal in relation to the production of fibres. Our proposition is that for ten years a bounty of 10 per cent.

on the fair value shall be payable on the production of fibres, but that the total sum so paid away shall not exceed £6,000 in any one year. Under the heading of fibres we have flax, ramie, sisal hemp, hemp, New Zealand flax, pandanus, and other approved fibres. Flax, hemp fibre, and coir, and other fibre are allowed to come in free of duty; on manufactured articles there is a duty of 20 per cent., whilst reaper and binder twine is subject to a duty of 5s. per cwt. In 1904 our imports of flax and hemp were of the value of £145,925, and comprised 85,049 cwts. Of this amount, £73,993 represents the value of importations of New Zealand flax. During the same year, 7,459 cwts. of coir, valued at £3,535, and 4,462 cwts. of jute, valued at £4,354, were imported; whilst in 1905 the imports were as follows:—Coir, 9,885 cwts., valued at £3,303; flax and hemp, 74,186 cwts., valued at £128,383; and jute, 3,622 cwts., valued at £2,671. The import value of cordage and twines in 1904 was £91,436, and of twine and yarn £54,578. I have no record of the imports of other fibres in 1904; but in 1905 they comprised 3,500 cwts. of the value of £5,146. It was at first proposed that a bounty of £3 per ton should be granted, but since the values of the different species vary so materially, it was considered that it would be better to give a bounty of 10 per cent. on fair value for a period of ten years. On such fibres as New Zealand flax, ramie, and sisal hemp, the first crop of which is not available until three or four years after planting, the bounty would be payable for only six or seven years. These were very large importations. It is remarkable that a country possessing every description of soil and climate should not grow all these kinds of fibre, and thus give employment to a large number of its own people, instead of obtaining its requirements from abroad to such an extent as at present.

Mr. DUGALD THOMSON.—How long does it take to produce coir?

Sir WILLIAM LYNE.—My information is that it takes from three to four years to produce the raw material. That will leave six or seven years in which to take advantage of the bounties.

Mr. DUGALD THOMSON.—The cocoa tree takes seven years to bear.

Sir WILLIAM LYNE.—I do not wish to make the bounty period too long; but we can easily extend it in any case in which

that is seen to be desirable. Nothing will be paid in the first few years. We have fixed the period at ten years, and propose to pay 10 per cent. on the market value of the article produced, or about £3 per ton. We also propose to offer a bounty for the production of tinned and canned fish.

Mr. HUTCHISON.—We cannot get enough fresh fish, because of the monopolies which prevail. I know that that is so in Adelaide.

Sir WILLIAM LYNE.—We should be able to put an end to these monopolies. It has happened in Melbourne, and I believe in Sydney, too, that, when there has been a surplus of fish caught, a large quantity has been destroyed, in order that the prices may not be reduced. Such action is disgraceful, and should be dealt with very stringently. Notwithstanding the large quantity of fish in the waters which surround our coasts, honorable members may be surprised to learn that Australia imported last year 13,463,838 lbs. of tinned fish, valued at £288,371, and 1,275,175 lbs. of fish, smoked or preserved by cold process, valued at £16,505.

Mr. DUGALD THOMSON.—How much of that was salmon?

Sir WILLIAM LYNE.—I do not know. Fish suitable for canning is to be found in Australian seas. Every year myriads of pilchards, for example, come towards our coast from the south-east, and proceed northward as far as Queensland, when they turn off to the north-east.

Mr. DUGALD THOMSON.—Do they come every year?

Sir WILLIAM LYNE.—I think so, though in some years they are more numerous than in other years. I think that the honorable member will find, if he reads a report made to the Government of New South Wales by the Fisheries Commission of that State, that these fish travel along our coast every year, and practically none of them are caught. They could, if sufficient inducements were offered to attract the necessary energy and capital, be used to establish an industry almost equalling the herring industry. It is proposed to give a bounty of ½d. per lb. on all canned and tinned fish produced within a period of five years, the payments not to exceed £1,000 a year.

Mr. HUTCHISON.—We need a bounty for the production of fresh fish.

Sir WILLIAM LYNE.—If the task is not undertaken by private persons, the Go-

vernment should endeavour to discover trawling grounds, and to find out what fish can be obtained by trawling. An attempt to obtain such information was made some years ago by the Government of New South Wales, but it was practically a failure, because neither the proper appliances nor the right kind of steamer were used. I think that honorable members will find that the Treasurer, when delivering his Budget speech, will have something to say about the fishing industry, and I do not wish to forestall him. The Government will not shut their eyes to the importance of the industry, but it cannot be dealt with in a Bill of this character.

Mr. DUGALD THOMSON.—Will the Minister ascertain, and inform the House, what quantity of salmon is annually imported?

Sir WILLIAM LYNE.—I shall try to get the information. But why should we not use our own fish in preference to imported fish?

Mr. DUGALD THOMSON.—We have no salmon.

Sir WILLIAM LYNE.—We have fish just as good, if we care to use it. We propose to give a bounty of $\frac{1}{4}$ d. per lb. for the production of condensed milk. That bounty is to be paid during a period of five years, but the payments made in any one year are not to exceed £5,000.

Mr. THOMAS.—Condensed milk is now being made in Australia.

Sir WILLIAM LYNE.—The honorable and learned member for Illawarra can inform honorable members as to what happened in connexion with the industry in the electoral division which he represents.

Mr. DUGALD THOMSON.—Condensed milk is being made in Victoria.

Sir WILLIAM LYNE.—Not to any extent.

Mr. DUGALD THOMSON.—All that is made is sold.

Sir WILLIAM LYNE.—Condensed milk is being made in Sydney also; but, notwithstanding, the quantity imported is very large. The duty on sweetened condensed milk is 1d. per lb., but in 1904 11,196,882 lbs., or £197,253 worth were imported; the importation in 1905 being 10,895,469 lbs., valued at £194,658. The exports for 1904 were only £4,018. The local production is valued at between £20,000 and £30,000 per annum, while the importations are worth about £200,000 per annum.

Mr. HUTCHISON.—Our producers cannot compete against the rubbish which comes in.

Sir WILLIAM LYNE.—We are trying to assist them to do so.

Mr. HUTCHISON. — To assist them we must shut out the rubbish, so that they may manufacture a good article.

Sir WILLIAM LYNE.—Our proposals will give a fillip to the industry, and, perhaps, we may do something else in another way later on. We propose to treat powdered milk in the same way as condensed milk, but the rate of bounty will be $\frac{3}{4}$ d. per lb. One hundred pounds of milk yield about 36 lbs. of sweetened condensed milk, or about 13 lbs. of powdered milk.

Mr. THOMAS.—There is a big importation of eggs into New South Wales. Is a bounty to be paid for the production of eggs?

Sir WILLIAM LYNE.—There is a big importation of Chinese eggs. We cannot give a bounty to hens to induce them to lay more eggs.

Mr. THOMAS.—We could give a bounty to those who keep fowls. I know that at present I cannot make fowl-keeping pay.

Sir WILLIAM LYNE.—When at Mil-dura I was very much struck with the statement that it is intended to dig up all the olive trees there, because they are not profitable. I think that that is a great pity, in view of the proportions which the olive oil industry might reach in this country if it were properly fostered. The duty on olive oil is 1s. 4d. per gallon. In 1904 28,420 gallons were imported, valued at £6,518. In addition, £38,857 worth of castor oil, and £17,597 worth of China oil which comes in duty free, were imported. On linseed there is a duty of 6d. per gallon, and its importation was valued at £108,147 while £2,160 worth of colza oil was imported. We propose to give a bounty on the production of oils extending over a period of ten years, and amounting to 10 per cent. on the market value, the payments not to exceed £6,500 in any one year. It has been objected that these bounties may not go to the producers; but I hope that they will go partly to the producers and partly to the manufacturers. No doubt, if the industry flourishes, and production is increased, growers will be able to supply the manufacturers at more reasonable rates than are now charged. That, however, is a detail to be dealt with afterwards. In 1905 16,330 gallons, or £3,512 worth of olive oil, £21,784 worth of China oil, £80,235 worth of linseed oil, £9,453 worth of cotton seed oil, and £25,969 worth of essential

oils were imported. As the olive tree flourishes in Australia, we might reasonably be expected to supply our own requirements in the matter of olive oil. Very little rice is grown in the Commonwealth.

Mr. DUGALD THOMSON.—Some is grown in Queensland.

Sir WILLIAM LYNE.—The Prime Minister has reminded me that in other parts of the world it is being produced by white labour, and there must be large areas suitable for its cultivation on the Gulf of Carpentaria, and elsewhere in Northern Queensland, and, perhaps, Western Australia.

Mr. KENNEDY.—An experiment in growing rice has just been commenced on the Murray.

Sir WILLIAM LYNE.—An article which appeared in the *American Review of Reviews*, written by Robert S. Lanier, shows what is being done in this matter in America. The article is headed "The Revolution in Rice Farming," and is as follows:—

Now, the settlers have seen labour saving implements make wheat fortunes in the Dakotas and California. Why could not they themselves make these Gulf prairies blossom with rice at a profit? Accordingly, they brought on the wheat machinery they were used to, they adapted it to the new crop, they worked out irrigation methods, and with Government help found the best seed varieties. Here is one result of their labours: before the Civil War, South Carolina produced about three-fourths of our home rice; North Carolina and Georgia most of the rest. To-day, it is Louisiana and Texas that produce three-fourths of the whole.

However, the greatest result is that, for the first time in history, a labour-saving method of rice-production has been demonstrated. The American farmer, although he pays a higher price for labour than any rice grower in the world, may eventually find himself in control of the world's markets. The patient Chinaman with his mud-rake and his twenty-five dollars a year profit, the Punjab ryot's women wielding their slow hand-sickles, the toiling fellah of the Nile delta, the Japanese mattocking his plot, too tiny for a flow to turn—all will be undersold by the progressive American driving his four mule twine binder to his power cultivated fields, past the steam plant where a battery of clanking pumps, impelled by eight hundred horse-power, has sucked up to his growing crop its seventy-day bath of vital, fresh river water.

Down on the Gulf coast, one farmer, one helper, and good teams can prepare and plant to rice two hundred or three hundred acres.

In general, rice can be profitably grown by the new methods wherever there is land so level that large single fields can be uniformly flooded by fresh water, and possessing enough clay, either in soil or subsoil, to hold water and quickly to drain the fields dry enough for the support of heavy terms.

This shows what can be done by the employment of machinery, and indicates to us how we might carry on the cultivation of rice in Australia. At present we levy a duty of 3s. 4d. per cental upon uncleaned rice. Starch rice is free, but rice n.e.i. is subject to a duty of 6s. per cental. In 1904 we imported 232,611 centals of uncleaned rice, valued at £107,070, and 267,574 centals of rice n.e.i., valued at £129,465. In 1905 we imported 259,004 centals of uncleaned rice, valued at £113,554, whilst of rice n.e.i. we imported 253,319 centals, valued at £112,939. Rice is worth 2½d. per lb. The local production is very small indeed; in fact, we cannot ascertain that any is produced.

Mr. DUGALD THOMSON.—All rice is not worth 2½d. per lb.

Sir WILLIAM LYNE.—That is the information given to me. We propose to grant a bounty of £1 per ton of unhusked rice for five years. Now we come to the last item in the schedule, namely, rubber. Last night, I had an interview with the manager of the Dunlop Tyre Company, who told me that if we could produce rubber in the northern parts of Australia—and there is no doubt that it could be produced, because we have a native rubber tree which is capable of being cultivated with advantage—his company would purchase £10,000 worth of rubber per month. In view of this large local demand, every encouragement should be offered to planters to engage in the enterprise. It is proposed to give a bounty which will not exceed £7,000 per annum for a period of ten years, under conditions to be prescribed by regulation. We have not been able to fix the rate at which the bounty shall be payable, because the matter is a difficult one to deal with. At present, crude rubber is admitted free of duty, but we levy 15 per cent. upon rubber manufactured n.e.i. In 1904 our importations of rubber manufactures, including crude rubber, which were admitted free, were valued at £100,389, whilst the imports of rubber manufactures n.e.i. were valued at £100,275. In 1905 the imports free of duty were valued at £102,983, whilst the rubber manufactures n.e.i. introduced were valued at £129,482. At present the rubber used by the Dunlop Company comes from Java, or South America, and their consumption is very large. They offer to take rubber to the value of £10,000 per month, or in all, £120,000 worth per annum. I

have referred *seriatim* to the matters dealt with in the Bill, and I hope I have sufficiently explained them to honorable members. I trust that they will have no hesitation in passing the Bill, because if we can merely meet our own requirements, to say nothing of exporting the commodities mentioned, we shall confer a great benefit on the community generally. We should have preferred to bring forward this measure at an earlier stage, but it was impracticable to do so. We should also have liked to embrace a much larger number of items, but we did not think it wise to submit any more comprehensive programme at the present time. We have endeavoured to make provision for the encouragement of those industries which can most readily be developed, and which will conduce in the greatest degree to the settlement of our territory.

Mr. McCOLL (Echuca) [12.55].—I think it is unfortunate that a larger number of members have not been present to listen to the very interesting speech delivered by the Minister upon a subject of vital interest to the people of Australia.

Mr. JOSEPH COOK.—I think that we might have a quorum. [*Quorum formed.*]

Sitting suspended from 1.0 to 2.0 p.m.

Mr. McCOLL.—I think it is a grave reflection on this Parliament that, although nearly six years have elapsed since its inception, this Bill represents the first attempt that has yet been made towards developing our primary productions. However, it is refreshing to find that the Government are awakening to a recognition of the fact that something requires to be done in that direction. Hitherto the only stimulus which has been imparted to agriculture has been by way of the bounty which has been so generously granted for the purpose of fostering the sugar industry. I am glad to know that the Government are now turning their attention to the development of other products. I need not surmise why they are taking this step. I can only express my gratification that attention is being devoted to this particular matter. It is unfortunate that the Bill is so badly drawn, and it was scarcely fair of the Minister to saddle the draftsman with the blame in this connexion, because we all know that the Parliamentary Draftsman merely frames a measure in accordance with the instructions which he has received from the Minister. The statement that the Bill can be altered in Committee shows that the Min-

ister of Trade and Customs has an open mind upon it, and is prepared to accept amendments. To my mind there is no Bill which ought to be considered less of a party measure than ought this. It is a Bill upon which honorable members can express themselves freely without being open to the taunt that their criticisms are prompted by party motives. Another reason why we should express our opinions freely, is that the step which we are now asked to take is a very grave one. We should endeavour to pay the greatest attention to it, in order that we may start upon sound lines, and not be subsequently called upon to retrace our steps. Whilst fully agreeing with the system of bounties, I doubt whether the proposals which have been submitted to-day are best suited to the requirements of Australia at the present time. The Bill proposes that we should spend a very large sum of money, namely, £500,000. The expenditure of that amount, if directed into proper channels, would prove of incalculable benefit to this country. If, on the contrary, it is frittered away, we may continue the system of granting bounties for six or eight years, and at the end of that time find ourselves asking, "What benefit have we derived from this expenditure?"

Mr. LONSDALE.—We shall derive no benefit.

Mr. McCOLL.—I do not agree with my honorable friend. In some respects, I like the proposals which are embodied in the Bill, though they are scarcely upon the lines that I should have chosen myself. If we look at the circumstances of Australia to-day, we find that a large extent of our territory is arid. I suppose that, after we utilize to the fullest extent all our water resources, 90 per cent. of our territory will be absolutely dependent upon the rainfall. In other words, we shall have a territory as large as that of Europe, which will be dependent upon the natural rainfall. Consequently, we should ask ourselves, "Can this great tract of country be made wealth-producing, or must it always—by reason of the intermittent character of the seasons—remain a place where all the operations of the producer are a mere gamble—where there is no certainty that he will secure a return from one year to another. Our first attempt should be to solve this great problem. In making that attempt we should endeavour to co-ordinate our work with that of the States. We should co-operate with them in what they

are doing. The Minister has expressed a similar opinion, but I would point out that the Bill contains nothing in the shape of proposals to that end. We know that some States are doing a very great deal towards developing their territory, whilst others are doing very little. At Perth, in Western Australia, there is a station which is accomplishing a little. In Queensland there is the Gatton College, which takes students, and which, within its circumscribed area, is performing good work. In New South Wales there is the Hawkesbury College, and several other institutions which are rendering excellent service; and in Victoria, we have the Dookie College and the Longerenong institution, although as a Victorian I am bound to confess that they have not proved the success which they should have been. The Dookie College has not sent out one man who has left the imprint of his individuality upon farming operations in this country.

Mr. FISHER.—How long has that institution been in existence?

Mr. McCOLL.—For about twenty years. The fact which I have just mentioned evidences that there is something wrong in connexion with the Dookie College. South Australia possesses a college at Roseworthy, but in Tasmania there is no such institution.

Mr. HUME COOK.—Is not the Dookie College merely a preliminary school? Do not the boys leave it when they are about seventeen years of age?

Mr. FISHER.—Some of the pupils are twenty-five years of age, according to the evidence.

Mr. McCOLL.—We must deal with the problems presented by our arid country. Until we do so we can have no permanent settlement. In the first place, the soil requires to be so treated that all the moisture precipitated shall enter it, and be stored there for plant use. In order to accomplish this, it needs to be worked by special cultural methods. Then we require to plant crops which are adapted to our soil and climate. We must further develop the seed that we get in order to obtain that which is most suitable to the conditions of our country. Then we must learn the right time and manner of planting that seed. It is well known that crops grown under arid conditions are better than those which are produced under more humid conditions. If we can accomplish something in that direction we shall be

moving upon right lines. In regard to the cultivation of tropical products we must always recollect that they will have to compete with the cheap labour of the world. For a very long time the market for those products will be outside our own country, and consequently I do not think it is either necessary or desirable to introduce into this Bill restrictions as to the class of labour that shall be employed in their cultivation. It seems to me that our present restrictive laws are sufficient to enable us to deal with that aspect of the question without imposing upon the growers of these products any more restrictions than are absolutely necessary. As far as is possible, consistently with the declared policy of this country, we should allow them as much freedom in carrying out their experiments as we can. Then the Minister has given us absolutely no information whatever regarding the organization under which effect is to be given to the provisions of the Bill. When proposals involving such an enormous expenditure are submitted to the House, it is only reasonable that details as to how they are to be carried out should also be supplied. It seems to me that we ought to have adopted the advice which was given to us some years ago, and to have had in existence to-day a Federal Department of Agriculture. Honorable members will recollect that in June, 1901, the honorable and learned member for Bendigo brought that matter under the notice of the House. It was then dropped for a period of three years, but in July, 1904, the honorable and learned member again pressed the subject upon the attention of Parliament. His proposal was supported in most eloquent speeches by the Attorney-General, the Minister of Home Affairs, the honorable member for Macquarie, and others, but up to the present time nothing whatever has been done to give effect to it. I contend that we need not start upon elaborate lines. If we commenced operations upon a small scale, and allowed the Department to grow gradually, we should be acting wisely. If we did that, and co-operated with the States, we should be confident that the undertaking would be efficiently supervised, and that our operations would tend to ultimate success. In moving the second reading of the Bill, the Minister of Trade and Customs referred to the experiment which was made in Victoria in granting a bounty upon the planting of vines. I was a member of the

State Parliament when those proposals were submitted, in 1886 or 1887. They were very much better thought out than are the proposals contained in the Bill under consideration. They were submitted by the Hon. J. L. Dow, who has always been a strong supporter and sincere friend of the agriculturist. Their objects were as follow:—

First, to induce the farmers throughout the Colony to enter upon the growth of additional products by means of acreage bonuses, in order that they may not confine their attention to the production of one or two cereal crops; second, to promote an improvement in the quality and packing of dairy produce, fresh fruits, and wines exported to the London market; third, to induce the establishment of factories for fruit canning, fruit drying, dairying, wine-making, raisin and currant making, vegetable oil making, and preparing for the manufacture of flax, hemp, silk, and other products to be named in regulations; fourth, for the introduction of new varieties of seeds and plants; fifth, for the establishment of a system of agricultural technical education; sixth, for the publication of agricultural reports; and, seventh, for the introduction of new kinds of agricultural machinery and appliances.

I should very much like to have seen a comprehensive proposition submitted to this Parliament, instead of the proposals which are embodied in the measure before us, great and useful as many of them are.

Mr. FISHER.—The proposals contained in this Bill are merely an earnest of what we intend to do.

Mr. McCOLL.—But they involve such a large expenditure that I fear other matters with which it is essential we should deal immediately will be relegated to the background for many years. The bonuses arranged to be given by the Victorian Government totalled £250,000, and were to extend over five years.

Mr. WILKS.—Did they do any good?

Mr. McCOLL.—So far as I am aware, the butter bonus was the only one that had a beneficial effect. Whilst a large proportion of that bonus went into the hands of merchants and middlemen, the whole of it did not do so, because in many cases the prices which they paid to the producers for their cream were increased owing to the fact that they were to receive the bonus on the export of the butter.

Mr. KENNEDY.—The agents collected the bonus, but the producers secured a great deal of it.

Mr. McCOLL.—That is so. The agents have been blamed for having secured the whole of the butter bonus, but, as I have already pointed out, a great part

of it went to the producers in the shape of increased prices for their cream or butter. The Victorian proposals, to which I have referred, were much wiser, more comprehensive, and far more suited to our circumstances than are those now submitted to us. When we examine the Bill, we find that the bounties are to be paid on goods, and not on crops. It is specified that they are to assist agricultural development, and they have been heralded with the cry of "Protection for the farmers." They will certainly give assistance to the farmers, but they will not constitute protection for the farmer in the sense that we understand the term. They will probably help some but not many farmers. I believe that the Government proposals will play into the hands of the manufacturers, and help them to a much greater extent than the farmers. I understand, however, that that is not the intention of the Minister. The honorable gentleman emphasized the point that his desire was to assist the primary producer. I would remind the House, however, that under this Bill, the bounties are to be payable only on the finished product placed on the market. We shall find that the great bulk of them will be paid to those who turn the raw material into various manufactures, and not to those who actually produce it.

Mr. FISHER.—The definition of "manufactured" will cover a good deal.

Mr. McCOLL.—That is so. The Minister has expressed his disapproval of the system of paying on acreage. If we are to help the farmers, however, that is the system we should adopt. We should divide these bounties into two parts, and pay the farmer separately for the work that he honestly performs—for the cultivation of his land and for the production of the raw material which the manufacturer can work up into the finished product. We ought to pay the farmer according to the quality and quantity of the raw article that he produces. With one or two exceptions, the bounties are to be paid on the manufactured product, and, therefore, the manufacturer will reap the benefit.

Mr. FISHER.—To what items does the honorable member refer?

Mr. McCOLL.—Rice and cocoa are the only raw materials in respect of which bounties are to be paid.

Mr. FISHER.—The first three bounties in the schedule to the Bill will all go to

the farmers. And so with fibrous products.

Mr. McCOLL.—The Government do not intend to proceed with the proposal in regard to chicory. If a proposal like this had been made with respect to the payment of the sugar bounty the House would not have accepted it. We insisted that the bounty on sugar grown by white labour should be paid direct to the farmer. If that is the correct policy to pursue with regard to the production of sugar by white labour, why should we not follow it in dealing with other primary industries?

Mr. FISHER.—It is the right policy to apply all round.

Mr. McCOLL.—Why should the Minister condemn the system of paying according to acreage—on the raw material, instead of on the manufactured products? The honorable gentleman said that four or five years would elapse before a return would be obtained in respect of some of these manufactured products. What farmer would be prepared to till his soil and waste his time for the sake of a prospective return so far ahead? We should pay the farmer on his own work. He will grow the raw material, but in very few cases will he treat it. The treatment will be in the hands of other parties, upon whom he shall have to depend. The farmer may put his best work into the cultivation of one of these products, whilst the reward for his industry will depend on the treatment of what he produces by some one else. What guarantee will the farmer have that the raw material that he produces will be treated in such a way as to secure a return to him in the shape of a bounty? Cocoa and rice are the only two raw products in respect of which bounties are to be paid, and we find that the bounties payable in respect of them are very small. In all other cases the bounties will be payable in respect of manufactured articles.

Mr. FISHER.—Do not forget fibres?

Mr. McCOLL.—All the fibres will also require considerable treatment before the bonus on them can be paid. The farmer should be paid for what he grows and puts on his waggon for delivery to the person who is to treat it. To the farmers in the Minister's electorate, as well as in that which I represent, and also in South Australia and Western Australia, these bounties will be practically valueless. Very few will be able to take advantage of them. Whilst in

themselves these bounties are good to a certain extent, do not let us delude the farmer into the belief that they are going to participate in their distribution, when the great bulk of them are not likely to do so. I believe, however, that these proposals will do good. The Government proposal, although not altogether on the lines that I favour, is in the right direction. In making this, our first attempt to encourage primary industries, we should take care that we start on sound lines. Another point is that the Bill itself is a mere skeleton. The whole body of the proposals will lie in the regulations.

Mr. WILKS.—It is like all Bills introduced by the Government.

Sir WILLIAM LYNE.—And good regulations, too.

Mr. McCOLL.—This is another illustration of the character of the legislation we are passing. Skeleton Bills are passed, and everything that is to be done under them is defined in regulations drawn up by officials. There is no proposal that the regulations under this Bill shall be placed before Parliament. We do not know what shape they will take, or whether they will carry out the object we have in view. They will be framed at the will of the Minister. The honorable gentleman says that he will invite the co-operation of the experimental farms, but he is to have supreme power under this Bill. He is to prescribe who may be employed, what wages shall be paid, what acreage is to be cultivated, and what bounties shall be paid, and he is also to fix the time that must elapse between the growth of the product and its manufacture in a form to warrant payment of the bounty. He is to have a still greater power—the power, at his own sweet will, to divert a bounty from one product to another. These powers are too great. I hold that the regulations under this Bill should be submitted to the House, and that the whole scheme should be subject to proper supervision. We have no indication, however, that that course is to be followed. In the face of these drawbacks to what are otherwise good proposals, what farmer is going to risk his time and money in seeking to earn the bounty? If bounties are to be given, let them be allocated between the various parties instrumental in placing these new products on the market. If that be not done, the whole scheme will fail. The

farmers will not take it up, but we shall have a combination of farmers and manufacturers making arrangements to secure the bounties. Wealthy people who can afford to buy the necessary land, employ the requisite labour, and wait until the result of their work appears in the shape of the manufactured article, when they can claim the bounty, will take up these proposals. The ordinary working farmer, whom this Bill is intended to help, will not participate in the bounties except to the very smallest extent. The provisions in regard to the employment of coloured labour are somewhat ludicrous. It is interesting to learn that a man who has one white parent may be employed in producing any of these articles, but I do not know why ethnological problems should be submitted to us in a Bill of this character. A man with one white parent will have a chance, but who is to prescribe the degree of whiteness necessary to enable a man to participate in these bounties? Perhaps it will be necessary to produce a certificate of marriage.

Mr. FISHER.—I presume that the honorable member does not desire that Hindoos shall be engaged in producing rice on which the bounty is paid.

Mr. McCOLL. — No; but under this Bill a coloured man, even if he employs white labour in producing one of the articles on which a bounty is to be paid, will not be allowed to participate in it. A coloured man from a country where some of these products are grown might be disposed to come here, purchase an area of land, and produce some of these articles by white labour; but he would be unable to secure the bounty. If we hamper these proposals in such an arbitrary way, we shall probably deter people from embarking on these new industries. Our ordinary immigration restriction laws should deal with these matters, instead of their being dealt with in a measure for the advancement of the industrial welfare of Australia. It has yet to be shown whether white labour can successfully grow these products in the north, where many of them can be raised. Throughout the rest of the world many of these products are grown by coloured men, and it is with the products of these men, living under the lowest conditions, that we shall have to compete. The Minister has obtained some information with regard to the production of rice, which is undergoing great changes in the United States of America. In the Carolinas and other

parts of the United States, where rice is grown on swamps near the seashore, the sea has encroached on lands previously used for rice cultivation, and rendered it totally unfit for that purpose. As the result of this encroachment the rice-growers have been obliged to go to the uplands of Louisiana and Texas—not California, as the Minister said—and to form artificial swamps there for their crops. Rice must be grown in swamps. It has to be planted in water, and after that water has been allowed to remain for a certain time it must be drained off. In America they have made great levees, and have placed on the rivers immense pumping plants, because the water has to be flooded over the land very quickly, and got rid of again at the proper time with equal rapidity. In this way rice is being grown which is equal to that grown in any other part of the world. The labour employed does not consist entirely of white men; much of it being Chinese and Japanese, while, in some cases, European aliens are engaged. There is nothing to prevent us from growing rice in Australia in a similar manner; but what stimulus will the offering of a bounty of £1,500 a year be to the industry? I believe that in the electoral division of the Hume, and in other parts of Riverina, the growing of rice could well be carried on under conditions such as I have described; but the offer of a bounty of £1,500 per annum will not stimulate the industry, because those embarking in it will require a large amount of capital in order to obtain land, to make it ready for their operations, and to erect the machinery necessary for pumping water upon it. Formerly, the granting of bounties was the free-trade method of encouraging production, which the protectionists used to condemn. When the giving of bounties was first proposed in the Victorian Parliament, it was condemned by many sincere protectionists, being looked upon as a free-trade device, preventing the imposition of duties. I am therefore surprised that the free-traders are resisting these proposals—especially since John Stuart Mill, the great apostle of free-trade, recommended the bounty system.

Mr. BAMFORD.—Is there a split in the camp?

Mr. McCOLL.—I do not know. I am not in the councils of the free-traders. It may be said that it is easy to criticise; but what would you propose? I desire to put

forward my proposals with all modesty and diffidence. I think there is a more excellent way in which money could be spent to assist the agricultural development of this country. The Minister sought to recommend the Bill by referring to a number of countries which give bounties. He named Hungary, Brazil, Chili, France, Portugal, and Russia. I do not think we should follow on the lines pursued by those countries, where labour receives the very lowest payment. They are not countries whose example we should follow in trying to develop Australia. We should rather look to those parts of the world where agriculture has greatly progressed, and whose peoples are now in the front rank of the world's producers. We shall find that they do not give bonuses. I do not recommend that we should slavishly copy the example of any country; but we should carefully examine all successful attempts to assist agriculture, in order to see if we cannot profit thereby. The countries which have made the greatest agricultural progress are Germany and America.

Mr. DEAKIN.—Not France?

Mr. McCOLL.—Not to the same extent as the other two. France is a country of very small holdings, where assistance has been given to the small man; but the assistance proposed to be given by the Government would not, I think, go to small men. One word alone will explain the progress and development of the countries I have named, and that word is "education." They have educated their people by means of experimental investigations, having thus built up a sound and scientific method of agriculture. If we consider the work of Liebig, in Germany, in regard to the chemistry of the soils, and the discovery of the fertilizers necessary to make them useful, and to restore the waste that is continually going on, we must recognise the great utility of his labours, not only to Germany, but also to the rest of the world. The first experimental station in Germany was started at Moeckern in 1851, and since that time practical experiments, coupled with chemical investigations, have enabled the country to progress by leaps and bounds. There are now seventy experimental stations in Germany, designed to assist the farmers of that country. Germany was the first country where an attempt was made to discover the true relations between chemistry and agriculture. America has followed suit, and is bettering the instruction it has received. Washington himself

saw clearly what the development of agriculture would mean to that country, and in 1796, in his address to Congress, said—

It will not be doubted, with reference either to industrial or national welfare, that agriculture is of primary importance. In proportion as nations advance in population, and other circumstances of maturity, this truth becomes apparent, and renders the cultivation of the soil more and more an object of public patronage.

Although America was slow to adopt these views, when it took the matter in hand it went ahead very fast. The first experimental station there was established in 1875. By 1886 twelve stations had been established, and now there are in the United States over sixty stations, with a staff of about 700 persons, nearly all of whom are scientific teachers. At these stations every branch of agriculture receives attention, from the first operations in connexion with the treatment of the soil, to all details connected with plant and animal life and their diseases. Whereas in this country agriculture is an industry conducted at random, the sport of season and circumstance, in America the work of the farmer is carried on in accordance with well-defined scientific principles. The investigations of the experimenting stations cover, amongst other things, the perfecting of machinery and implements, the fertilizing of the soil, the suitability of soils to crop, drainage, seepage, irrigation, methods of cultivation, rotation of crops, feeding and digestion experiments, and the value of different kinds of food for various kinds of stock, laboratory investigations of diseases of plants, the introduction of drought-resisting seeds and plants into arid areas, and the crossing of plants to secure stock which will suit special conditions. The effect of these wide investigations has been to put America in the front rank as an agricultural country, and it has been brought about by the efforts of far-seeing men, among whom is Justin S. Morrill, who, in 1862, had 11,000,000 acres set aside for experimental purposes. He was followed by W. H. Hatch, who brought in a Bill instituting experimental stations. Later on Morrill obtained a further grant, so that now each experimental station receives 25,000 dollars a year from Congress, while they are also assisted by the States. I visited one or two of them, and saw the work which they are doing. They have sent trained men all over America, who assist the agriculturists when in difficulty or trouble, by putting them on the right road,

and keeping them there. At the Department of Agriculture, in Washington, scores of letters are received every day from farmers from all parts of the Continent. The officials deal with the matters referred to in these letters, or remit them to experimental stations, from which experts are sent to ascertain the cause of the trouble, and to put matters right again. The work of the experimental stations was crowned by the establishment of a Federal Department of Agriculture, which is what we require in Australia. That Department was established in 1862; but it did not attain its full measure of usefulness until, in 1897, it was reorganized by Secretary Wilson, who had been Senator Wilson, of Ohio. I had the pleasure of meeting him a short time ago. He brought the Department to such a pitch of perfection that now there is no institution of the kind elsewhere which equals it, or whose work will compare with that done by it. There is no matter affecting agriculture with which it does not deal. There has recently been added a Bureau of Rural Engineering, which will be a most valuable branch of the Department. Experiments have been made as to the best implements for dealing with various classes of soils, and especially for the cultivation of arid soils. The circumstances of Australia are similar to those of the United States. Although the area of the United States is so large, they are as hard pushed there to find land for the people as we are in Victoria. The good country lying to the eastward of the 96th meridian, which divides the humid from the arid area, is all taken up, while to the westward there is a tract over 500 miles wide by 1,100 miles long, with a rainfall declining from twenty inches to nothing. The problem of America, during the last seven or eight years, has been how to get this arid country settled. Every effort has been made by the Central Department of Agriculture, and by the experimental stations, to obtain a solution of this problem, by discovering means whereby the land can be farmed with some certainty of a profitable return. The farmers there have been taught how to store the moisture in the soil by proper cultivation, how to use the winter floods, how to bore for wells, and what are the best implements for deep cultivation. Professor Campbell has been fourteen years at the Nebraska University, doing nothing else but investigate the problems raised by the dry

area, with a view to ascertaining how best to keep moisture in the soil, what are the best means of cultivation, and how it can be used to most advantage. In 1899, they sent men all over the world to obtain drought-resisting seeds. These agents brought back with them from the plains of the Volga, from Siberia, Algiers, and other places, wheat, oats, maize, grass, sorghum, and various other seeds, which have been distributed throughout the droughty areas. As one consequence the wheat-producing area has, since the beginning of the century, been extended 200 miles further west, I saw beautiful crops being grown in country which enjoyed only a 12-inch rainfall.

Mr. BATCHELOR.—We are growing good crops in South Australia on country that has only that rainfall.

Mr. MCCOLL.—Yes, under the example of America.

Mr. LONSDALE.—It all depends upon when the rain falls.

Mr. MCCOLL.—That is where the honorable member makes a mistake. Under the system of cultivation adopted in the United States, the ground is kept open and the moisture is able to find its way well below the surface, and remain stored there for the use of the plants till they come to perfection. I am quoting these cases to show that it is desirable that we should educate our people as to the best methods of cultivation, and the proper crops to grow, rather than bring in proposals intended to encourage the cultivation of only a few products. I do not say that the Government proposals are wrong. They will probably be productive of much good, but I contend that under present circumstances, we should consider first measures that would be calculated to help the country further ahead. It is our first duty to assist those who are occupying our dry areas, who are fighting against drought, and dust, and hot winds, and all the discomforts that attach to life in the interior. We should show them—as other countries are doing—how they can increase production, and make life bearable. In the State of Utah, which has about the same area as Victoria, namely, about 83,000 square miles, not 1 per cent. of the land is under irrigation. It was thought that the rest of the territory was practically useless except for the rearing of rough stock, but by means of diligent cultivation and deep soiling, much of the area that was held in such

low estimation is being rendered productive. In 1903, Dr. Widstoe, the chemist at the Experimental Farm, at Logan, Utah, joined with Professor Morrill, the agronomist, in recommending to Governor Heber that experimental stations should be established in various parts of the State. This suggestion was brought before the State Legislature, and was forthwith adopted. Senator Whitmore joined with the experts mentioned in selecting six sites in country that had been deemed almost valueless, and in each case forty acres were fenced in at the cost of the country, which also found the land. The experimental stations were located in places where the soil contained 40 or 50 per cent. of gravel, or 60 per cent. of sand, or clay and other unpromising elements. In the following season, crops averaging from twenty down to four bushels of wheat were obtained, and the results were quite a revelation to the people of the State.

Mr. POYNTON.—What rainfall had they?

Mr. McCOLL.—Seventeen or 18 inches in some places, and only 8 or 9 inches in others.

Mr. POYNTON.—We are growing wheat under a 9-inch rainfall in some parts of South Australia.

Mr. McCOLL.—That is not being done in many cases. It has been established beyond doubt that nearly the whole of the area in Utah that was regarded as practically worthless can be cultivated with profit, and large tracts of country are being settled by persons who know that under a proper system of tillage they can feel assured of obtaining a return for their money. This matter is of greater importance than my remarks up to the present might indicate. This is not merely a matter of consequence to us, but is an Imperial question also. When I was in the old country I was a strong advocate of preferential trade, but I found very few people who agreed with me, because nearly all those I met were free-traders, who thought that a duty on foodstuffs would ruin the country. I was asked if we could guarantee to supply Great Britain with all the food-stuffs she required, and I was told, "If you will guarantee to supply all our needs in the way of foodstuffs, and thus render us independent of foreign countries, we are prepared to adopt a preferential Tariff, and place you in a position of advantage as compared with other countries." It seems to me that the solution of the question lies in the utiliza-

tion of our enormous areas of country, which, under improved methods of cultivation, could be made productive. I am not opposed to the granting of bonuses, but I think that we should devote our attention to the larger question. We should co-operate with the States Governments in conducting experimental stations, and should place the work of such stations to a very great extent under State supervision. We should endeavour to show our agriculturists how to successfully grow different products. If we once did this, and demonstrated that certain products could be grown with profit, we should not need to grant bonuses. The enterprise of our settlers would be sufficient to bring about the production of all that we require, and a great deal more. I would ask honorable members which would be the best plan to adopt: to educate our people up to the point necessary to enable them to profitably utilize our large waste areas, or to grant bounties and largesse to a comparatively few?

Mr. BATCHELOR.—The first matter is largely one for the States.

Mr. McCOLL.—No doubt; but we must work with the States, which are now struggling along in the best way they can. New South Wales and Victoria are doing fairly well, but the other States are doing but little.

Mr. BATCHELOR.—South Australia is also doing very good work.

Mr. McCOLL.—Perhaps so; but we should approach the States, as has been done in America, and offer to contribute towards the expense of conducting experimental stations designed to promote the development of the country. The States would have to find the land and the buildings, but the Commonwealth should grant them a certain sum extending over a term of years. They would then be stimulated to make use of their resources to a much greater extent.

Mr. POYNTON.—Would the honorable member make grants out of the surplus revenue of the Commonwealth?

Mr. McCOLL.—It is now proposed to spend £500,000 during the next ten years in the encouragement of a very few industries. I do not object to that. But I contend that there is a larger work before us, which, if it received adequate consideration, would be attended with very much more important results.

Debate (on motion by Mr. FISHER) adjourned.

STANDING ORDER 241:
"GRIEVANCE DAY."

Mr. DEAKIN (Ballarat—Minister of External Affairs) [2.55].—I move—

That so much of standing order No. 241 as provides for the question being put on every third Thursday, "That the Speaker do now leave the Chair," on the Order of the Day for Committee of Supply or Ways and Means, be suspended for the remainder of the session.

I submit this motion, because within the next few days the Budget speech will be delivered, and the Estimates laid on the table. The discussions that will take place in Committee of Supply will afford honorable members the fullest opportunity for ventilating any grievances they may have, or of debating any and every question relating to the affairs of the Commonwealth. We have, owing to the lapse of motions during the last few weeks, been enabled to avail ourselves of a small portion of the time usually devoted to private business, and do not yet propose to ask honorable members to forego the privilege now enjoyed by them on one afternoon each week. I hope, however, that the provision on the notice-paper for the so-called "grievance day" will be allowed to disappear for the remainder of the session. We have a great amount of work to do, and I am sure that it is desired in all quarters that we should close the session at the earliest possible moment, consistent with the transaction of the business now remaining. I should have been loth to submit this motion if I had thought honorable members would be denied an opportunity to consider various details arising from time to time in connexion with the administration of the Departments; but I think that the discussion upon the Estimates will afford every facility for the ventilation of grievances. I trust, therefore, that honorable members will make the sacrifice—if any sacrifice is involved—with a good grace, and assist the Government to make this, the last session of the present Parliament, as fruitful as possible.

Mr. JOSEPH COOK (Parramatta) [2.58].—I shall offer no objection to the motion. I recognise that it is desirable that we should conclude our labours as soon as possible. At the same time there is much important work to be done—perhaps the most important that has yet engaged our attention. I trust, therefore, that the Government will afford us an opportunity at the earliest possible moment to fully and

freely discuss the matters which must engage our attention before the session is closed.

Sir WILLIAM LYNE.—To what business does the honorable member refer?

Mr. JOSEPH COOK.—To the reports of the Tariff Commission, of course. We already have some reports upon the Tariff which I think should be disposed of without further delay. I recognise that the Government are responsible for the conduct of business, but I venture to say that they are adopting a wrong course in this matter, and that they will inevitably be led into a difficulty at a later stage. I agree with the Prime Minister that the Budget debate will furnish honorable members with every opportunity for the ventilation of grievances. At the same time, I consider that we are making a sacrifice in surrendering "grievance day," and I am glad that it is proposed merely to suspend the Standing Orders, and not to abolish that institution. I knew nothing of "grievance day" before I came to Victoria, but in my judgment it is a very useful institution, and but for its existence numerous adjournment motions would be moved and much time would be wasted. If time were not consumed in this way grievances would be ventilated as they arise, and more time would thus be occupied. At any rate, that is my experience, extending over a good many years. However, I hope that the surrender of private members' day will afford the Government a further opportunity of disposing of the remaining business of the session. My advice to them is that they should make up their minds speedily as to the particular business which is to be transacted, take the House into their confidence by letting honorable members know the task which they have to perform before they separate, and then, no doubt, the Prime Minister will be able to command the co-operation of everybody concerned in an endeavour to deal with it in some shape or form.

Mr. POYNTON.—Is the honorable member anxious to get on to the Tariff?

Mr. JOSEPH COOK.—I dare say that I am quite as anxious as is the honorable member. I am sure that he will be with us when the Tariff is under consideration, and that he will be prepared to give it that attention which it undoubtedly deserves. I again urge upon the Government the desirableness of taking the House into their confidence, and of making an earnest

effort to wind up the session as early as it is possible to do so. The best way to accomplish that is to let honorable members know exactly what they are expected to do, so that we may address ourselves to the task of disposing of the business at an early date. I do not think that the Government can complain of the attitude which the Opposition have adopted this session. We forfeited our privileges entirely in connexion with the debate upon the Address-in-Reply. We did so in the interests of public business.

Mr. DAVID THOMSON.—It was due entirely to an accident that that debate was not prolonged.

Mr. JOSEPH COOK.—I hope that the honorable member will get that idea out of his mind at once. No charge can lie at the door of the Opposition this session on account of the attitude which they have assumed towards Government business. Take the present week as an example. Very little of the discussion has emanated from members upon this side of the House. The bulk of the debate upon the mail contract to Europe has come from the Labour corner. It was quite a refreshing change to see the members of that party taking a keen interest in the debates of the Chamber. However, the mail contract has now been disposed of, and therefore we may expect to see them once more assume their attitude of wonted calm and philosophic consideration. I sincerely hope that the action which the Government are taking will result in a speedy close of the session, so that we may all betake ourselves to the crossing of that swelling political Jordan into which we must soon plunge. I concur in the proposal of the Prime Minister.

Mr. FISHER (Wide Bay) [3.5].—I do not agree with the view which has been expressed by the deputy leader of the Opposition in regard to the value of grievance day. In my opinion, it is the weakest link in our parliamentary procedure. In saying that, I am not merely expressing my own opinion, but that of some very shrewd judges. They avow that they do not exaggerate when they say that, in connexion with grievance day, they have heard more drivel talked than they have ever listened to in any other deliberative assembly. I should have been much better pleased if the Prime Minister had proposed to abolish grievance day altogether. It is quite true that the adoption of that course might give rise to the discussion of an occasional motion of adjournment. But that is the

way in which an important matter should be dealt with. It ought not to be sandwiched between a proposal, probably for the mending of the village pump, and another, perhaps, for sticking a postage stamp upon a sign board of the Commonwealth. I trust that when we obtain our new standing orders grievance day will entirely disappear from our procedure.

Mr. McCOLL (Echuca) [3.7].—I would point out that by the adoption of this motion the Prime Minister will gain only one evening in a month—in other words, a few hours. I think, therefore, that he would be acting wisely if he extended his proposal so as to make it cover the whole of private members' day. There are two classes of private members' business, namely, that which is important, and that which is unimportant. The unimportant motions need not be considered, and sufficient time will not be available to enable the important questions to be dealt with. In a few weeks—perhaps in a month—the Prime Minister will be required to submit another proposal in favour of dispensing entirely with private members' business during the remainder of the session. Instead of making two bites at a cherry, he might just as well extend his motion so as to make it embrace the whole of private members' business.

Mr. BAMFORD (Herbert) [3.9].—Regarding the suggestion of the honorable member for Echuca, that the Prime Minister should move in favour of the abolition of private members' business for the remainder of the session, I should like to ask what course the Government intend to adopt in reference to the motion of the honorable member for Moreton relating to the appointment of a Lieutenant-Governor for Papua. That motion is a very important one, and I desire to know if the Prime Minister will afford the House an opportunity of further considering it, and of coming to a division upon it.

Mr. McLEAN (Gippsland) [3.10].—I entertain much the same view of grievance day as does the honorable member for Wide Bay. I regard it as practically a waste of time, because any legitimate grievance can be ventilated upon the motion for the adjournment of the House, or—if it were necessary to do so—by submitting a motion for a special adjournment. I should like the Prime Minister to ask private members to entirely forego the consideration of their business. I presume

that we shall soon have very important business to deal with. Free-traders and protectionists alike must recognise the urgency which exists for dealing with the reports of the Tariff Commission. For the sake of accomplishing that object, I think that honorable members would be prepared to forego the consideration of their own private business for the remainder of the session. I wish to embrace this opportunity to again urge upon the Prime Minister the necessity for dealing with the reports of the Tariff Commission as soon as possible. It seems to me a great anomaly that honorable members sitting behind the Government should daily devote hours outside of this House to emphasizing the necessity which exists for Tariff reform, and still be content to take no action in this Chamber, where some practical result might accrue from their efforts.

Mr. KENNEDY.—What can be done at present?

Mr. McLEAN.—Cannot we proceed with the consideration of the reports which are already to hand? There are three reports to which the members of the Tariff Commission have unanimously agreed.

Mr. KENNEDY.—They will provide only half-an-hour's work for the House.

Mr. HUME COOK.—What reports are they—the reports dealing with spirits?

Mr. McLEAN.—What were the illustrations which the honorable member for Bourke himself used last session, when he declared that men were being thrown out of employment as the result of the closing down of works? No other factories in the Commonwealth had been closed except those to which reference is made in the reports already presented by the Tariff Commission.

Mr. MAUGER.—Oh, yes.

Mr. McLEAN.—The matter should be settled without delay. I think that the honorable member for Bourke would be making much better use of his own time if, instead of going round the suburbs of Melbourne preaching the necessity for Tariff reform, he attempted to accomplish something in this House. I do not wish to apply my remarks to the Prime Minister, because he was not so persistent out of season as were some of my honorable friends opposite in urging the necessity for Tariff revision. I believe that he is sincere in the matter, and I hope that he will show his sincerity by asking honorable mem-

bers to forego their private business for the rest of the session, so that the question of Tariff reform may be dealt with at the earliest possible moment.

Mr. JOHNSON (Lang) [3.12].—Whilst I am prepared to support the motion of the Prime Minister, I am opposed to the idea that private members' day should be entirely dispensed with. I was very much surprised at the attitude taken up by the honorable member for Echuca, especially in view of the fact that a few weeks ago he objected to postpone a motion which he had upon the business-paper to enable honorable members to witness a very important experiment in connexion with the transmission of the first Marconi message to Tasmania. Upon that occasion he urged that his proposal was of such serious public import that it did not admit of any delay. I note that it is now set down for consideration upon 2nd August. If it were important previously it is equally important now, so that the honorable member, by making it appear that private members' business is of no consequence, has practically condemned his own proposal. I agree with the remarks which have been made regarding the wisdom of abolishing grievance day, because I hold that any important matter can and should be ventilated upon a motion for adjournment.

Mr. KENNEDY (Moir) [3.15].—I think it goes without saying, that the motion will have the unanimous support of the House, since we shall have ample opportunity to discuss any grievances under which we labour. I desire to pay my tribute of respect to the new-born zeal displayed by the honorable member for Gippsland for an early discussion of the Tariff.

Mr. McLEAN.—Why new-born? I was a protectionist, I believe, before the honorable member was.

Mr. KENNEDY.—I have still ringing in my ears the sound of the honorable member's voice when in emphatic terms he announced, on an historical occasion, that he was pledged above all things not to reopen the Tariff question during the life of this Parliament.

Mr. McLEAN.—I have not made such a pledge.

Mr. MAUGER.—The honorable member cried for fiscal peace.

Mr. McLEAN.—I had no occasion to give a pledge to my constituents; I was accorded a walk-over.

Mr. KENNEDY.—The words to which I refer are reported in *Hansard*. They were used in this House by the honorable member.

Mr. McLEAN.—In relation to the agreement which the Prime Minister made with the party with which I was acting. At least—

Mr. KENNEDY.—I am referring, not to agreements, but to statements made in this House. I have no quarrel with the honorable member; I have nothing but admiration and respect for him, and I wish to pay my tribute to his new-born enthusiasm in the cause of Tariff reform.

Mr. McLEAN.—It is not new-born enthusiasm. I favored the appointment of the Tariff Commission in order that grievances might be investigated and settled.

Mr. KENNEDY.—That was the position of affairs about eighteen months ago. As to the claim that the Government should immediately bring before the House the recommendations of the Tariff Commission, it is scarcely necessary to remind the honorable member that he announced to the Commonwealth only twelve months ago that, in his opinion, this Parliament should be forthwith buried.

Mr. JOSEPH COOK.—It would have been a great deal better for it had it been buried.

Mr. DEAKIN.—We should have had a glorious resurrection.

Mr. KENNEDY.—The honorable member for Parramatta must admit that since then we have passed very useful legislation.

Mr. SPEAKER.—Does the honorable member think that his remarks relate to the motion?

Mr. KENNEDY.—I do, sir. The Prime Minister has asked us to forego the right of dealing with grievances on the formal motion, "That the House resolve itself into Committee of Supply," so that I shall not have another opportunity to refer to this matter. I have been asked point blank what attitude I shall take up when certain proposals are submitted to the House. The honorable member for Gippsland knows very well what my attitude will be. I merely desire to say, as has been stated by the honorable member's leader—the leader of the Opposition—

Mr. McLEAN.—The honorable member has no authority for asserting that the right honorable member for East Sydney is my leader. I agree with him on one important question.

Mr. KENNEDY.—I am only seeking information. I was under the impression that the honorable member for Gippsland had as one of his colleagues in the late Government the present leader of the Opposition.

Mr. McLEAN.—And a straight colleague he was.

Mr. KENNEDY.—I am still under the impression that the honorable member is sitting in Opposition, and supporting the right honorable member for East Sydney in his desire to defeat the present Government at the first opportunity.

Mr. SPEAKER.—I am very reluctant to interrupt the speech of an honorable member, but I fail to see what relation the remarks now being made by the honorable member for Moira have to the motion under consideration. If he can connect them I shall be pleased, but otherwise I cannot allow him to proceed on these lines.

Mr. KENNEDY.—I shall connect them with the motion. The honorable member for Gippsland announced that he supported the motion because he thought that the time devoted to the consideration of grievances might well be devoted to the discussion of other business, which, he suggested, should be submitted by the Prime Minister. I feel sure that the Prime Minister will take advantage of the opportunity, and that, if reliance can be placed in the preaching of the Opposition during this session, the recommendations of the Tariff Commission can be dealt with in one day. We have the statement of the leader of the Opposition that he would have no hesitation in accepting any unanimous proposals made by the Commission. So far, the only reports submitted relate to distillation of spirits, wines, and industrial alcohol, and the recommendations with regard to those items are unanimous. That being so, when they are submitted to the House we should be able to deal with them in a few hours.

Mr. JOSEPH COOK.—Would it take longer now than at any other time to deal with them?

Mr. KENNEDY.—Speaking generally, so far as I can judge at present, I have no fault to find with the recommendations of the Commission.

Mr. McLEAN.—Is the honorable member in favour of postponing the consideration of the Tariff?

Mr. KENNEDY.—That question does not arise at present.

Mr. McLEAN.—The honorable member will try to pump life into it when the general election comes round.

Mr. KENNEDY.—That is not the question. I am not attempting to forestall the reports of the Commission. We ought to be able to deal with those already submitted without much discussion, since they have been unanimously arrived at. Consequently, until further reports are presented, there should be no insane desire for the question to be submitted at this stage, more especially as we are engaged on other useful work.

Mr. GLYNN (Angas) [3.25].—In surrendering grievance day, honorable members are not depriving themselves of a chance of extemporizing grievances on matters not altogether of public interest.

Mr. DEAKIN.—All grievances are extemporized.

Mr. GLYNN.—I say that they are, because I think the evil lies in allowing grievance day to recur at regular intervals. In my opinion, much exception can be taken to that practice. Here, as in many other Parliaments, grievances can be ventilated when the Estimates are under consideration; that gives honorable members an opportunity to improvise them.

Mr. McWILLIAMS.—On grievance day we have largely a waste of time.

Mr. GLYNN.—I do not wish to say what is the effect of the present practice, because I seldom take part in the debates on grievance day. I hope, however, that the Prime Minister will consider the suggestion of some of his protectionist friends that advantage should be taken of the opportunity afforded by the surrender of grievance day to deal with the reports of the Tariff Commission. Being a teetotaler, I spent last Sunday in reading its reports, with respect to alcohol and the distillation of spirits, anticipating that the whole question might be raised by a deputation that I had arranged to receive on the following day. The deputation consisted of five representatives of the vignerons of South Australia, who showed that there were certain serious defects in the unanimous report of the Commission in relation to the question of allowing brandy to be made of anything but pure grape spirit. The recommendation, if it is a recommendation, will receive very serious opposition from the representatives of South Australia. I rose merely to point out that the House must not imagine that because a report has been

unanimously arrived at, it must necessarily be perfect. The bulk of the report in question may be accepted, but I have pointed out one matter to which objection can certainly be taken.

Mr. McWILLIAMS.—The effect of the proposal on the revenue will also have to be considered.

Mr. GLYNN.—That is so. As the general election is now close at hand, it is almost a pity that the honorable member for Gippsland and the honorable member for Moira should begin to have differences of opinion as to the urgency of considering the Tariff reports at this stage.

Mr. MAUGER (Melbourne Port) [3.28].—I have listened with great interest to the remarks made by the honorable member for Gippsland in supporting the Prime Minister's proposal, and he will pardon me if I say that his zeal appears to arise from party considerations.

Mr. McLEAN.—If the honorable member thinks so, I will admit it, because he must be a past master of the art.

Mr. MAUGER.—The honorable member made a great deal of the reports before the Government. As a matter of fact, only one report has been presented, but it is divided into three parts. I am just as anxious as the honorable member can be that that report shall be dealt with. His talk about working up feeling outside comes with an ill-grace from him since he is doing his best to work up party feeling and strife.

Mr. CROUCH.—And against the Protectionist party.

Mr. MAUGER.—Continually against the party for whose interests he professes so much anxiety.

Mr. JOSEPH COOK.—He does not go round the factories jamming protection down the throats of the workers instead of allowing them to have their lunch.

Mr. MAUGER.—They take the jam all right. My honorable friend said the other day, he desired to get the Tariff question out of the way so that he might have a fair fight. Against whom? Against the very people whose interests he professes to have at heart.

Mr. SPEAKER.—Is the honorable member discussing the motion?

Mr. MAUGER.—I am going to connect my remarks with it by saying that the honorable member's zeal in regard to the carrying of this motion is largely a pretence and a sham.

Mr. SPEAKER.—Order.

Mr. MAUGER.—I withdraw the remark.

Mr. McWILLIAMS.—Last session the honorable member was continually moving the adjournment of the House to urge that the Tariff should be dealt with.

Mr. MAUGER.—I moved the adjournment of the House on one memorable occasion two years ago, and since then, the necessity for my action has been amply demonstrated.

Mr. McLEAN.—Since then the honorable member's zeal has cooled.

Mr. MAUGER.—I can assure my honorable friend that I am just as anxious as he is that the fiscal question shall be settled, and settled, not on free-trade lines, but properly.

(Question resolved in the affirmative.)

MAIL SERVICE TO EUROPE.

Motion (by Mr. AUSTIN CHAPMAN) *with concurrence*, agreed to—

That the resolution of the House approving, with modifications, the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons, Limited, for the carriage of mails between Adelaide and Brindisi, be communicated by Message to the Senate, and their concurrence desired therein.

ADJOURNMENT.

ORDER OF BUSINESS: MAIL SERVICE TO EUROPE.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [3.30].—In moving—

That the House do now adjourn,

I may assure the honorable member for Gippsland that the Government will take care that the order of business shall not prevent the effective consideration of the recommendations of the Tariff Commission to which he referred, and of any others that can be dealt with in a reasonable time. The arrangements adopted so far have been due to the need for keeping the Senate fully employed, and, in order to concentrate attention on questions which may be related. For that and no other reason, the excise proposals were not proceeded with immediately. After the delivery of the Budget, they may, possibly, be dealt with in the light of the information conveyed by the Treasurer to better advantage than would have been the case had they been brought forward earlier.

Mr. FISHER.—What is the business for Tuesday?

Mr. DEAKIN.—The Budget, and then the continuation of the debate on the second reading of the Bounties Bill. I have found a copy of the condition to which I referred last night as included in a British contract. I should have said that it was included in a draft contract, submitted to us by the British Government, which arrived just before the publication of our advertisement for tenders for the present mail service. I will read the condition, so that honorable members may see how closely it has been followed in article 36 of the proposed contract—

The Admiralty may at any time during the continuance of the contract, if they shall consider it necessary for the public interest, purchase any of the mail ships at a valuation, or charter the same exclusively for His Majesty's service, at a rate of hire to be agreed with the contractors or, failing agreement, to be settled by arbitration, and the contractors shall not sell any mail ship to any body or person other than the Admiralty without first giving the Admiralty a reasonable opportunity of purchasing the same.

The alterations which we have made are these. For "Admiralty" we substitute "Postmaster-General."

Mr. JOSEPH COOK.—A fundamental difference.

Mr. KELLY.—The change shows the difference between the objects aimed at in the two contracts.

Mr. DEAKIN.—Both are postal contracts, but, while the Admiralty is to act for the British Government, the Postmaster-General is to act for this Government, as we have no Admiralty Department. The words "if they should consider it necessary for the public interest" were omitted, as, in our opinion, surplusage. We have also omitted the words "exclusively for His Majesty's Service" as unnecessary, and the words "body or," because under our Act the word "person" includes a body of persons.

Mr. JOSEPH COOK.—The condition is the same as that in the Peninsular and Oriental Steam Navigation Company's contract, which I read last night.

Mr. DEAKIN.—There are some differences, and this provision comes closer to our article 36 than any other, because we have adopted, as far as possible, its very words. The matter is of importance only as showing that we were correct in claiming to have followed a British precedent. This is the latest British precedent obtainable. It arrived towards the close of last year, and the only important change made by us in adopting its wording has been the substitu-

tion of the Postmaster-General for the Admiralty as the authority who shall make any purchase. We have no Admiralty here, and had, therefore, to substitute some other authority. We chose the Postmaster-General as most appropriate.

Mr. JOSEPH COOK (Parramatta) [3.37].—My reply to the Prime Minister, in the first place, is that the condition which he has read is only an extract from a contract.

Mr. DEAKIN.—I have read the whole of the condition.

Mr. JOSEPH COOK.—The setting of the condition may entirely alter its effect.

Mr. DEAKIN.—There are no limitations and no setting.

Mr. JOSEPH COOK.—The wording of the condition is the same as that of the condition in the Cunard contract, which was read last night; but there were other provisions in the contract relating to the schedule.

Mr. DEAKIN.—There are no others in this.

Mr. JOSEPH COOK.—The schedule set out made it plain that the Admiralty was to take this action solely for war purposes.

Mr. DEAKIN.—There is no schedule in this case.

Mr. JOSEPH COOK.—I make the honorable and learned gentleman a present of that contention. The important distinction between the condition which he has read and that in the proposed contract is that, in the British condition, only the Admiralty may purchase ships.

Mr. DEAKIN.—We have no Admiralty.

Mr. JOSEPH COOK.—The English Postmaster-General could not purchase, or even charter, a vessel under this provision. The contract is wholly opposed to the purchase, so far as the Postmaster-General is concerned; but the Admiralty may step in and acquire any of the mail-ships if it is thought to be in the public interest to do so. Need anything more be said on the matter. I challenge the honorable and learned gentleman to put a similar provision into his contract.

Mr. DEAKIN.—The provision in our contract was adopted from the one which I have read. We could not arrange for action by the Admiralty.

Mr. JOSEPH COOK.—We can substitute the Minister of Defence for the Admiralty.

Mr. DEAKIN.—That would make no difference. The Minister of Defence, like the Postmaster-General, would do what the Government told him to do.

Mr. GLYNN.—Surely the purposes for which any purchase may be made can be declared.

Mr. JOSEPH COOK.—I challenge the Prime Minister to let us see the full setting of this provision.

Mr. DEAKIN.—I will show the honorable member the other conditions, though they do not affect that which I have read.

Mr. JOSEPH COOK.—There is a similar provision in the Cunard contract; but it is affected by another provision.

Mr. DEAKIN.—There is no other provision in this case relating either to a subvention or a schedule.

Mr. JOSEPH COOK.—The material point is that under the British contract, the Imperial Postmaster-General cannot purchase or charter any mail steamers.

Mr. DEAKIN.—That is only because they have a Admiralty to make their purchases.

Mr. JOSEPH COOK.—The reason why the power of purchase is given to the Admiralty, and not to the Postmaster-General, is obvious.

Mr. FISHER (Wide Bay) [3.39].—I consider that the leaders of the House are fighting shadows in this matter.

Mr. JOSEPH COOK.—The honorable member's colleagues did not say so last night.

Mr. FISHER.—We are not founding our legislation on British precedents. The question between the Prime Minister and the honorable member for Parramatta seems to be whether the mail-ships shall be purchased for the performance of any public service other than fighting.

Mr. JOSEPH COOK.—Whether the power to purchase should be given to provide for our defence, or to meet general socialistic purposes.

Mr. FISHER.—We are a nation of peace, not a fighting people.

Mr. JOSEPH COOK.—And, therefore, do not need any provision of the kind.

Mr. FISHER.—We have no need to announce to the world that we desire to have the right of purchase in order to obtain vessels for use in time of war, because we are not anxious to fight any one. The object of the contract, according to the statements which were made from all sides of the Chamber, is to obtain a mail service

which will be as useful as possible in transporting Australian goods to markets at the lowest possible rates.

Mr. JOSEPH COOK.—To socialize the service.

Mr. FISHER.—The honorable member can use any terms he likes to employ. The sooner we recognise principles which are sound, and follow them regardless of the bandying of words, the more likely are we to do good work for the people whom we represent.

Mr. GLYNN (Angas) [3.41].—According to the explanation of the Prime Minister, it would seem that the power of purchase is being given to the Postmaster-General as a mere accident, because we have no Admiralty to which to give that power. He would make it appear that the object is, in both cases, the same. If this is so, it would surely be within the ability of the draftsman to declare that the mail steamers are to be purchased only for belligerent purposes. That could have been provided for without using the name of any Minister. In my opinion, the alteration has been made deliberately, with a view to giving the Commonwealth power to purchase the mail steamers for general commercial purposes, as well as for defence. The Prime Minister's explanation would make it appear that the Government did not intend to take that power, but were forced to do so because there is no Admiralty here.

Question resolved in the affirmative.

House adjourned at 3.42 p.m.

House of Representatives.

Tuesday, 31 July, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

MILITARY CANTEENS.

Mr. KELLY.—I desire to ask the Minister representing the Minister of Defence whether the greater part of the military forces quartered at Victoria Barracks, Sydney, paraded on a recent occasion in protest against the proposed abolition of the canteen, and, if so, whether the Government will do its best to afford information as to the object and character of military canteens as instituted in Australia?

Mr. EWING.—I have no information with regard to the incident referred to, but I shall make full inquiries, and communicate the result to the honorable member, probably to-morrow.

WARRNAMBOOL FIELD ARTILLERY.

Mr. WILSON.—I wish to know whether the Minister representing the Minister of Defence has seen the report which appeared in the *Age* and *Argus* to-day, and the *Warrnambool Standard* of yesterday, relating to the proposed course of instruction for the Warrnambool Field Artillery, and whether he will bring under the notice of the Minister the difficulty that will attach to the fulfilment of such a course by men who have to earn their living by daily labour?

Mr. EWING.—I have not had an opportunity of reading the statements referred to, but I shall bring the whole matter under the notice of the Minister. I am quite satisfied that no unreasonable action will be taken.

TRADE WITH SOUTH AFRICA: RECIPROCITY.

Mr. McWILLIAMS.—I wish to know whether the attention of the Prime Minister has been directed to the report furnished by the Commercial Agent of New South Wales with regard to reciprocal trade with South Africa, which indicates that everything is in readiness, and that the people in South Africa are merely awaiting action on the part of the Commonwealth. My reason for asking the question is that I have received a letter, of which, I think, the Prime Minister has also received a copy, stating that contracts entered into under certain conditions had been cancelled owing to Australian products being subject to a higher duty than similar goods imported from England under the reciprocity treaty with the mother country.

Mr. DEAKIN.—The information that I have received goes to show that reciprocity is to be established only under certain conditions. With some of these conditions I am already familiar, but with regard to others a doubt exists, which I am now endeavouring to resolve. I hope that within a week or ten days I shall know exactly what are our opportunities in the direction indicated.

IMPERIAL SHIPPING CONFERENCE.

Mr. HUGHES.—I desire to ask the Prime Minister whether, in view of the importance of uniformity with regard to the legislation which is to be considered at the forthcoming Imperial Conference upon matters affecting shipping, he will suggest to the Imperial authorities the desirableness of arranging for the representation of Canada and South Africa at the Conference?

Mr. DEAKIN.—I recognise at once the pertinence of the honorable member's suggestion with reference to Canada, which has a very considerable mercantile marine, and also the reasonableness of the proposal that any legislation agreed to should apply to South Africa, as well as to other parts of the Empire. I shall give the matter my best attention.

LIFE ASSURANCE BY PUBLIC SERVANTS.

Mr. CROUCH asked the Prime Minister, *upon notice*—

1. Whether life insurance companies other than mutual societies having their head offices in Australia have been prescribed under the Public Service Act in which Commonwealth public servants shall insure their lives?

2. Whether any American life insurance companies have been prescribed and whether such companies are to continue to be approved?

3. Why the undertaking of Mr. Barton (then Prime Minister) to the House on 4th July, 1901, *Hansard* p. 2085—

The Governor-General in Council would not dream of prescribing other than mutual provident societies whose head offices were in Australia has not been adhered to?

Mr. GROOM.—The answers to the honorable and learned member's questions are as follow:—

1. Yes.

2. Yes. The honorable member is asked to postpone this question pending the consideration of the measure relating to life insurance now under the consideration of the Government.

3. Because notwithstanding the express proposal to limit insurance to Australian offices, it did not become law, and the intention of the Act, as passed, appears to be to enable any life insurance company to be prescribed, provided it is registered and carries on business in the Commonwealth.

MILITARY CLERKS.

Mr. FULLER asked the Minister of Home Affairs, *upon notice*—

1. Is it the intention of the Government to bring in a Bill this session for the classification of military clerks under the Commonwealth Public Service Act?

2. If not, when is it proposed to do so?

3. In order to remove existing grievances, could some provisional arrangement be made by the Government whereby these clerks could, without further delay, be classified under the Act until such time as the necessary legislation is made?

Mr. GROOM.—The answers to the honorable and learned member's questions are as follow:—

1. and 2. In view of the pressing and important business requiring the attention of Parliament it is not possible to introduce legislation on the subject this session.

3. Being expressly excluded from the provisions of the Public Service Act, no provisional arrangements, even if such were desirable, can be made.

ESTIMATES.

Mr. SPEAKER reported the receipt of messages from His Excellency the Governor-General, transmitting Estimate of Revenue and Expenditure, and Estimates of Expenditure for Additions, New Works, Buildings, &c., for the year ending 30th June, 1907, and recommending appropriations accordingly.

BUDGET.

In Committee of Supply:

Sir JOHN FORREST (Swan—Treasurer) [2.39].—This is the second Budget speech that I have had the honour of delivering to this House, but on eleven previous consecutive occasions I discharged a similar duty in the Parliament of the State which I, in conjunction with other honorable members, represent in this House. Therefore this is the thirteenth time—

Mr. McWILLIAMS.—Thirteen is an unlucky number.

Sir JOHN FORREST.—This, therefore, is the thirteenth occasion upon which I have submitted a Budget to a Parliament in Australia. My honorable friends opposite say that thirteen is an unlucky number. I hope that it will not bring ill-luck to this side of the Chamber. On the eleven occasions on which I presented the Budget in the Legislative Assembly of Western Australia, the duty I had to perform was very different from that which lies before me to-day. This Parliament, unlike that of Western Australia, in which I held office as Premier and Treasurer for over ten years, has not the control of the lands, the mines, nor the railways of Australia, nor can we, unless with the consent of the States, enter upon any large schemes of national development. We have no power reserved to us under the Constitution unless with the

consent of the States to undertake any beneficent development works such as the Coolgardie waterworks scheme, the Fremantle harbor works, or railway construction throughout the States such as I used to have the pleasure of proposing in the State Parliament. The Federal Budget is limited by the Constitution, and during the first ten years of the life of the Commonwealth it must be limited also by section 87, popularly known as the "Braddon section." We have full power to impose taxation, but I do not suppose that power could be popularly exercised unless in the direction of taxing others than those who so readily express an opinion upon it. Even if we indulge in Customs and Excise taxation during the continuance of the Braddon section, we have to raise £4. when we require only £1. This disability will pass away at the end of 1910. Thereafter the power of the Parliament, in regard to the distribution of the Customs and Excise revenue, will be materially extended. I hope, however, that long before that time arrives, we shall have come to an understanding which will be fair and satisfactory both to Commonwealth and States. The year just closed has been a very prosperous one. It was the most prosperous year that we have had since the establishment of the Constitution. I do not propose to unduly weary honorable members with figures, because they will all be found in the Estimates of Revenue and Expenditure and in the Budget papers. I think it will be found that the Budget papers are full and complete. A great deal of trouble has been taken to make them even more complete than in former years, our desire being to give as much information as possible on every relevant subject. In addition to the ordinary statistical information connected with the Estimates, and also with the progress of the Commonwealth, there will be found the full report of a scheme prepared by me, and approved by the Government, for solving the financial problems of the Constitution. That will be found at the end of the Budget papers. Last year the total revenue received was £11,879,343, being an increase of £413,745 above that received in the previous year. This increase was made up as follows:—From Customs and Excise, £199,955; from the Post Office, £191,631; from patents, £13,377; and from miscellaneous items, £8,782. This revenue was collected in the States in

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the following amounts:—In New South Wales, £4,313,779; Victoria, £3,292,202; Queensland, £1,550,025; South Australia, £987,620; Western Australia, including £77,666 from its special Tariff, £1,286,878; and Tasmania, £448,839. Dealing with these sums in the order I have named, I find that the Customs and Excise revenue for 1905-6, including £77,666 from Western Australia's special Tariff, was £8,999,485, being an increase of £199,955 over the receipts for the previous year, which were £8,799,530. It may be remembered probably by some honorable members that last year's Estimate was based upon a reduction of £65,000 in the receipts from Western Australia's special Tariff, £50,000 on sugar and other reductions, which amounted altogether to £117,000. Notwithstanding these estimated reductions, the result was an increase of £199,955 on the receipts for the previous year, instead of a decrease of £117,000. It may be remembered, too, that last year we passed an Act to prohibit the importation of opium. That necessitated a loss of £22,000 to the revenue last year, because it was in operation for only a part of the period, but in this year it will involve a loss of £64,000. We estimate that the loss will fall upon the States in the following proportions:—New South Wales, £16,000; Victoria, £10,000; Queensland, £26,000; South Australia, £7,000; Western Australia, £4,000; and Tasmania, £1,000. I, therefore, estimate that the loss of revenue consequent upon the prohibition of the importation of opium will be £64,000 during the year. The increase in the revenue from Customs and Excise was arrived at in the following manner. In New South Wales there was an increase of £200,305; in Victoria, of £48,228; in Queensland, of £87,769; and in South Australia, of £9,160—making the total increases in those four States £345,462. But there were decreases in two States. In Western Australia there was a decrease on the ordinary account of £76,368, and on the special Tariff account—which is being gradually reduced under the sliding scale—of £64,883. In Tasmania the decrease was £4,256. So that there were decreases in these two States amounting to £145,507. Deducting those decreases from the increases in the other four States, there is left a total increase of £199,955. I now come to the

Post and Telegraph Department. The facts which I shall be able to give to the Committee in regard to it are very satisfactory. The year has been a very prosperous one. The revenue for 1905-6 amounted to £2,824,182, being an increase of £191,631 over the revenue for the previous year, which was £2,632,551. The increase was made up as follows:—In New South Wales the increase was £85,467; in Victoria, £52,013; in Queensland, £27,981; in South Australia, £25,208; and in Tasmania, £5,800. There was an apparent decrease in Western Australia, amounting to £4,838. There were extraordinary payments made during the year 1904-5, principally in Western Australia, for savings bank work by the States, amounting to £18,000. But for this, the total increase on account of the Post and Telegraph Department would have been about £209,000 instead of £191,631. The revenue from patents last year amounted to £23,936, being an increase of £13,377 over the revenue for the previous year, which amounted to £10,559. There were also a number of small increases, totalling £8,782. The total increase of revenue in 1905-6 over 1904-5 was, as I said before, £413,745. The past is very interesting, but it is not so interesting as the future. We know the past. We have to estimate the future. I therefore have not spent very much time in dealing with the past. Honorable members are aware of what has been going on in this country. An intelligent press takes an immense amount of trouble in placing information before the people of Australia, and that information is constantly being read by honorable members. Returns are published as the year proceeds, and at the end of the year, so that what I have been saying is, to a large extent, contained in information that is generally available; though it was not possible for me to do otherwise than to refer to it again. I now come, however, to estimate the revenue which I anticipate will be received during the present financial year. The revenue of the Commonwealth for 1906-7 is estimated at £11,969,500, being £90,157 more than we received last year, when we obtained £11,879,343. I have no doubt that honorable members who have studied the finances and who are in a position to judge of the future, will think

that the estimated increase of £90,157 is a very small amount, seeing that last year it was £413,745. I may inform honorable members at once that the amount would have been greater, but for a matter I shall refer to presently. The revenue is made up of Customs and Excise, £9,115,000, including £15,000 from the Western Australian special Tariff, which comes to an end on the 8th October this year. After that date the intercourse between all the States of Australia will be absolutely free. From the Post and Telegraph Department we estimate to receive £2,813,000; from patents, £22,500; and from miscellaneous sources, £19,000, making the total revenue for 1906-7, as I just now stated, £11,969,500. It is anticipated that the revenue will be obtained in the several States as follows:—New South Wales, £4,493,409; Victoria, £3,327,256; Queensland, £1,502,525; South Australia, £982,473; Western Australia, including the £15,000 from the special Tariff, £1,223,082; Tasmania, £440,755; making the total, as estimated, £11,969,500. In regard to the Western Australian revenue, the special Tariff expires on the 8th October this year. But I desire to place on record that the special Tariff for that State, up to the 30th June, 1906, realized £852,187, and it is estimated this year to realize £15,000, so that the Treasury of Western Australia has, by the provision of section 95 of the Constitution, known as the sliding scale, benefited to the total amount of £867,187. Now that the special Tariff is about to come to an end, I feel that I may congratulate myself on having been the means of, at any rate, helping the Treasury of Western Australia during the last few years.

Mr. MAHON.—It would have been far better to have had a transcontinental railway instead.

Sir JOHN FORREST.—We cannot always judge correctly what is for the best; if we were wise men always we should be invariably right. The Customs and Excise revenue for 1906-7 is estimated at £9,115,000, including the special revenue of £15,000 from Western Australia; and that is £115,515 more than was received in 1905-6, when the revenue was £8,999,485. If certain sums which were received last year had been available this year, the revenue from the Western Australian special Tariff would have been £62,666 more. In addition, the amount of £31,688,

received as a sugar windfall, the result of a decision in a law case, and a further sum of £42,000 from opium, which, together with the increase of £115,515 we are to receive as compared with last year, would have made the total increase for this year £251,869. That is to say, that if we had the same conditions in regard to those items as existed last year, the estimated revenue for 1906-7 would have exceeded the actual amount received last year by £251,869. That is a considerable increase in a year, but I think that the estimate is fully justified, having regard to the good season in most parts of Australia, though, I am sorry to say, not in every part, because in the north-western part of Australia climatic conditions are not at all favorable this year. In most parts of Australia, however, the season is good, and the prospects have very much improved. I am, therefore, sanguine that this estimate, which, if analyzed, will be found to be a liberal one, will be realized. There is an important matter to which I should like to refer in regard to the revenue of the different States, and that is the Inter-State Customs and Excise adjustments under the Constitution. In accordance with the provisions of the Constitution, duties of Customs and Excise are credited to the State in which the dutiable goods are consumed.

If duties of Customs and Excise are paid in one State on dutiable articles consumed in another, the State in which the articles are consumed is credited with the revenue. It will be apparent, from the figures before honorable members, that the two great cities of Sydney and Melbourne are, as was naturally to be expected, becoming every year to a greater extent distributing centres for the rest of the States. Owing to their large populations, and the consequent volume of importations, freights from all parts of the world to these centres are necessarily lower than to smaller centres. The result of this has been that during the past financial year, New South Wales was debited with £133,396, and Victoria with £366,411, making a total of £499,807 on imported dutiable goods transferred to other States for consumption, as against £75,607 and £196,152 respectively, or a total of £271,759 in 1902-3. It is clear, therefore, that, although not very rapidly, a process is going on under which these two great centres of Sydney and Melbourne are gradually increasing as distributors of imported goods to the rest of Australia. During the past financial year the States credited with the amount debited to New South Wales and Victoria were Queensland, £214,358; South Australia, £36,940; Western Australia, £135,917; Tasmania, £112,592; a total of £499,807.

INTER-STATE CUSTOMS AND EXCISE ADJUSTMENT.

STATEMENT showing Adjustments made between the States under Section 93, Sub-section (1), of the Constitution, for the year ended 30th June, 1905. The debits to a State represent duties collected in that State, which have been credited to other States. The credits to any State represent duties credited to that State, which were collected in other States.

	New South Wales			Victoria.			Queensland.			South Australia.			Western Australia.			Tasmania.		
—	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Result, 1905-6 Dr.	133,396	3	8	Dr. 366,411	12	10	Cr. 214,358	0	4	Cr. 36,940	4	1	Cr. 135,917	7	6	Cr. 112,592	4	7
Result, 1904-5 Dr.	117,952	19	1	Dr. 316,005	11	3	Cr. 175,509	12	8	Cr. 28,497	11	10	Cr. 128,805	2	4	Cr. 101,146	3	6
Result, 1903-4 Dr.	122,309	5	1	Dr. 254,287	14	8	Cr. 158,793	5	10	Cr. 20,721	3	2	Cr. 90,442	7	1	Cr. 106,040	3	8
Result, 1902-3 Dr.	75,607	19	1	Dr. 196,152	3	9	Cr. 114,935	10	9	Cr. 21,183	13	8	Cr. 37,842	13	10	Cr. 97,798	4	7

I will now deal with the receipts per head of population. The population on 31st December, 1905, numbered 4,052,475; and the revenue from Customs and Excise, excluding £77,666 derived from the Western Australian special Tariff, amounted to £8,921,819. The receipts from Customs and Excise per head of population were distributed as follows:—New South Wales, £2 3s. 4d.; Victoria, £2 1s. 8d.; Queensland, £2 4s. 10d.; South Australia, £1 16s. 4d.; Western Australia, £3 14s. 10d.;

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and Tasmania, £1 16s. The average per head for the whole of the Commonwealth was £2 4s.

Mr. McWILLIAMS.—Does that include for Western Australia the figures of the special Tariff.

Sir JOHN FORREST.—I have excluded from the figures for Western Australia, the amount of 6s. 1d. per head due to the special Tariff. It is estimated that on the 31st December, 1906, the population of the Commonwealth will be

4,121,000. The population used in the Treasury returns is the estimated population at the middle of the financial year. The estimated receipts per head of population for 1906-7 are, for New South Wales, £2 4s 7d.; for Victoria, £2 1s. 8d.; for Queensland, £2 3s.; for South Australia, £1 16s 3d.; for Western Australia, £3 12s. 5d.; for Tasmania, £1 16s. 1d., an average per head for the population of the Commonwealth of £2 4s. 2d. Honorable members will notice that there has not been a great increase. The receipts from Western Australia, however, have decreased from £5 16s. 4d. per head in 1901-2, to an estimated sum of £3 12s. 5d.

for the financial year 1906-7, a decrease of £2 3s. 11d. This is, no doubt, largely due to an increase in the number of women and children in that State, and probably to some extent to more settled conditions on the gold-fields and elsewhere.

Mr. McWILLIAMS.—A normal condition of things is coming about in Western Australia.

Sir JOHN FORREST.—It will be a long time before we have an absolutely normal condition of things there. It is estimated that during 1906-7, the receipts per head from Western Australia will be £3 12s. 5d., as against £1 16s. 1d. from Tasmania, or more than twice as much.

CUSTOMS AND EXCISE RECEIPTS PER HEAD OF POPULATION.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.*	Tasmania.	Total.*	Western Australia (Special Tariff).
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1905-6††	2 3 4½	2 1 7½	2 4 9½	1 16 4½	3 14 9½	1 16 0½	2 4 0½	0 6 1½
Estimate, 1906-7‡‡	2 4 7	2 1 8½	2 3 0	1 16 3½	3 12 5½	1 16 1½	2 4 2	0 1 1½

†† Population as at 31st December, 1905.

‡‡ Population as at 31st December, 1906 (estimated).

Last year the Customs and Excise duties obtained from stimulants and narcotics amounted to £4,383,340, and all other duties, £4,616,145; the total revenue received being £8,999,485. For this year it is estimated that the receipts from the duties of Customs and Excise on stimulants and narcotics will be £4,525,800, and from all other duties, £4,589,200, bringing the total revenue up to £9,115,000. I honour those who are total abstainers, and who do not smoke, because they think it right to deny themselves those indulgences, but as Treasurer, I am in a position to assure them that, in addition to the other advantages which I understand they

claim their self-denial gives them, they are able to escape a large share of taxation, paying only about £1 a head, while about £3 a head is paid by those who use stimulants and narcotics. I wish now to say a word in regard to the total gains and losses of the Treasuries of the States, after deducting the cost of Federation, from the 1st July, 1901, to the 30th June, 1907, comparing the returns made to them by the Commonwealth with the revenue raised by them by means of Customs and Excise duties during 1900, which was before the inauguration of Federation. This information is detailed in the following table:—

STATEMENT OF GAINS (+) OR LOSSES (−) IN CUSTOMS AND EXCISE REVENUE SHOWING NET GAIN OR LOSS AFTER DEDUCTING COST OF FEDERATION. THE COMPARISON IS WITH THE REVENUE RAISED IN 1900.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.*	Tasmania.	Total.*	Special Western Australian Tariff.
	£	£	£	£	£	£	£	£
Net gain or loss:—								
1901-2	+927,698	−53,156	−300,286	+33,323	+175,238	−128,582	+654,235	+201,569†
1902-3	+1,578,830	+58,357	−842,071	+20,957	+200,265	−142,967	+1,373,371	+233,467
1903-4	+1,276,962	−40,450	−490,056	+17,625	+90,444	−167,967	+666,508	+196,936
1904-5	+1,079,048	+6,172	−521,431	−3,291	+56,706	−179,373	+432,831	+142,540
1905-6	+1,260,821	+41,570	−444,548	+1,544	−23,501	−185,497	+650,299	+77,666
Estimate 1906-7	+1,351,829	+6,938	−504,816	−10,821	−30,900	−193,726	+618,424	+15,000
Total gain or loss in six years	+7,475,183	+19,431	−2,608,208	+59,337	+468,122	−908,112	+4,415,758	+867,187

* Does not include receipts under the Special Western Australian Tariff.

† From 9th October, 1901, only.

It will be noticed that the Treasuries of New South Wales and Western Australia have been great gainers, whilst the Treasuries of Queensland and Tasmania have been great losers. This return is, of course, approximate, because there has

been great losers. This return is, of course, approximate, because there has

been an increase of population in some of the States, especially in Western Australia, and this fact, combined with others, may, to some extent, influence the present condition of affairs. I now come to a very important matter. It affords me great pleasure to announce that the Government propose to recommend Parliament to establish penny post throughout the Commonwealth and the Empire on the 1st October next. We propose to also extend penny postage to all foreign countries that will agree to deliver our letters. My honorable colleague, the Postmaster-General, recommended that the time had arrived when this benefit should be accorded to the people, and I am very glad to say that the Government approved of it. As Treasurer, I have satisfied myself that funds are available, and I hope that the amendment of the law necessary to insure the establishment of penny post will be unanimously agreed to by Parliament at the earliest possible moment. My estimate of the post and telegraphic revenue for the current year would have been £2,970,000, but, owing to provision having to be made for penny post, I have reduced my figures by £157,000, viz., to £2,813,000. My estimate of the loss covers only nine months, because one-fourth of the year will have passed before the reduced postage comes into operation. If the loss extended over the whole year it would, according to my estimate, amount to £209,000. I may say that my estimate is not so sanguine as that of the Postmaster-General, who will, in a day or two, submit his proposals. The estimated loss of £157,000 for the nine months will be distributed among the States as follows:—New South Wales, £58,000; Victoria, £14,000—Victoria has for some time past adopted the penny postage; Queensland, £29,000; South Australia, £23,000; Western Australia, £19,000; and Tasmania, £14,000. It is encouraging to know that penny post has been successful in all British countries in which it has been tried. I have not recent statistics relating to New Zealand, but I believe that the system has proved very successful there. The penny post was established in Canada in 1800, and the Minister of Finance, Mr. Fielding, speaking on the 22nd May last, said:—

It is but a few years since Canada had 1½d. domestic letter rate and a 2½d. rate on letters to Great Britain, and even with these heavy postal rates the Post Office Department absorbed

Sir John Forrest.

all the revenue it could collect, and at the close of the year some £120,000 or £140,000 was usually required from the Public Treasury to make good the deficiency and keep the post-office running—we have no longer a 1½d. rate—Canada has penny post within her own borders and penny post with the mother country. The Post Office Department no longer absorbs all its own revenue, no longer calls for £120,000 or £140,000 from the Treasury. After affording the people a very liberal postal service, after giving reduced rates, after establishing the blessing—for it is not too much to speak of it so—of penny post, the Postmaster-General comes, at the close of the year, asking nothing from the Public Treasury, but tenders the splendid sum of £180,000 to assist the other public services of the country.

It was not possible that the different rates of postage existing in the various States could for long continue. It is absolutely inconsistent with the principles underlying Federation that the people of one State should enjoy privileges at the hands of the Government which those of other States are denied, or that the people of the cities and towns should be charged one-half the rate charged to the people in the country. Almost since the establishment of the Commonwealth the people of Victoria have had the benefit of penny postage within their borders, and I believe the people of Victoria would not think very highly of the present Government if we declared that we intended to level up instead of levelling down in regard to their rate of postage. What would they say if we recommended to equalize the postage rate all over Australia, but, instead of making it a penny, we proposed to make it twopence? I am inclined to think that there would be a howl of opposition from one end of this State to the other. Honorable members will be afforded an opportunity to discuss the details of our proposal within a day or two. The Postmaster-General has looked into the matter most carefully, and when he introduces the Bill—which he probably will do at once—to authorize the adoption of the penny postage system, he will be prepared to give honorable members full information in regard to the matters to which I have referred. I need scarcely point out that we already enjoy uniform duties of Customs and Excise. We enjoy uniform telegraph rates—except in the case of Tasmania—and we now propose a uniform system of penny postage, not only throughout the Commonwealth, but throughout the Empire, and throughout foreign countries which are willing to deliver Australian letters. Upon

this occasion I do not propose to say more than to express my satisfaction that this great advantage is to be conferred upon everybody in Australia and throughout the Empire. I have no doubt whatever that it will become an accomplished fact, because I believe that honorable members will be only too glad to vote for the adoption of our proposal. I most heartily congratulate my honorable friend and colleague, the Postmaster-General, upon the fact that it is to be accomplished during his term of office, and upon his recommendation. The fact that he has made such a proposal shows that, after travelling in other parts of the world and rubbing shoulders with men charged with responsibility, he has returned to us more convinced than ever of the need for this advance in postal facilities for the people. I can assure the representatives of Tasmania that I have always advocated that we should do all within our power to give consideration to that State. I recognise that, as one of the smaller States, its Treasury has laboured under difficulties as the result of Federation; and that the revenue it has received since the establishment of the Commonwealth is £998,112 below that which it would have received—on the basis of its returns for 1900—under its own Tariff. In these circumstances, I have pleasure in intimating that the Government have decided to reduce the rate in respect of telegrams to Tasmania from 1s. 8d. to 1s. per message of sixteen words. In order that this may be done, provision is made on the Estimates for a payment, at the rate of £5,600 a year, to the cable company. We guarantee the cable company £5,600 a year, but no payment has been made under that guarantee since the extra charge of $\frac{1}{2}$ d. per word has hitherto been imposed. This additional $\frac{1}{2}$ d. per word—as compared with the rate prevailing in other parts of the Commonwealth—has returned more than the guaranteed amount of £5,600. Under our present proposal, the people of Tasmania will secure that to which they are entitled. They should have the same concessions, rights and privileges as are given the people in other parts of the Commonwealth with regard, not only to postal and telegraphic communication, but to every other Federal service. I do not think it was ever intended to differentiate between the States in regard to telegraphic communication. It is an anomaly that one should be able to send a telegraphic message of sixteen words from Thursday

Island, *via* Melbourne, Adelaide, and Perth, to Wyndham, Western Australia, a distance of 7,000 or 8,000 miles for 1s., when a message of the same number of words cannot be sent from here to Tasmania for less than 1s. 8d., owing to the fact that a stretch of 150 miles of sea separates that State from the mainland. I am very glad indeed that this anomaly is to be removed, and that the people of Tasmania will thus be benefited. There will, I believe, be but little loss of revenue consequent upon this change, because the increased traffic as the result of the reduced rate will be sufficient in a year or two to recoup it. I am also glad to say that on these Estimates the Government propose to deal with the increased subsidy of £7,000 for the mail service between Melbourne and Launceston, in the same way that we have dealt with other ocean mail services, and that is, to charge the amount *per capita* amongst the States. Prior to Federation New South Wales had a mail service from Sydney to some of the Pacific islands, and under that contract it paid a few thousand pounds a year. After Federation the contract was renewed with other conditions, and the extra amount paid was considered as “other” expenditure, and charged *per capita* amongst the States. That is exactly analogous to the case of Tasmania. Prior to Federation, that State had a service for which it paid £6,000 a year. Since Federation a contract has been made for £13,000 a year, and, as in the case of New South Wales, we intend to charge the difference of £7,000 as “other” expenditure *per capita*. For the future Tasmania will only pay her share *per capita* of the additional cost of £7,000, and this will also obviate the necessity of making any mileage payment to the Orient Steam Navigation Company, as was done last year. The estimated revenue, as before stated, from the Post and Telegraph Department for 1906-7 is £2,813,000. If it had not been for the introduction of penny postage, it would have been £2,970,000. The revenue is estimated to be obtained in the following manner:—From telegraphs, £587,000; telephones, £382,000; postage, £1,687,000; and miscellaneous items, £157,000. If the provision had not been made for a penny post the estimated revenue for the Department would have shown an increase of £145,818 instead of a decrease of £11,182. After making an allowance of

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£157,000 for the loss of revenue in connexion with penny post, it is estimated that the postal revenue for 1906-7 will be contributed by the States as follows:—New South Wales, £1,075,000; Victoria, £751,000; Queensland, £347,000; South Australia, £284,000; Western Australia, £245,000; Tasmania, £111,000; total, £2,813,000. These amounts show an increase on the revenue received for 1905-6 for New South Wales of £9,382, and

Victoria an increase of £15,507, but decreases for Queensland £12,755; South Australia, £7,927; Western Australia, £7,665, and Tasmania, £7,724. Taking the estimated receipts together for the year, the revenue from the Department will be £11,182 less than it was last year. The following tables show particulars of the total revenue received from all sources for 1905-6 and 1906-7, together with a comparison of estimated and net receipts:—

TOTAL REVENUE OF THE COMMONWEALTH.

	New South Wales.	Victoria.	Queensland	South Australia.	Western Australia.	Western Australia (Special).	Tasmania.	Total.
CUSTOMS AND EXCISE.	£	£	£	£	£	£	£	£
Estimate, 1905-6 ..	3,037,000	2,439,500	1,100,900	663,300	1,031,900	78,000	332,400	8,683,000
Actual, 1905-6 ..	3,233,922	*2,537,070	*1,183,245	688,040	953,147	77,666	326,395	*8,999,485
Comparison ..	+ 196,922	+ 97,570	+ 82,345	+ 24,740	- 78,753	- 334	- 6,005	+ 316,485
Estimate, 1906-7 ..	3,404,000	2,564,000	1,150,000	695,000	960,000	15,000	327,000	9,115,000
Estimate, 1906-7, compared with Actual, 1905-6 ..	+ 170,078	+ 26,930	- 33,245	+ 6,960	+ 6,853	- 62,666	+ 605	+ 115,515
POST OFFICE.								
Estimate, 1905-6 ..	1,014,000	696,000	336,000	276,000	247,000	..	113,000	2,682,000
Actual, 1905-6 ..	1,065,618	735,493	359,755	291,927	252,665	..	118,724	†2,824,182
Comparison ..	+ 51,618	+ 39,493	+ 23,755	+ 15,927	+ 5,665	..	+ 5,724	+ 142,182
Estimate, 1906-7 ..	1,075,000	751,000	347,000	284,000	245,000	..	111,000	‡2,813,000
Estimate, 1906-7, compared with Actual, 1905-6 ..	+ 9,382	+ 15,507	- 12,755	- 7,927	- 7,665	..	- 7,724	- 11,182
TOTAL REVENUE, including also Defence, Patents, Trade Marks, New Revenue, &c.—								
Estimate, 1905-6 ..	4,058,064	3,142,294	1,440,031	941,228	1,280,727	78,000	447,261	11,387,605
Actual, 1905-6 ..	4,313,779	3,292,202	1,550,025	987,620	1,209,212	77,666	448,839	11,879,343
Comparison ..	+ 255,715	+ 149,908	+ 109,994	+ 46,392	- 71,515	- 334	+ 1,578	+ 491,738
Estimate, 1906-7 ..	4,493,409	3,327,256	1,502,525	982,473	1,208,082	15,000	440,755	11,969,500
Estimate, 1906-7, compared with Actual, 1905-6 ..	+ 179,630	+ 35,054	- 47,500	- 5,147	- 1,130	- 62,666	- 8,084	+ 90,157

* Includes amount transferred from Trust Fund, being Excise Duty on Sugar collected in previous years—Victoria, £11,588; Queensland, £20,100.

† Includes £28,350 Receipts for conducting Savings Bank business from various dates.

‡ Includes £29,600 estimated Receipts for conducting Savings Bank business from various dates.

REVENUE UNDER GENERAL HEADS, 1905-6 AND 1906-7.
Commonwealth of Australia.

				Customs and Excise.		Post Office, Tele- graph, and Telephone.		Defence.		Patents.		Trade Marks and Copyright.	
				1905-6.	1906-7.	1905-6.	1906-7.	1905-6.	1906-7.	1905-6.	1906-7.	1905-6.	1906-7.
				£	£	£	£	£	£	£	£	£	£
Total				8,999,485	9,115,000	2,824,182	2,813,000	8,336	6,000	23,936	22,500	..	4,000
				+115,515		—11,182		—2,336		—1,436		+4,000	

				New Revenue.		Mis- cellaneous Receipts.		Refund on Advances made in previous years.		Total.	
				1905-6.	1906-7.	1905-6.	1906-7.	1905-6.	1906-7.	1905-6.	1906-7.
				£	£	£	£	£	£	£	
Total				9,885	7,000	2,519	2,000	11,000	..	11,879,343	11,969,500
				—2,885		—519		—11,000		+90,157	

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COMPARISON OF NET RECEIPTS, 1900-1, 1901-2, 1902-3, 1903-4, 1904-5, 1905-6, AND (ESTIMATED) 1906-7

NOTES.—The Customs receipts in 1900-1 and 1901-2 were largely affected by loading up in anticipation of the Federal Tariff. In later years the fluctuations in Grain and Sugar duties were considerable. The figures of 1903-4, 1904-5, and 1905-6, under Post Office, include considerable amounts for conducting Savings Bank business.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total Commonwealth.	Western Australian Special Tariff.
TOTAL—	£	£	£	£	£	£	£	£
1900-1	2,794,430	3,126,008	1,800,296	966,900	1,202,342	573,575	10,472,551	
1901-2	3,694,266	2,976,500	1,611,502	978,098	1,359,969	475,081	11,095,416	201,569†
1902-3	4,391,020	3,127,120	1,563,791	946,707	1,388,495	455,337	11,872,470	233,467
1903-4	4,176,390	3,098,813	1,458,751	959,277	1,293,475	447,356	11,434,062	196,936
1904-5	4,021,310	3,181,697	1,430,755	953,608	1,289,075	446,40	11,323,049‡	142,549
1905-6	4,313,779	3,292,202	1,550,025	987,620	1,209,212	443,839	11,801,677‡	77,666
1906-7	4,493,409	3,327,256	1,502,525	982,473	1,208,082	440,755	11,954,500	15,000
1901-2 compared with 1900-1	+ 899,836	- 149,508	- 197,794	+ 11,198	+ 157,627	- 98,494	+ 622,865	+ 201,569†
1902-3 compared with 1901-2	+ 696,754	+ 150,620	- 47,711	- 31,391	+ 28,526	- 19,744	+ 777,054	+ 31,898
1903-4 compared with 1902-3	- 214,630	- 28,307	- 105,040	+ 12,570	- 95,020	- 7,981	- 438,408	- 36,531
1904-5 compared with 1903-4	- 153,080	+ 83,084	- 27,998	- 5,669	- 4,400	- 952	- 111,013	- 54,387
1905-6 compared with 1904-5	+ 292,469	+ 110,305	+ 119,270	+ 34,012	- 79,863	+ 2,435	+ 478,629	- 64,883
1906-7 compared with 1905-6	+ 179,630	+ 35,054	- 47,500	- 5,147	- 1,180	- 8,084	+ 1,282,323	- 62,666

† From 9th October, 1901, only.

‡ Includes £50,000 Sugar Excise Duty transferred from Trust Fund, to which credited in previous years.

§ Includes Sugar Excise Duty transferred from Trust Fund to which credited in previous years—Victoria, £11,588; Queensland, £20,100.

PERCENTAGE OF THE TOTAL RECEIPTS FROM CUSTOMS AND EXCISE COMPARED WITH PERCENTAGES OF THE TOTAL POPULATION.

	New South Wales.	Victoria.	Queensland	South Australia.	Western Australia.	Tasmania.	Total.*
Receipts, 1905-6	36.25	23.44	13.26	7.71	10.68	3.66	100
Population†‡	36.81	30.07	13.08	9.33	6.29	4.47	100
Receipts (Estimate), 1906-7	37.41	28.17	12.64	7.64	10.55	3.59	100
Population§§	37.05	29.85	12.98	9.30	6.43	4.39	100

* Does not include Receipts under the Special Western Australian Tariff.

†† Population as at 31st December, 1905.

§§ Population as at 31st December, 1906 (estimated).

CUSTOMS AND EXCISE REVENUE.

	New South Wales.	Victoria.	Queensland	South Australia.	Western Australia (Uniform Tariff.)	Tasmania.	Total.	Western Australian (Special Tariff.)
	£	£	£	£	£	£	£	£
Total Customs and Excise 1902-3	3,478,742	2,499,014	1,260,934	689,756	1,162,535	360,607	9,451,588	233,467
1903-4	3,229,786	2,443,505	1,131,761	699,792	1,061,789	342,189	8,908,822	196,936
1904-5	3,033,617	2,488,842*	1,095,476*	678,880	1,029,515	330,651	8,656,981*	142,549
1905-6	3,233,922	2,537,070*	1,183,245*	688,040	958,147	326,395	8,921,819*†	77,666
1906-7	3,404,000	2,564,000	1,150,000	695,000	960,000	327,000	9,100,000*†	15,000

* 1904-5 includes £50,000 collected in Victoria in previous years and held temporarily in Trust Fund.

1905-6 includes £31,688 collected in previous years and held temporarily in Trust Fund, viz: Victoria, £11,588 and Queensland, £20,100.

1902-3 Total Receipts in Commonwealth include £780,968, Sugar Duties, and £597,719, Grain Duties; total, £1,378,687.

1903-4 " " " " £772,879, " " £265,219, " " £1,038,098.

1904-5 " " " " £696,011, " " £29,022, " " £725,033.

1905-6 " " " " £685,762, " " £31,772, " " £697,534.

1906-7 " " " " £628,000, " " £29,000, " " £657,000.

COMPARISONS.

Total 1905-6 compared with 1904-5	+ 200,305	+ 86,640**	+ 67,669**	+ 9,160	- 76,368	- 4,256	+ 283,150**	- 64,883
Total Estimate 1906-7 compared with 1905-6	+ 170,078	+ 38,518**	- 13,145**	+ 6,960	+ 6,853	+ 605	+ 209,869**	- 62,666

** After crediting Sugar Duty temporarily held in Trust Fund to the years in which collected.

† Total 1905-6	£8,921,819
Deduct Sugar Duty Collected in previous years	£31,688
Deduct also loss of duty on smoking opium	42,000
	73,683

Total Estimate 1906-7 9,100,000

Increase in 1906-7 £261,869

I now come to the Estimates of Expenditure for the present year. Last year the total expenditure was £4,494,841, being £111,432 less than the Estimate. The amount which the Commonwealth had a legal right to spend, under the Constitution, was £5,324,766, whilst the amount actually expended was £4,494,841. Consequently, we returned to the States £829,925 more than was constitutionally obligatory. In other words, if we had spent that sum of £829,925, which we had a right to do under the Constitution, the States would have received that much less from the Commonwealth. I only mention this to show that the facts do not bear out those charges of recklessness and carelessness which are often levelled against this Parliament by ill-informed people who criticise us. If this House wanted to get kudos for itself by spending as much as it could on necessary works throughout the different States, thereby gaining to some extent the approbation of the people, we could have spent very much more than we did. But, instead of so doing, we have handed over to the States an immense sum during the past 6½ years, allowing the States Governments to spend the money, and thereby to gain any kudos that might be attached to the expenditure.

Mr. JOSEPH COOK.—We could not help ourselves.

Sir JOHN FORREST.—I beg the honorable member's pardon; we could easily have spent the money ourselves. But last year we were able, by economy and carefulness in our management, to return to the States £829,925 more than it was obligatory upon us to return. Therefore, I say again, the facts do not bear out the criticism often directed against this Parliament. The facts show that this House has always been most economical, and that it has at all times given full consideration to the interests of the States. I may, however, say that the time is fast approaching when new obligations entailed upon the Commonwealth will make it impossible to return to the States more than the three-fourths of the Customs and Excise revenue to which they are entitled under section 87 of the Constitution. The estimates of expenditure for 1905-6 were very closely adhered to, but there were underdrafts on various items, none of which were very large, amounting to £161,379; and there were overdrafts, amounting to £49,947.

The principal underdrafts were:—

Pensions	...	...	£8,071
Statistics	...	...	5,274
Repairs, &c.	...	...	10,736
Electoral	...	...	4,744
Customs Department	...	...	2,396
Defence Department	...	...	23,431
New Works	...	...	97,191
Difference between sundry overdrafts and underdrafts	...	...	9,536

£161,379

The principal overdrafts were:—

Printer	...	...	£2,592
Governor - General's travelling	...	...	7,107
Commissions	...	...	7,868
Departmental Printing	...	...	3,843
Sugar Bounties	...	...	2,106
High Court	...	...	1,431
Queen Victoria Memorial	...	...	25,000
			£49,947

Expended less than Estimate,

1905-6 111,432

Deducting the overdrafts from the underdrafts, the result shows that £111,432 less than was estimated was spent during 1905-6. Coming now to the present year, 1906-7, it is estimated that the expenditure will be £5,020,215 being an increase over the actual expenditure of last year of £525,374.

Mr. JOSEPH COOK.—We have to pay for things!

Sir JOHN FORREST.—Of course, we do not get anything without paying for it; but I may tell honorable members that, while we are paying for new services, we are well within our constitutional rights. I do not propose to deal with the expenditure in detail. I may mention that the estimated expenditure on the Department of Trade and Customs—the cost of collection, in fact—is £264,258, an increase of £4,208 on the expenditure on the same service last year, which was £260,050; on defence, £854,705, an increase over last year, which was £777,714, of £76,991, and on the Post Office, £2,704,105; an increase over last year, which was £2,629,702, of £74,403. The foregoing figures relate to transferred expenditure only. "Other" expenditure—that is, in contradistinction to transferred expenditure, is estimated at £718,923, an increase over last year, which was £508,867, of £210,056, while on new works, &c., for transferred departments, the estimated expenditure is £478,224, an increase over last year, which was £318,488, of £159,736. Less a miscellaneous item of £20. These figures show, as I said before, an estimated in-

crease this year over the expenditure of last year of £525,374.

Mr. WATSON.—Will the right honorable member say how much these estimates are an increase on last year's estimate?

Sir JOHN FORREST.—The estimated expenditure for 1905-6 was £4,606,273, and the actual expenditure was £111,432 less. The estimated expenditure for 1906-7 is £413,942 more than the estimate for 1905-6. The Commonwealth, under the Constitution, has available for expenditure this year the sum of £5,331,443, and it is proposed to expend £5,020,215; so that if we receive the estimated revenue, and expend the sum I have just mentioned, we shall, during 1906-7, expend £311,228 less than might be legally expended under the Constitution.

Mr. MCCAY.—And the estimated expenditure this year is half-a-million ahead of the expenditure of last year!

Sir JOHN FORREST.—Yes. The estimated expenditure for 1906-7 is £5,020,215, and the actual expenditure for 1905-6 was £4,494,841. We propose, therefore, to return to the States this year the sum of £311,228 out of the Commonwealth one-fourth of net Customs and Excise revenue. I shall inform honorable members how we arrive at the amount which the Commonwealth is entitled to expend. A quarter of the estimated net Customs and Excise revenue is £2,212,685. The revenue from Customs and Excise used for maintenance of the Customs Department is £264,258; the Post Office revenue is £2,813,000; Patents revenue, £22,500; and miscellaneous revenue, £19,000; making the total amount available for Commonwealth expenditure £5,331,443. If we deduct from that the estimated expenditure of £5,020,215, we arrive at £311,228 as the estimated amount

to be returned to the States in excess of our obligation. The principal increases in the present Estimates are sugar bounties, £130,394; repatriation of kanakas, £25,000; repairs and maintenance of buildings, £21,817; advertising the Commonwealth, £5,000; statistics, £7,453; elections and other electoral matters, £55,900; Defence, £72,451; Post Office, including £5,600 for the Tasmanian Cable Company, £68,714; new works and special defence material, £160,004; and Pensions, £8,813, making the total increases £555,546. The decreases are for the Queen's Memorial, £25,000, and other net decreases, £5,172, making a total of £30,172, leaving the total estimated increase over the actual expenditure of last year, £525,374. Included amongst the items of expenditure are £58,803 of re-votes under the Home Affairs Department, and £34,302 under the control of the Post Office. These re-votes are necessitated because the money was not expended last year, but every effort will be made to avoid a similar occurrence in the future. Provision has been made, amongst other things, for the following expenditure:—£8,000 for the purchase of a trawler; £10,000 for wireless telegraphy; £40,000 for underground telephone wires in cities; and £37,000 for the telephone line from Melbourne to Sydney.

Mr. WATSON.—Is that a re-vote?

Mr. GLYNN.—The purchase of the trawler is in accordance with the motion of the honorable member for Barrier.

Sir JOHN FORREST.—The £37,000 for the telephone from Melbourne to Sydney is a re-vote to the extent of £30,000. The following tables illustrate my remarks concerning the estimated and actual expenditure for 1905-6, and the proposed expenditure for 1906-7:—

EXPENDITURE.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total Commonwealth.
	£	£	£	£	£	£	£
Budget Estimate, 1905-6 ..	1,590,626	1,227,114	706,137	450,607	430,435	201,354	4,606,273
Actual, 1905-6 ..	1,571,774	1,107,935	691,520	425,868	414,562	193,182	4,494,841
Expenditure below Estimate ..	18,852	29,179	14,617	24,739	15,873	8,172	111,432
Estimate, 1906-7 ..	1,755,398	1,352,318	761,230	477,441	456,300	217,528	5,020,215
Increase on Expenditure of 1905-6	183,624	154,383	69,710	51,573	41,738	24,346	525,374

EXPENDITURE UNDER GENERAL HEADS, 1905-6, AND (ESTIMATE), 1906-7.

		" Transferred " Expenditure.							
		Customs.		Defence.		Post Office.		Miscellaneous.	
		1905-6.	1906-7.	1905-6.	1906-7.	1905-6.	1906-7.	1905-6.	1906-7.
		£	£	£	£	£	£	£	£
Total	Ordinary Expenditure	260,050	264,258	777,714	854,705	2,629,702	2,704,105	20	..
	New Works, Rifles, &c., for Transferred Departments	1,814	10,770	171,572	182,177	145,102	281,277	..	4,000
		" Other " Expenditure.				Total.			
		1905-6.		1906-7.		1905-6.		1906-7.	
		£	£	£	£	£	£	£	£
Total	Ordinary Expenditure ..	508,867	718,923	4,176,353	4,541,991				
	New Works, Rifles, &c., for Transferred Departments	..	..	318,488*	478,224*				
		1905-6.		1906-7.					
*Total New Works, &c., as above ..		£318,488		£478,224					
Machinery, &c., Printing Office ..		1,232		1,500					
Total New Works, &c. ..		£319,720		£479,724					

ADDITIONS, NEW WORKS AND BUILDINGS.

(Including Expenditure under Special Vote for Defence Equipment.)

	1906-7.			1905-6.			Increase on Expenditure, 1905-6.	Decrease on Expenditure, 1905-6.
	" Other."		Total.	Appropriation.	Expenditure.	Unexpended.		
	Revote.	New Service.						
	£	£	£	£	£	£	£	£
Under Control of Department of Home Affairs—								
Home Affairs	..	4,000	4,000	..	..	..	4,000	..
Trade and Customs	120	10,650	10,770	2,164	1,814	350	8,956	..
Defence	22,530	36,647	59,177	66,516	33,679	32,837	25,498	..
Post and Telegraph	36,153	35,402	71,555	79,581	32,966	46,615	38,589	..
Total	58,803	86,699	145,502	148,261	68,459	79,802	77,043	..
Less amount which it is anticipated may not be expended during year	145,502	15,000	15,000	20,000	..	20,000	15,000	..
Under Control of Postmaster-General's Department—								
Telegraphs and Telephones £237,722			130,502	128,261	68,459	59,802	62,043	..
Less amount which it is anticipated may not be expended during year .. 20,000								
Under Control of Department of the Treasury—								
Machinery Plant, &c., for Printing Office		1,500	1,500	1,500	1,232	268	268	..
Under Control of Department of Defence—								
Special Defence Material .. £169,156								
Less amount which it is anticipated may not be expended during year .. 39,156								
		130,000	130,000	138,000	137,893	107	..	7,893
Total		479,724	479,724	416,911	319,720	97,191	160,004	..

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COMPARISON OF EXPENDITURE, 1901-2, 1902-3, 1903-4, 1904-5, 1905-6, and (Estimate) 1906-7.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Total "Transferred" Expenditure—							
1901-2	1,159,616	930,747	606,353	313,949	326,324	135,477	3,474,466
1902-3	1,228,798	920,657	611,143	337,597	347,514	140,098	3,585,807
1903-4	1,318,052	956,545	595,758	361,414	397,936	163,243	3,792,948
1904-5	1,201,403	924,622	571,211	327,644	352,140	149,432	3,526,452
1905-6	1,267,216	949,150	583,713	348,652	362,547	156,208	3,667,486
1906-7	1,311,807	995,006	605,818	366,177	379,311	164,949	3,823,068
"Other" Expenditure, viz:—							
Not including New Works, Rifles, &c., for "Transferred" Departments—							
1901-2	93,119	81,726	34,195	24,676	13,243	11,793	258,752
1902-3	114,131	98,172	41,519	29,795	17,524	14,423	315,564
1903-4	167,043	141,470	60,331	43,163	26,559	21,005	459,571
1904-5	169,085	140,432	60,527	43,243	28,112	20,910	462,309
1905-6	187,320	153,015	66,307	47,492	31,992	22,741	508,867
1906-7	266,390	214,577	93,330	66,817	46,234	31,575	718,923
New Works, Rifles, &c., for "Transferred" Departments—							
1901-2	*	*	*	*	*	*	*
1902-3	*	*	*	*	*	*	*
1903-4	*	*	*	*	*	*	*
1904-5	122,183	101,478	43,736	31,248	20,313	15,110	334,068
1905-6	117,238	95,770	41,500	29,724	20,023	14,233	318,486
1906-7	177,201	142,735	62,082	44,447	30,755	21,004	478,224
Total Expenditure—							
1901-2	1,252,735	1,012,473	642,548	338,625	339,567	147,270	3,733,218
1902-3	1,342,929	1,018,829	652,662	367,392	365,038	154,521	3,901,371
1903-4	1,485,095	1,098,015	656,089	404,577	424,495	184,248	4,252,519
1904-5	1,492,671	1,166,532	675,474	402,135	400,565	185,452	4,322,829
1905-6	1,571,774	1,197,935	691,520	425,868	414,562	193,182	4,494,841
1906-7	1,755,398	1,352,318	761,230	477,441	456,300	217,528	5,020,216

* Charged as "Transferred."

I now come to deal with some questions affecting our expenditure on Defence. The total expenditure on Defence last year was—Naval Agreement, £200,000. Chief Administration, repairs, works, and buildings, and everything, except new works, £798,431, or £25,584 less than the estimate, which was £824,015. The estimate for 1906-7, including £200,000 under the Naval Agreement, is £876,078. The Government intend to continue and extend the practice of sending officers abroad for instruction. The policy of training cadets for naval and military service is to be energetically carried out. There is provision on the Estimates for 20,000 junior and 3,000 senior cadets. The Education Departments of the various States are co-operating willingly and successfully, and the whole of the Cadet Forces of the Commonwealth are now under the Defence Department. £1,000 has been provided on the Estimates

to meet the initial expense of forming a corps of guides composed of surveyors and other persons in the various States possessed of local knowledge. The Department is also providing for more rifles. There is an amount of £50,000 on the Estimates for the purchase of 10,000 additional rifles of the most modern service pattern. The rifle clubs are progressing satisfactorily, and on the 1st July, 1906, they included a total of 37,082 members, an increase of 7,000 over last year. Provision is also made on the Estimates for 5,300 cadet rifles which, with those in stock and on order, will make the number 16,100. An increased reserve of rifle ammunition is also provided for, while accoutrements and equipments are gradually being obtained in order to bring them up to emergency requirements. I am glad to be able to inform honorable members that Fremantle will shortly cease to be an undefended port, one fort there being about

finished, while a second is in progress. The Government have decided to give £1 for £1, to an amount not exceeding £1,000, towards sending a rifle team to Bisley.

Mr. McCAY.—There is a little for everyone in this Budget.

Mr. ROBINSON.—It is a good election Budget

Sir JOHN FORREST.—The works for which the money is proposed to be appropriated are all necessary. I come now to an important matter, in which I, and honorable members generally, take a great interest—the Naval Agreement. Our contribution under that agreement is £200,000, while New Zealand contributes another £40,000, so that Australasia pays in all £240,000 to the Admiralty towards Naval defence. It was understood, when the agreement was made, that the Imperial Government would provide as much again; but we have been informed by His Excellency the Admiral that the Admiralty expends on the Australasian Squadron between £650,000 and £700,000 a year, which includes 5 per cent. on prime cost, while considerably more is expended on the Australian station than the Commonwealth contributes. Of the ships on the station, the *Challenger* and three drill ships carry 461 Imperial men, that is, men brought from England, and 518 Australians and New Zealanders; while, on the 30th June, 1906, there were in the Australian Naval Reserve seven officers and 316 men, or 323 altogether. The squadron consists at the present time of one first-class cruiser, three second class cruisers, and five third class cruisers, one sloop, and one surveying vessel. The first and second class cruisers, and two of the third class cruisers, are in full commission, the remaining three third class cruisers being used as drill ships. It is gratifying to know that His Excellency the Admiral has advised the Government that he has received very favorable reports from his officers as to the intelligence and good behaviour of the men. The enrolment of Australians and New Zealanders began on the 1st May, 1904—only two years ago—and I think that I am justified in saying that our expectations as to the adequate manning of the squadron by Australians and New Zealanders will be fully realized. I have been informed that there are difficulties in the way of training men here for the higher ratings, because there are not in existence in Australia the technical schools necessary

to impart the required knowledge; but these difficulties are likely to be overcome by sending men to England for instruction in the same way as officers are being sent. Those who desire to remain in the Naval service will have an opportunity to qualify themselves for the higher ratings by proceeding to England and there undergoing a course of instruction in the same way as is provided for the officers of our Military Forces who are sent Home every year. In order to make the agreement more workable, we require to have more Australians and New Zealanders employed on the station, and it is also desirable that we should have more Australian officers on the ships. I have no doubt that these improvements will be brought about in due time. The difficulties that had to be surmounted in the beginning are gradually being removed as we gain experience, and I have no doubt that during the next two years relatively much greater progress will be made than hitherto. It must be gratifying to honorable members to know that so many men of good character are willing to enter the Navy. At the time that the agreement was under consideration, it was feared by some that Australians would not accept service in the Navy, but that statement has been controverted by the fact that already 518 Australians and New Zealanders have been enlisted, and are now doing duty on H.M.S. *Challenger* and the three drill ships. The Government have had under consideration the recommendations of the Imperial Defence Committee as to the best means of protecting Australia from invasion or aggression. The report deals with our land forces, and also with our harbor and coastal naval defence. I regret to say that the document is confidential, but the Government hope to be in a position to communicate its contents to the House very shortly. They have taken steps in the direction of obtaining the necessary authorization. In the meantime, the matter is being carefully considered by the Naval and Military authorities. It is often said that Federation costs an enormous amount, and in conformity with the practice that has been established, I desire to give honorable members some information. It will be remembered that at the Adelaide Conference it was stated that the extra cost of Federation would amount to £300,000 per annum. Last year the "other" expenditure, as distinguished

from transferred expenditure, amounted to £827,355. If we deduct from that amount the provision made for new works in the transferred Departments £318,488, New Guinea £20,000, sugar bounty and expenses £154,706, and the Queen Victoria Memorial £25,000, we arrive at a net amount of £309,161, equal to rs. 6d. per head of the population. For the current year, 1906-7, it is estimated that the other expenditure will amount

to £1,197,147. If we deduct from this amount the provision made for new works, transferred Departments £478,224, New Guinea £20,000, sugar bounty £284,428, kanakas £25,000, cable, Tasmania £5,600, and mails, Tasmania £7,000, we reach a net amount of £376,895, equal to rs. 10d. per head of the population. The following tables show the proportion in which the "other" expenditure has been debited to the States:—

"OTHER" (NEW) EXPENDITURE.

	Caused by Federation.					
	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	Estimated, 1906-7.
	£	£	£	£	£	£
New South Wales	73,883	82,526	124,458	114,523	113,806	139,654
Victoria	64,826	70,987	105,404	95,117	92,964	112,492
Queensland	27,128	30,023	44,949	40,996	40,285	48,929
South Australia	19,575	21,545	32,158	29,289	28,853	35,029
Western Australia	10,519	12,671	19,788	19,041	19,437	24,238
Tasmania	9,357	10,429	15,650	14,162	13,816	16,553
	205,288	228,181	342,407	313,128	309,161	376,895

	Not Caused by Federation.					
	Administration of New Guinea.					
	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	Estimated, 1906-7.
	£	£	£	£	£	£
New South Wales	7,196	7,234	7,269	7,682	7,362	7,411
Victoria	6,322	6,222	6,157	6,380	6,014	5,970
Queensland	2,644	2,631	2,626	2,750	2,606	2,596
South Australia	1,908	1,888	1,878	1,964	1,867	1,858
Western Australia	1,019	1,111	1,156	1,277	1,257	1,286
Tasmania	911	914	914	950	894	879
	20,000	20,000	20,000	21,003	20,000	20,000

	Not caused by Federation.					
	Sugar Rebates and Expenses in connexion therewith.					
	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	Estimated, 1906-7.
	£	£	£	£	£	£
New South Wales	21,999	35,273	40,880	56,949	105,392	9,264
Victoria	18,923	29,873	38,935	46,520	84,893	7,462
Queensland	8,003	12,740	16,781	20,158	36,924	3,245
South Australia	5,743	9,115	11,990	14,439	26,435	2,323
Western Australia	3,378	5,608	7,794	9,726	18,292	1,608
Tasmania	2,781	4,436	5,798	6,914	12,492	1,098
	60,827	97,045	128,178	154,706	284,428	25,000

-----	Not caused by Federation.							
	Conveyance of Mails between Victoria and Tasmania.	Loss on Abolition of Charges on Tasmanian Cables.	New Works, Rifles, &c., for " Transferred "					
	Estimated, 1906-7.	Estimated, 1906-7.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	Estimated, 1906-7.
	£	£	£	£	£	£	£	£
New South Wales	2,594	2,075	..	..	..	122,183	117,238	177,201
Victoria ..	2,089	1,671	..	..	..	101,478	95,770	142,735
Queensland ..	909	727	..	..	..	43,736	41,500	62,082
South Australia	651	521	..	..	..	31,248	29,724	44,447
Western Australia	450	360	..	..	..	20,313	20,023	30,755
Tasmania ..	307	246	..	..	..	15,110	14,233	21,004
	7,000	5,600	..	..	..	334,068	318,488	478,222

	Non-recurring.					
	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	Estimated, 1906-7.
	£	£	£	£	£	£
New South Wales' ..	12,040	2,372	43	..	9,203	..
Victoria ..	10,578	2,040	36	..	7,517	..
Queensland ..	4,423	862	16	..	3,258	..
South Australia ..	3,193	619	12	..	2,333	..
Western Australia ..	1,705	364	7	..	1,572	..
Tasmania ..	1,525	299	5	..	1,117	..
	33,464	6,556	119	..	25,000	..

	Total.					
	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	Estimated, 1906-7.
	£	£	£	£	£	£
New South Wales ..	93,119	114,131	167,043	291,268	304,558	443,591
Victoria ..	81,726	98,172	141,470	241,910	248,785	357,312
Queensland ..	34,195	41,519	60,331	104,263	107,807	155,412
South Australia ..	24,676	29,795	43,163	74,491	77,216	111,264
Western Australia ..	13,243	17,524	26,559	48,425	52,015	76,989
Tasmania ..	11,793	14,423	21,005	36,020	36,974	52,579
	258,752	315,564	459,571	796,377	827,355	1,197,147

* Charged in these years as transferred expenditure.

It is estimated that from the 1st January, 1901, to the 30th June, 1907, a period of six and a half years, the Commonwealth will have returned to the States, in addition to the three-fourths net Customs and Excise, the amount of £5,233,591. It was constitutionally competent for the Commonwealth to have spent the whole of this money. When Federation was established, it was never supposed that

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such a large amount over and above the three-fourths of the Customs and Excise revenue to which they were entitled would be returned to the States. It was generally felt that the Commonwealth would avail itself of the whole of the income at its command, but that has not been the case. Of the total referred to, New South Wales has received £2,203,393; Victoria, £1,409,705; South Australia, £450,115; Western Australia, £1,077,835; Tasmania, £133,628. I am sorry to say that Queensland received less than her three-fourths to the extent of £41,085. The three-fourths of the net Customs and Excise from the 1st January, 1901, to 30th June, 1907, is estimated to amount to £42,789,945. If to this sum we add the £5,233,591 returned to the States, in addition to the three-fourths of the net Customs and Excise revenue, we arrive at a total of £48,023,536 paid to the States in the six and a half years. The amounts returned to the

States are shown in the following table:—

Year.	Amount of three-fourths of Net Customs and Excise which has to be paid to States.	Amount actually paid on account of the year.	Excess of amount of three-fourths Net Customs and Excise.
	£	£	£
1901 (half-year)	3,021,857	3,599,702	577,845
1901-2 ...	6,475,495	7,364,236	888,741
1902-3 ...	7,059,329	8,204,563	1,145,234
1903-4 ...	6,633,147	7,378,479	745,332
1904-5 ...	6,407,483	7,142,769	735,286
1905-6 ...	6,554,577	7,384,502	829,925
1906-7 } Estimate }	6,638,057	6,949,285	311,228
	42,789,945	48,023,536	5,233,591

If we compare the amount to be paid to the States for 1906-7 with the amount actually paid for 1905-6, we find that the position works out as follows:—

	Actually paid 1905-6.	Estimated to be paid 1906-7.	More than 1905-6.	Less than 1905-6.
New South Wales	2,742,770	2,743,288	518	..
Victoria ..	2,097,119	1,965,653	..	131,466
Queensland ..	857,048	744,811	..	112,237
South Australia ..	559,411	503,526	..	55,885
Western Australia ..	872,992	770,356	..	102,636
Tasmania ...	256,391	223,727	..	32,664
	7,385,731	6,951,361	...	434,370

It is estimated that the States will in 1906-7 be paid £434,370 less than last year, but still £311,228 more than the three-fourths of net Customs and Excise revenue for 1906-7, which is estimated at £6,638,057, and £167,613 more than it

was estimated would be returned to the States last year, namely, £6,783,748. The total amount paid to the States for 1905-6 was £829,925 in excess of the three-fourths of net Customs and Excise revenue. The figures are as follow:—

	Three-fourths Net Customs and Excise, 1905-6.	Paid to States on account of 1906-6.*	Paid to States out of one-fourth which Commonwealth could expend.
	£	£	£
New South Wales	2,370,930	2,742,005	371,075
Victoria ...	1,852,889	2,094,267	241,378
Queensland	849,851	858,505	8,654
South Australia	496,032	561,752	65,720
Western Australia	747,105	872,316	125,211
Tasmania	237,770	255,657	17,887
	6,554,577	7,384,502	829,925

* Amount to be actually paid includes small unadjusted balance from previous year.

If the Sugar Bounty had been treated as a rebate for 1905-6, £111,080 would have been added, and the amount paid to States out of the Commonwealth one-fourth would

have been £941,005 in excess of three-fourths of the net Customs and Excise revenue. The following particulars relating to the finances of the Commonwealth will be of interest to honorable members:—

ESTIMATES OF REVENUE FOR THE YEAR ENDING 30TH JUNE, 1907.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
Total Estimated Commonwealth Revenue ..	£ 4,493,409	£ 3,327,256	£ 1,502,525	£ 982,473	£ 1,223,082	£ 440,755	£ 11,969,500
Total Estimated Expenditure	1,755,398	1,352,318	761,230	477,441	456,300	217,528	5,020,215
	2,738,011	1,974,938	741,295	505,032	766,782	223,227	6,949,285
Add or deduct balance brought forward from 1905-6	Cr. 5,277	Dr. 9,285	Cr. 3,516	Dr. 1,506	Cr. 3,574	Cr. 500	Cr. 2,076
Total Amounts estimated to be payable to State Treasurers in 1906-7 ..	2,743,288	1,965,653	744,811	503,526	770,356	223,727	6,951,361
Amounts actually paid to State Treasurers in 1905-6 ..	2,742,770	2,097,119	857,048	559,411	872,992	256,391	7,385,731
Ditto, 1904-5	2,529,070	2,017,377	752,532	555,692	1,027,898	259,099	7,141,668
Ditto, 1903-4	2,683,417	2,002,804	810,855	556,949	1,065,244	263,191	7,382,460
Ditto, 1902-3	3,053,133	2,105,450	905,235	578,929	1,255,732	301,978	8,200,457
Ditto, 1901-2	2,385,904	1,920,974	904,775	615,868	1,225,076	315,540	7,368,137

TABLES SHOWING THE EFFECT OF SECTION 87 OF THE CONSTITUTION (BRADDON CLAUSE), WHICH PROVIDES THAT THE COMMONWEALTH SHALL RETURN TO THE STATES THREE-FOURTHS OF THE NET CUSTOMS AND EXCISE REVENUE.

The Commonwealth paid to the States the following amounts in excess of the three-fourths:—

Year.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.†	Tasmania.	Total.†
	£	£	£	£	£	£	£
Half-year ended 30th June, 1901	145,070	184,195	70,525	76,449	87,904	13,702	577,845
1901-2	319,771	185,195	-20,188*	115,742	244,232	43,989	888,741
1902-3	491,859	282,608	15,077	81,360	235,977	38,344	1,145,234
1903-4	327,337	217,289	-2,455*	42,812	144,890	15,459	745,332
1904-5	306,166	197,665	-28,811*	63,397	177,628	19,241	735,286
1905-6	371,075	241,378	8,654	65,720	125,211	17,887	829,925
1906-7 (Estimated) ..	242,115	101,375	-83,887*	4,626	61,993	-14,994*	311,228
Total in six and a half years ending 30th June, 1907 ..	2,203,393	1,409,705	-41,085*	450,115	1,077,835	133,628	5,233,591

* Portion of the three-fourths not paid to State.

† Special Western Australia Tariff included.

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The following tables give further information relating to expenditure:—

STATEMENT COMPARING THE AMOUNTS PAID TO STATE TREASURERS WITH THE AMOUNTS WHICH WOULD HAVE BEEN PAID IF DISTRIBUTED ON THE BASIS OF POPULATION.

(Special Tariff of Western Australia is not included.)

—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total Commonwealth.
	£	£	£	£	£	£	£
1901-2.							
Gain (+) or Loss (-) to States if the actual distribution had been varied by charging New Works and Buildings on a population basis, as compared with the result if the whole surplus had been distributed on basis of population ..	+205,353	+325,388	+ 45,368	+ 72,193	- 656,888	+ 8,586	..
1902-3.							
Gain (+) or Loss (-) to States if the actual distribution had been varied by charging New Works and Buildings on a population basis, as compared with the result if the whole surplus had been distributed on basis of population ..	- 176,710	+391,303	+131,203	+171,018	- 582,820	+ 66,006	..
1903-4.							
Gain (+) or Loss (-) to States if the actual distribution had been varied by charging New Works and Buildings on a population basis, as compared with the result if the whole surplus had been distributed on basis of population ..	- 78,533	+233,866	+144,996	+114,240	- 478,575	+ 64,006	..
1904-5.*							
Gain (+) or Loss (-) to States if distribution had been made on basis of population ..	+ 30,788	+108,889	+163,828	+ 98,978	- 459,733	+ 57,450	..
1905-6.*							
Gain (+) or Loss (-) to States if distribution had been made on basis of population ..	- 52,591	+100,402	+ 95,215	+122,636	- 335,868	+ 70,206	..
1906-7* (ESTIMATE).							
Gain (+) or Loss (-) to States if distribution had been made on basis of population ..	- 173,089	+104,643	+155,668	+141,139	- 309,279	+ 80,918	..

* Since 1903-4 New Works, &c., have actually been charged on population basis.

STATEMENT COMPARING THE AMOUNTS PAID THE STATES TREASURERS WITH THE AMOUNTS WHICH WOULD HAVE BEEN PAID IF DISTRIBUTED ON THE BASIS OF POPULATION.

(Excluding Western Australia.)

	New South Wales.	Victoria.	Queensland.	South Australia.	Tasmania.	Total.
	£	£	£	£	£	£

1901-2.

Gain (+) or Loss (-) to the States if the actual surplus paid to the States (varied by charging New Works, &c., on population basis), had been distributed on population basis ..

	-43,685	+106,609	-46,123	+ 6,153	-22,954	..

NOTE.—The result would have been considerably different if the Uniform Tariff had been in operation for the whole year.

1902-3.

Gain (+) or Loss (-) to the States if the amounts actually paid to the States (varied by charging New Works, &c., on population basis) had been distributed on population basis ..

	-399,892	+199,323	+ 50,012	+112,753	+37,804	..

1903-4.

Gain (+) or Loss (-) to the States if the amounts actually paid to the States (varied by charging New Works, &c., on population basis) had been distributed on population basis ..

	-263,151	+ 77,506	+ 78,320	+66,537	+40,788	..

1904-5.*

Gain (+) or Loss (-) to States if distribution had been made on basis of population

	-148,241	- 39,999	+ 99,741	+ 53,190	+35,309	..

1905-6.*

Gain (+) or Loss (-) to States if distribution had been made on basis of population

	-184,520	- 7,370	+ 48,509	+89,186	+54,195	..

1906-7 (ESTIMATE).*

Gain (+) or Loss (-) to States if distribution had been made on basis of population

	-295,548	+5,964	+112,742	+110,433	+66,409	..

* Since 1903-4 New Works, &c., have actually been charged on population basis.

PATENTS OFFICE.—RECEIPTS AND EXPENDITURE 1905-6.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Receipts—							
Under administration of State Acts (Sec. 19A) of <i>Patents Act</i> 1903)	73	1,331	1,017	769	1,210	1,982	6,388
Other Fees	6,460	5,277	2,296	1,638	1,102	785	17,548
	6,533	6,608	3,303	2,407	2,318	2,767	23,936
Expenditure	3,818	3,119	1,352	968	652	464	10,373*
Receipts over Expenditure ..	2,715	3,489	1,951	1,439	1,666	2,303	13,563

* Includes rent, &c.

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1906-7 (Estimate).

	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total.
Receipts—	£	£	£	£	£	£	£
Under administration of State Acts (Sec. 19A of <i>Patents Act</i> 1903)	50	1,000	750	550	800	1,350	4,500
Other Fees	6,670	5,373	2,337	1,673	1,157	790	18,000
	6,720	6,373	3,087	2,223	1,957	2,140	22,500
Expenditure	4,759	3,833	1,667	1,194	826	564	12,843*
Receipts over Expenditure	1,961	2,540	1,420	1,029	1,131	1,576	9,657

* Includes rent, &c.

RECEIPTS AND EXPENDITURE (INCLUDING "OTHER") IN POSTMASTER-GENERAL'S DEPARTMENT.—
YEAR ENDED 30TH JUNE, 1906.

	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total.
Receipts	£ 1,065,618	£ 735,493	£ 359,755	£ 291,927	£ 252,065	£ 118,724	£ 2,824,182*
Expenditure (not including New Works and Buildings)	933,121	632,864	420,051	253,632	283,125	114,723	2,637,516
Receipts over Expenditure	132,497	102,629	..	38,295	..	4,001	186,666
Receipts under Expenditure	..	..	60,296	..	30,460	..	..
Expenditure on New Works and Buildings†	53,413	43,633	18,937	13,542	9,122	6,485	145,102

* Does not include repayment of Advances made in previous years for Money Order purposes, Victoria, £8,000; ‡
for International Telegraph Account purposes, South Australia, £3,000.

† Distributed among States on population basis.

ESTIMATED—YEAR ENDING 30TH JUNE, 1907.

	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total.
Receipts	£ 1,075,000	£ 751,000	£ 347,000	£ 284,000	£ 245,000	£ 111,000	£ 2,813,000
Expenditure (not including New Works and Buildings)	955,242	664,104	428,934	267,665	292,362	117,896	2,726,203
Receipts over Expenditure	119,758	86,896	..	16,335	..	..	86,797
Receipts under Expenditure	..	..	81,934	..	47,362	6,896	..
Expenditure on New Works and Buildings*	104,224	83,953	36,515	26,142	18,089	12,354	281,277

* Distributed among States on population basis.

TOTAL FOR SIX YEARS 1901-2 TO 1906-7.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
Receipts over Expenditure*	£ 518,327	£ 362,726	£ ..	£ 145,799	£ ..	£ ..	£ 256,169
Receipts under Expenditure*	..	..	523,151	..	222,565	24,967	..
Expenditure on New Works and Buildings ..	353,285	239,804	128,723	90,562	74,862	31,629	918,866

* The figures do not include expenditure on New Works and Buildings.

It is the intention of the Government not only to encourage existing industries, but also to endeavour to establish new industries by means of bounties. Honorable members will recollect that amongst the bounties which we propose to offer is one of $\frac{1}{4}$ d. a lb. upon canned or tinned fish. That proposal is contained in the Bounties Bill. Provision has been made upon the Estimates for the purchase of a trawler to explore the fishing grounds on the Australian coast, and thus assist the industry. Our object is to encourage the fishing industry and help our fishermen. The payment of the bounty, we hope, will encourage fishermen to embark capital in the enterprise. The sum of £8,000 has been set apart for the purchase of a trawler and equipment, and the intention is—as I said before—to explore the fishing grounds along the coast of Australia. I am quite sure that a good reward awaits our labours in that direction. So far, very little in the way of systematic trawling has been undertaken in Australia, and it seems to me that any expenditure by which new industries may be established is wise. I would remind honorable members that over £300,000 annually is sent abroad for the purchase of preserved fish. As a protectionist, I should like to see that sum spent in providing employment for the fishermen of Australia. In Great Britain, the consumption of fish per head of the population is five times that of Australia, the reason being no doubt that fish is cheaper there than it is here. The United States spend £100,000 per annum upon their fisheries, whilst Canada has disbursed £600,000 upon fish bounties, and an additional £32,000 annually in assisting the industry. In the latter country, 80,000 persons are employed in the fishing industry, and the plant in use is valued at £2,000,000. The lobster in-

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dustry alone employs 17,000 persons. At the Cape of Good Hope, a beginning was made in 1897 upon similar lines to those which the Government now propose to follow. A trawler was purchased for the purpose of exploring the fishing grounds, with the result that capital and enterprise have embarked upon the business, and a great industry has been established. If there are industries which are worth establishing in a country, I do not think that anybody will object to a small initial expenditure in fostering them in their infancy, because the small expenditure must be altogether incommensurate with the ultimate advantages which will result to the Commonwealth. The Government propose very soon to take over the lighthouse services of the States as provided by the Constitution.

Mr. DUGALD THOMSON.—Is any provision made upon the Estimates for the present year for any expenditure in that connexion?

Sir JOHN FORREST.—No.

Mr. DUGALD THOMSON.—Nothing has been provided for this year?

Sir JOHN FORREST.—There is something provided, but not for construction of lighthouses. There are some new lighthouses required, and provision is made on the Estimates for the expenditure of £1,500 to obtain surveys and drawings, and to collect information regarding the best positions in which to erect them.

Mr. HARPER.—Will the Government proposal include harbor lighthouses?

Sir JOHN FORREST.—The amount in question is to be devoted exclusively to ocean lighthouses. For instance, there is a light very much needed upon the Glennie Group, west of Wilson's Promontory. Another small one is urgently required at Point St. Albans, in Backstairs' Passage, Kangaroo Island, South Australia. Then a

lighthouse is needed upon Eclipse Island, near King George Sound, and another is necessary at Point D'Entrecasteaux, between King George Sound and Cape Leuwin. No doubt there are some others needed between Wilson's Promontory and Cape York. But those to which I have referred I have personal knowledge in regard to, and they have also been brought under my notice by the captains of mail steamers. There is no doubt that we are under a great obligation to provide those who are engaged in navigating our coasts with adequate lights at prominent points.

Mr. DUGALD THOMSON.—What other evidence has the Treasurer that these lights are necessary?

Sir JOHN FORREST.—I know most of the places I have mentioned, and have the testimony of the captains of our mail steamers. I know perfectly well where a lighthouse is required, and I can confidently assert that lights are needed at the points I have named.

Mr. JOSEPH COOK.—At what does the Treasurer estimate the expenditure necessary to provide those lights?

Sir JOHN FORREST.—I have not gone into that matter, but if we estimate the cost of a first-class lighthouse at from £10,000 to £15,000 we shall not be far wrong. Then a sum of £10,000 has been placed on the Estimates in connexion with installations of the system of wireless telegraphy. The Government have not yet definitely decided what they intend to do in this direction during the current year, but we are convinced that this wonderful invention should be utilized by the Commonwealth as it is utilized by other countries, and especially in providing for the protection and safety of shipping. The connexion of Australia with New Guinea by this means will at once appeal to honorable members. There we have a settlement containing 642 white residents, men, women, and children, and 375,000 Papuans, and so far there is no ready means of communicating with the mainland. It seems to me that that fact needs only to be mentioned to show the necessity of establishing communication by means of wireless telegraphy with that largely populated country. Then we have to consider the safety of ships approaching our shores. The time has almost arrived—it will probably have arrived before the Treasurer has the honour of submitting his next Budget statement—when all the mail steamers coming to Australia will be provided with wireless telegraphic instal-

lations. Are we to sit idly by and do nothing in this direction when the safety of the lives of our people and of their property may be in jeopardy? What would happen to any of these vessels if her shaft were broken? It would be absolutely unwieldy, and would not be able even to get steering way on. Therefore, we should be censurable if, having this cheap means of communication available, we did not take advantage of it.

Mr. STORRER.—A wireless telegraphy station also requires to be erected upon the islands in Bass Strait.

Sir JOHN FORREST.—Quite so. Wherever there is no means of communication—either upon land or sea—and the wireless telegraphic system can be brought into operation at a much less expenditure than would be involved in the laying of submarine cables or the erection of telegraph lines, we should avail ourselves of it. I now wish to say one or two words in regard to population, and I regret that I have not a very satisfactory statement to make concerning its increase throughout the Commonwealth. During the past five years our population has increased by 286,662. That increase is practically accounted for by the excess of births over deaths. During 1905 there was an increase of 68,099 over the population of last year, and it was made up by an excess of births over deaths, amounting to 61,427, and an excess of arrivals over departures of 6,672. The Government, and also the Parliament, I believe, have been very anxious to assist emigrants of the right class to come to Australia. The determination of the Ministry to encourage industries of all kinds, and so to provide remunerative employment for the people, must do good, and I believe that when the facts are known and understood in the old country and elsewhere, the effect of this policy will be beneficial. The Government have no desire to bring to Australia a number of people to compete in the labour market when it is sufficiently stocked. What we desire is to encourage the settlement of our lands, and to induce people to come here, either with strong arms and stout will, or with small capital, and to throw in their lot with us in the cultivation of the soil and the establishment of manufactures and industries. These two enterprises must go together; they are necessarily beneficial to each other. No one can believe that a population of 4,000,000 is sufficient for this vast continent. I am not carried away by the cry of

persons that Australia is capable of carrying a population of many hundreds of millions. I know very well that the interior is arid, and that we have to depend as a rule upon our lands within the influence of rivers running down to the coast, and also upon our mineral resources. There is no doubt a great deal to be done in this direction, but it will not be accomplished by our remaining idle and failing to attack the question. We know what we need. We require an increased population, and we need a population of a certain kind. We do not want the dregs of other lands. We need the young and the enterprising, and if we set about the work of encouraging immigration in a proper way, I am sure we shall find our wishes capable of realization. We can do very little without the co-operation of the States. They have the land, the mines, and the means of transit, and if they can be brought into line and will work with the Government, we are willing to co-operate with them in the most generous manner with a view to encouraging population to settle Australia. The Government have endeavoured to do something in this direction, but the results are for the future. A sum of £5,000 has been placed on the Estimates to enable us to advertise for and secure suitable immigrants. We think that if we established a central office in London, in which all the States would be represented by their agents, it would work well. If the scheme for solving the financial problem which I have placed on the table to-day be adopted, immigration will be one excellent object to which to apply the proceeds of a specific Customs and Excise tax, and if the States would co-operate with us, I believe that good results would follow. Under this plan the immigrants could be selected by the Commonwealth in concert with the States and landed in Australia, where required by the States, who would provide for their reception, employment, or settlement. The Commonwealth could arrange with the immigrant, but no direct expense would be imposed on the State until the immigrant arrived in Australia. Until he lands in Australia it should be a Commonwealth matter, so far as is consistent with State assistance in choosing immigrants. After the immigrant lands, the States would alone deal with him, and find him his home. Under the proposals I have submitted, it is not intended that the bookkeeping system should be continued after the 31st December, 1910; but during the existence of the bookkeeping system each State would have to

pay the whole or part of the passage-money of immigrants landing on its shores; but when the bookkeeping system comes to an end, or if an arrangement were made before that time with the States, the Commonwealth would be alone responsible. I have already referred to the position of Papua, and I should like at this stage to quote a few statistics for the information of honorable members. The estimated revenue of Papua for 1906-7 is £38,363. The Commonwealth makes an annual grant of £20,000, and the Customs revenue amounts to £15,200, so that this leaves only £3,163 to be obtained from all other sources. In looking through these figures, it has occurred to me that with Papua, as yet, it is the day of small things. It would be not only satisfactory, but little short of marvellous, if we could control the Territory and do our duty in respect of 375,000 natives for less than £40,000 a year. The estimated expenditure for Papua for 1906-7 is £39,113, and of this £6,000 represents expenditure on the *Merrie England*. The white population, according to the latest statistics I have been able to obtain, consists of 500 males and 142 females, making a total of 642. Of this number 48 are male officials. The black population is roughly estimated at 375,000. The imports for 1904-5 were of the value of £67,188, the principal imports being:—Foodstuffs, £23,095; building material, £3,092; tobacco, £6,102; wines and spirits, £3,555; drapery and clothing, £7,893; machinery, £2,012; hardware and ironmongery, £6,526; boats and launches, £430; and miscellaneous, £14,483. The principal exports consisted of gold valued at £56,362; sandalwood, £7,873; and copra, £5,671. Miscellaneous exports were valued at £6,529, making a total of £76,435. It would seem that such a large population should be able to provide labour for industries, and to make Papua flourishing and prosperous. The country must be fairly good to be able to sustain such an immense population, and I think that, with a wise and liberal expenditure, very good results would be obtained. But we have spent very little money yet on public works. We need to cut tracks and roads through the country. It is of no use for any one to think that we can colonize and properly settle this immense Territory without expending a considerable sum. It is impossible to bring an estate into cultivation and establish farmers thereon unless a considerable expenditure is made for that purpose. In Papua

I believe a great deal of the country is jungle, and the means of getting from one place to another, except by narrow paths, is very difficult. What we ought to do—that is, if we take a real interest in the matter—is to spend a hundred thousand pounds in opening up, and making the Territory self-supporting and prosperous. The pastoral industry in Australia is flourishing. The value of wool produced last year was £20,125,900, being the largest amount that has ever been received. The sheep increased in number from 65,822,000 in 1904 to 74,706,000 in 1905, being an increase of 8,882,755 in twenty-one months. It is a splendid record that in a period of three years and nine months, sheep have increased in number by 22,000,000. Australia had her largest number of sheep in 1891, namely, 106,000,000. We require an increase of 32,000,000 sheep to equal that number. But I am glad to say that the return from sales of wool was greater from 74,000,000 sheep in 1905 than from 106,000,000 sheep in 1891. That is very satisfactory indeed. When in London a short time ago, I made some inquiries concerning the question of silver coinage and currency. Judging from the interviews I had with the Imperial Treasury officials, there is no desire to prevent Australia from having a coinage of her own if that is desired. Their wish is to meet our desire, and I think that we should have probably had a communication to that effect if there had not been a change of Government in England.

Mr. DUGALD THOMSON.—They have already made a communication.

Sir JOHN FORREST.—I mean not the present Government, but the previous one.

Mr. DUGALD THOMSON.—The previous Government made a communication.

Sir JOHN FORREST.—The question was not settled. Some communication from this Government was not answered at the time the change of Government occurred, but the question was almost decided. I had a conversation on the subject with Mr. Austen Chamberlain, late Chancellor of the Exchequer. When a scheme to allow Australia to do just what she liked in the matter was placed before Mr. Austen Chamberlain for approval, he said that he wished to have a little more time in which to consider it, because he desired to ascertain whether there was not some other means by which Australia could be satisfied, without establishing a system of coinage different from that existing in the mother country. I was assured by those

with whom I conversed that the question of securing the profit on the silver coinage for Australia does not influence the decision, and that the Imperial Government is quite willing that any profit which accrues from such coinage should go to Australia. There are, however, other questions in connexion with the maintenance of gold to be considered. The result of my interviews was communicated on my return from London to the Prime Minister in the following terms:—

In regard to silver coinage the difficulties in the way are:—

(a) The Treasury officials fear that the withdrawal of a larger value per annum than £100,000 would result in considerable loss, and even at that rate it would take twenty years to withdraw the £2,000,000 of silver in circulation in Australia. The continuance of two silver coinages in circulation during that period would be unsatisfactory.

(b) The maintenance of the gold coinage of Australia at its full standard weight, which is now borne by the Imperial Mint, would, if the existing silver currency were withdrawn, become a burden on Australia, and it would have to be ascertained and decided as to how much of that coinage the obligation would rest upon.

But in addition to the foregoing considerations is the question as to whether the establishment of a different silver currency might not be in the direction of widening rather than tightening the bonds of Empire. Such a currency would require very careful watching to avoid its being either depreciated by reason of an excess issue of silver, or the public being inconvenienced through an inadequate quantity being in circulation, the difficulty being increased by reason of the smallness of the population. It was, therefore, thought worthy of consideration whether some other means could not be devised other than establishing a distinct and separate silver currency.

There would appear to be no likelihood of the United Kingdom establishing decimal currency in the near future, and the general opinion expressed was to the effect that any interference with the value of the people's penny would lead to widespread dissatisfaction and resentment. Having regard to the foregoing considerations, it was agreed that the question of silver coinage and decimal currency should be one of the subjects to be submitted to the Imperial Conference to meet in London next year, and in the meantime fuller consideration could be given to the question.

Mr. DUGALD THOMSON.—I think that the Minister is mixing the question of coining our own silver and the question of establishing a different currency.

Sir JOHN FORREST.—I do not think so. I now come to a very important matter, and that is the position of the sugar industry. The determination of the Commonwealth to make a great effort and monetary sacrifice in order to maintain

"White Australia" policy appears to have been thus far very successful. The amount payable in bounties is increasing. This year provision is made for the payment of £278,500, which represents a production of 139,000 tons of sugar, as against a production of 69,000 tons last year. At first I hesitated to accept the departmental estimate. It is estimated to make an immense increase—from 69,000 tons to 139,000 tons produced by white labour in one year. But I have been assured that the estimate is based upon probabilities, and I have accepted it. It is estimated that the acreage of sugar-cane cultivated by white labour this year will be 116,750 acres, and that the area cultivated by black labour will be 37,150 acres—making a total of 153,900 acres under cultivation. The production this year is estimated to be—sugar produced by white labour, 144,236 tons, and sugar produced by black labour, 54,614 tons; making the total production 198,850 tons. I think that if that estimate, which has been obtained after a good deal of trouble and care, is borne out at the end of the year, and if we produce 144,236 tons of sugar by white labour, the result cannot but be regarded as very satisfactory indeed. The number of sugar-cane growers in Queensland employing white labour in 1902 was 1,521. It is estimated that at the end of 1906 the number of growers employing white labour will be 3,393, making an increase in four years of 1,872 growers employing white labour. On the other hand, in 1902 the growers in Queensland employing black labour numbered 975, and in 1906 they numbered 837, showing a decrease of growers employing black labour of 138. In New South Wales in 1902 there were 1,005 growers of sugar by white labour, and in 1906 there were 1,450, showing an increase in the four years of 445 farmers employing white labour. In 1902 there were in New South Wales 115 growers employing black labour, and in 1906 there were 110. So that in the four years there has been a decrease of five farmers in New South Wales who employ black labour. It is estimated that at the end of 1906 there will be 4,843 growers of sugar-cane by white labour in the Commonwealth, as compared with 947 growers employing black labour. Steps have been taken during the year to find out how many persons are employed in the sugar industry. The Customs authorities have obtained information that on the 31st of December, 1905, there were 20,162 white persons so employed. That is a

very satisfactory statement to be able to make, and a fine result to have attained. There were only 8,452 coloured persons employed in the industry.

Mr. DUGALD THOMSON.—That is in the industry as a whole; not merely in growing.

Sir JOHN FORREST.—In the sugar industry, taking into consideration everything connected with it. The total number of persons employed in the industry at the date mentioned was 28,614. There were 17,937 white persons earning bounty; and there were 2,225 white persons and 8,452 coloured persons who were not earning the bounty. In regard to cultivation, since 1904, and up to the end of 1906—a period of two years—it is estimated that the area cultivated by white men will have increased in Queensland from 45,424 acres to 96,000 acres—an increase of 50,576 acres. The figures with regard to cultivation in New South Wales are not so satisfactory. In the same two years it is estimated that the increase will be from 19,114 acres to 20,750, an increase of only 1,636 acres. The total increase in the area cultivated by white men in the Commonwealth in the last two years amounts to 52,212 acres. During the same two years the area cultivated by black labour decreased in Queensland from 74,375 acres to 35,000, a decrease of 39,375 acres; and in New South Wales the area cultivated by black labour decreased from 2,411 acres to 2,150—a decrease of 261 acres. The total decrease in acreage where black labour was employed in the two years was 39,636 acres. That result is most satisfactory. I never expected to have such satisfactory figures to convey to honorable members in regard to the policy which we have been trying to carry out. Since 1902—a period of four years—the estimated production of sugar by white labour increased in Queensland from 12,254 tons to 125,000 tons—an increase of 112,746 tons.

Mr. DUGALD THOMSON. — Why "estimated"?

Sir JOHN FORREST.—I cannot speak of these figures as actually realized, because the period is not yet complete. They cover the period from 1902 to the 31st of December, 1907. The figures have been definitely ascertained up to the 31st December, 1905, but I wish to give the definite and the estimated figures together. In Queensland, as I have said, the increase amounts to 112,746 tons. In New South Wales, however, it is estimated that the production by white labour will have decreased from 19,434 tons to 19,236 tons.

Mr. DUGALD THOMSON.—That is a very good thing. There will be less bounty to pay, and the persons are more profitably engaged.

Sir JOHN FORREST.—The result is not so satisfactory as the honorable member supposes, because we shall be paying bounties and getting very little in return. The total increased production by white labour in the four years is estimated at 112,548 tons. During the same period the estimated production by black labour in Queensland has decreased from 65,581 tons to 53,000 tons—that is to say, by 12,581 tons; while in New South Wales, it has, I regret to say, increased from 1,526 to 1,614 tons, or, in other words, by 88 tons. There has been a total decrease of 12,493 tons of production by black labour in four years. Honorable members are aware that, under section 87, known as the Braddon section, of the Constitution, the Commonwealth receives one-fourth of the excise revenue. At present, the excise is £3 per ton, and therefore, the Commonwealth receives 15s. per ton, and has to pay £2 per ton as bounty, losing thereby £1 5s. on every ton produced by white labour.

Mr. FRAZER.—Is the excise not £4 per ton?

Sir JOHN FORREST.—That excise will begin to operate at the beginning of next year. Making the payment a bounty instead of a rebate—which was done by Act some time ago—has resulted in the Commonwealth receiving 15s. for every £2 it has to pay, out of its one-fourth of the Customs and Excise revenue, on every ton of sugar produced by white men. After the 1st January, 1907, the excise will be increased to £4 a ton and the bounty to £3 a ton. The Commonwealth's one-fourth of the £4 excise will be £1, and the bounty to be repaid will be £3, so that the Commonwealth, out of its one-fourth, will have to pay £2 more than is received. While the States revenues will receive £3 out of

the £4 excise, the Commonwealth will have to pay the bounty of £3, and thus lose £2 on every ton produced by white labour.

Mr. GLYNN.—Possibly, it does not matter much to the States in the long run, because the balance is not much upset by the change to a bounty.

Sir JOHN FORREST.—The honorable and learned member may be speaking off-hand, but I am sure he will realize that it is becoming a heavy charge against the one-fourth received by the Commonwealth from Customs and Excise.

Mr. GLYNN.—Not in the aggregate, though it makes a difference to some States.

Sir JOHN FORREST.—This does not appear to be a good bargain or a profitable arrangement for the Commonwealth, and the matter must receive consideration with a view to making, if possible, the payment a rebate, or otherwise the Commonwealth's one-fourth may not be able to bear the charge. The bounty payments are attaining large proportions. In 1902, the bounty paid to Queensland was £24,493, and to New South Wales it was £36,333, or a total of £60,826. It is estimated that in 1906-7, the bounty paid to Queensland will amount to £240,000, and to New South Wales to £38,500, a total of £278,500, showing an increase of £217,674 in four years. It is estimated that the bounty paid to cane-growers by the end of 1906-7, including £25,537 as the expense of supervision, will, in Queensland, amount to £532,826, and in New South Wales to £192,358, a total of £725,184. The amount I have mentioned has been distributed amongst the States as follows:—New South Wales will have paid £266,493; Victoria, £219,144; Queensland, £94,606; South Australia, £67,722; Western Australia, £44,798; and Tasmania, £32,421; thus making up a total of £725,184. The following tables contain full particulars concerning this industry:—

IMPORTED AND AUSTRALIAN SUGAR.

Quantity on which Duty was paid and the Amount of Duty.

NOTE.—Drawbacks and Refunds have been deducted, and amounts paid into Trust Fund in Victoria have been credited to the year in which received.

Year.	Imported.*		Australian.		Total.	
	Quantity.	Customs Duty.	Quantity.	Excise Duty.	Quantity.	Duty.
	tons	£	tons	£	tons	£
1902-3..	83,822	502,931	92,506	277,517	176,328	780,448
1903-4..	80,586	483,516	102,043	306,130	182,629	789,646
1904-5..	29,147	174,884	151,209	453,627	180,356	628,511
1905-6..	18,221	109,327	168,128	504,384	186,349	613,711
1906-7 (Estimate)	17,000	102,000	168,667	506,000	185,667	609,000

* Not including glucose.

Sugar produced, also Bounty paid.

Year.	Queensland.			New South Wales.			Queensland.		New South Wales.		
	Sugar Produced by			Sugar Produced by			Cane on which Bounty paid.	Amount of Bounty.	Cane on which Bounty paid.	Amount of Bounty.	
	White Labour.	Black Labour.	Total.	White Labour.	Black Labour.	Total.					
	tons.	tons.	tons.	tons.	tons.	tons.	tons.	£	tons.	£	
1902 ..	12,254	65,581	77,835	19,434	1,526	20,960	105,364	24,493	181,665	36,333	
1903 ..	24,406	65,456	89,862	19,236	2,561	21,797	222,537	50,652	200,847	40,154	
1904 ..	39,404	105,616	145,020	17,812	1,838	19,650	378,885	85,302	180,535	36,107	
1905* ..	50,897	101,362	152,259	18,019	1,964	19,983	502,061	111,872	181,170	36,234	
1906 (Estimate) ..	125,000	53,000	178,000	19,236	1,614	20,850	1,072,000	240,000	192,500	38,500	

* New South Wales figures are for Sugar Season 1905-6, i.e., to 31.3.06. Queensland figures are for 1905.

AUSTRALIAN SUGAR.

Estimated Number of Persons engaged in Sugar Industry in Year ended 31st December, 1905.

District.				Earning Bounty.	Not Earning Bounty.			Total Number Engaged in Industry.
				White Labour.	White.	Coloured.	Total.	
No. 1	...	...	...	790	635	3,429	4,064	4,854
2	...	...	...	3,321	638	1,933	2,571	5,892
3	...	...	...	4,727	821	2,337	3,158	7,885
4	...	...	...	3,005	63	271	334	3,339
Total Queensland				11,843	2,157	7,970	10,127	21,970
,, New South Wales				6,094	68	482	550	6,644
Total				17,937	2,225	8,452	10,677	28,614

In the case of Queensland, since the bounties were established, the sugar produced by white labour has increased by 112,746 tons, and the sum of £512,319 will have resulted in the furtherance of the policy of the Government and Parliament. In New South Wales it is estimated that by the end of 1906 the sum of £192,358 will have been paid in bounties, including expenses. I regret to say that the payment of this large amount has not resulted in an advance of white employment or of much increased cultivation—it is an absolute present to the cane-growers of New South Wales, and without any sufficient result, so far as the policy of the Government and Parliament is concerned. In 1902 there were 1,526 tons, and in 1906 there were 1,614 tons produced by white labour.

Mr. DUGALD THOMSON.—It is not desired to increase cane growing there.

Sir JOHN FORREST.—I am only stating a fact from which we cannot escape. As I said before, the reason the bounty has been paid to the growers in

New South Wales is that bounties must be general, and, therefore, all sugar-growers have to participate. I think that some of the representatives of Queensland and New South Wales who object to those States assisting in great national works in other States may fairly be asked to remember that other States are willingly paying immense sums in order to carry out a great national policy in this direction.

Mr. DUGALD THOMSON.—The other States are not paying immense sums in New South Wales. It must be remembered that some of the New South Wales members opposed the bounty.

Sir JOHN FORREST.—The sums paid are immense for small States like Tasmania, South Australia, and Western Australia.

Mr. DUGALD THOMSON.—Some of the strongest opponents of the bounty were New South Wales members.

Sir JOHN FORREST.—I am only stating a fact.

Mr. DUGALD THOMSON.—But the fact I have mentioned should also be remembered.

Sir JOHN FORREST.—If we regard the position of the whole question of sugar growing by white labour, I think there is good cause for satisfaction. When the policy was introduced many of us, and I, amongst the number, had great doubts as to whether white men would be able to work in this industry in the tropics. I had had some experience in the north-west tropical parts of Western Australia, but, so far as can be gathered from the figures, it seems that the policy established has been thus far absolutely successful. It may be that finality has not been arrived at in dealing with this question, but I think we may all look to time and experience to finally place the question in a satisfactory position. The next question associated with the sugar industry is the repatriation of the karakas, which has to take place almost immediately. I know I am only expressing the wish of the Government and of every member of this Parliament when I say that we all hope the greatest care will be taken in returning these men to their own country—that every kindness and consideration will be shown, and that every hardship that it is possible to avoid will be avoided. The Government have provided £25,000 for the purpose of the repatriation. The Queensland Commission, which recently sat, estimated the cost of the deportation at £53,454. The members of the Commission state that there are 5,280 islanders liable to be returned, and they anticipate that not more than 4,500 will be deported. The Pacific Islanders' Fund, of which we have heard so much from time to time, and which is in the Queensland Treasury, has, I am informed, only £10,619 to credit. It is estimated that, of the 4,500 who are likely to be deported, 900 will be sent away by the end of the year, and the remainder as soon as possible thereafter. The deportation of these kanakas is a part of the White Australia policy, and must be persevered with. I am glad to be able to inform honorable members that satisfactory communications are going on with the Queensland Government for joint action in carrying out the law in this respect. I come now to a very important matter, the external trade of the Commonwealth. I refer, not to the Inter-State trade, but to the trade in imports and exports with countries beyond the seas. The value of our imports has not greatly varied during the last three years. In 1903 it amounted to £38,835,682. The value of our imports in 1905 is much

about the same, the value of imports free of duty amounting to £14,072,061, and of dutiable goods to £24,274,670, or a total of £38,346,731. The figures show that 36.70 per cent. of our imports consisted of articles free of duty, while 63.30 consisted of dutiable articles. In 1900, the year before Federation, the value of our exports was £45,956,882; in 1905 the value of our exports had increased to £56,841,035, an increase in five years amounting to £10,884,153. The value of our imports per head of population for last year amounted to £9 gs. 3d., and of our exports to £14 os. 6d., making the total trade of Australia per head of population £23 gs. 9d. I have prepared the following table of imports for 1905, showing the value of the imports received under each *ad valorem* percentage, under the fixed duties exclusive of narcotics and stimulants and from narcotics and stimulants, with the amount of duty paid under each head:—

<i>Ad valorem.</i>	Value.	Duty paid.
5 per cent. ...	2,883,581	143,911
7½ per cent. ...	1,505	113
10 per cent. ...	315,030	31,331
12½ per cent. ...	1,653,887	190,542
15 per cent. ...	6,339,468	940,463
20 per cent. ...	3,563,240	713,165
25 per cent. ...	1,951,191	484,101
30 per cent. ...	246,802	76,056
	16,954,704	2,579,682
Fixed duties, exclusive of narcotics and stimulants ...	5,367,294	1,257,431
Stimulants ...	1,346,419	2,074,273
Narcotics ...	497,523	964,454
Composite cigars ...	108,730	
Total dutiable ...	24,274,670	
Free, including bullion and specie ...	14,072,061	
Total imports ...	38,346,731	6,875,840

Drawbacks not deducted from duty.

Our total overseas trade for 1905 amounted to—Exports, £56,841,035; imports, £38,346,731; or a total of £95,187,766, being £677,708 greater than the total trade for the previous year, which was £94,510,058. Our trade with foreign countries during 1905 increased to the extent of 2.75 per cent. In 1905 our trade with the United Kingdom was 52.29 per cent., British Possessions 18.81 per cent., and with foreign countries 28.9 per cent., so that our trade with the United Kingdom and British Possessions last year was about 71 per cent., as against about 29 per cent.

with foreign countries. Our whole trade, including imports and exports, in 1901, was, with the United Kingdom 54.74 per cent., British Possessions 18.20 per cent., foreign countries 27.06 per cent. The division of trade is practically the same now, although the movement is towards an increase in the trade with foreign countries. In 1895, ten years ago, the percentage of imports was—From the United Kingdom 71.61, from British Possessions 11.46, and from

foreign countries 16.93. In 1905, those percentages were—From the United Kingdom 60.17, from British Possessions 14.04, and from foreign countries 25.79. It would, therefore, appear that foreign countries are gradually increasing their trade with Australia, that our imports from the old country are gradually decreasing, and that British Possessions are holding their own. The following statistical tables will, no doubt, be interesting to honorable members:—

POPULATION AT 31ST DECEMBER, 1905, AS SHOWN IN THE VICTORIAN YEAR-BOOK, 1905.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
Capitals ...	529,600	515,350	129,736	173,235	52,300	34,989	1,435,210
Principal Towns*	164,380	145,783	130,989	16,213	27,100	37,740	522,205
Country ...	797,783	557,438	267,323	188,760	175,379	108,377	2,095,060
Total ...	1,491,763	1,218,571	528,048	378,208	254,779	181,106	4,052,475

* Includes 12 towns in New South Wales, 7 towns in Victoria, 9 towns in Queensland, 3 towns in South Australia, 1 town in Western Australia, and 5 towns in Tasmania.

ESTIMATED POPULATION OF THE COMMONWEALTH OF AUSTRALIA ON 31ST DECEMBER, 1900 AND 1905 (NOT INCLUDING ABORIGINAL NATIVES).

State.	Estimated Population, 31st December, 1900.	Estimated Population, 31st December, 1905.	Increase, 1900 to 1905.
New South Wales	1,360,303	1,491,763	131,460
Victoria ..	1,197,206	1,218,571	21,365
Queensland ..	494,166	528,048	33,882
South Australia	361,451	378,208	16,757
Western Australia	179,708	254,779	75,071
Tasmania ..	172,979	181,106	8,127
	3,765,813	4,052,475	286,662*

* NOTE.—Of this increase 284,436 was due to excess of births over deaths, and 2,226 to excess of immigration over emigration.

AMOUNTS DEPOSITED IN, AND COIN AND BULLION HELD BY, THE BANKS OF ISSUE IN AUSTRALIA, 1894 TO 1906.

At 31st December.	Amounts deposited.	Coin and Bullion held.
	£	£
1894	86,345,283	21,050,762
1895	87,348,624	22,284,970
1896	88,081,065	23,640,041
1897	85,567,369	20,289,343
1898	82,636,952	18,607,835
1899	88,066,508	19,234,225
1900	90,617,696	20,406,389
1901	91,688,988	19,737,572
1902	92,154,759	21,278,195
1903	90,416,881	19,134,473
1904	92,646,459	18,974,575
1905	102,047,417	24,043,119
1906 (31st March) ..	106,625,362	23,401,123

BANK NOTES IN CIRCULATION IN AUSTRALIAN STATES, 1901 TO 1906.

State.	On 31st December—					On 31st March, 1906.
	1901.	1902.	1903.	1904.	1905.	
	£	£	£	£	£	£
New South Wales ..	1,499,936	1,454,416	1,378,643	1,345,934	1,430,335	1,446,196
Victoria ..	947,597	940,082	913,590	858,345	835,499	881,663
Queensland* ..	..	..	..	..	..	..
South Australia ..	394,002	361,372	380,115	378,549	373,604	462,300
Western Australia ..	411,208	408,548	397,863	361,871	361,713	336,318
Tasmania ..	152,831	161,415	154,595	141,977	148,562	143,696
Australia ..	3,406,174	3,325,833	3,224,806	3,086,676	3,149,713	3,270,196

* In Queensland Treasury Notes have taken the place of bank notes. On the 30th June, 1906, the value of Treasury Notes in the hands of the public was £554,812. Additional Treasury Notes to the amount of £625,302 were held by the banks, making the total of notes issued by the Treasury and outstanding on 30th June, 1906, £1,180,114.

Sir John Forrest.

NUMBER OF DEPOSITORS AND AMOUNT DEPOSITED
IN SAVINGS BANKS IN AUSTRALIA, 1894 TO 1906.

Year.	Number of Depositors.	Amount deposited.
		£
1894	694,035	19,626,841
1895	720,265	21,124,531
1896	759,022	22,478,382
1897	783,703	24,403,523
1898	830,989	25,970,977
1899	885,755	27,701,199
1900	933,378	29,529,383
1901	983,914	31,872,943
1902	1,026,018	33,733,094
1903	1,046,771	33,869,911
1904	1,072,869	34,180,055
1905	1,123,284	36,121,529
1906 (31st March) ..	1,152,506	*37,205,039

NUMBER OF DEPOSITORS AND AMOUNT DEPOSITED
IN SAVINGS BANKS IN EACH OF THE STATES OF
AUSTRALIA ON 31st MARCH, 1906.

State.	Number of Depositors.	Amount deposited.
		£
New South Wales ..	361,383	13,797,284
Victoria	461,345	11,347,215
Queensland	86,978	3,982,257
South Australia ..	129,863	4,541,348
Western Australia ..	62,206	2,204,143
Tasmania	50,731	1,332,792
	1,152,506	37,205,039

* In 1906 the largest amount was at deposit.

TOTAL VALUE OF THE MINERAL PRODUCTION OF THE COMMONWEALTH UP TO END OF 1905.

—	Gold.*	Silver, Bullion, and Silver Lead Ore; Lead Ore, Pig, &c.	Copper.	Coal.	Tin and other Minerals.	Total value of Mineral Production of Australia.
	£	£	£	£	£	£
Up to 1904 ..	446,879,000	42,710,000	40,273,000	51,562,000	29,684,000	611,108,000
Year 1905 ..	15,559,622	2,864,285	2,154,301	2,352,198	1,836,376	24,766,782
Total value up to 31st December, 1905 ..	462,438,622	45,574,285	42,427,301	53,914,198	31,520,376	635,874,782

* First discovered in Australia, 1851.

VALUE OF GOLD PRODUCED IN EACH STATE OF AUSTRALIA, 1894 TO 1905.

—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total Australia.
	£	£	£	£	£	£	£
1894	1,156,717	2,694,720	2,378,289	152,092	787,099	225,485	7,394,402
1895	1,315,929	2,960,344	2,210,887	128,792	879,748	212,329	7,708,029
1896	1,073,360	3,220,348	2,241,347	112,759	1,068,808	237,574	7,954,196
1897	1,104,315	3,251,064	2,553,141	120,044	2,564,977	289,241	9,882,782
1898	1,201,743	3,349,028	2,750,349	95,143	3,990,698	281,485	11,668,446
1899	1,623,320	3,418,000	2,838,119	79,041	6,246,733	327,545	14,532,758
1900	1,070,920	3,229,628	2,871,709	82,188	6,007,610	316,220	13,578,275
1901	737,164	3,102,753	2,541,892	93,222	7,235,653	295,176	14,005,860
1902	684,970	3,062,028	2,720,639	95,129	7,947,662	301,573	14,812,001
1903	1,080,029	3,259,483	2,839,813	90,031	8,770,720	254,403	16,294,479
1904	1,146,109	3,252,045	2,714,934	123,648	8,424,226	280,015	15,940,977
1905	1,165,013	3,173,744	2,517,295	85,555	8,305,635	312,380	15,559,622

ACREAGE UNDER CULTIVATION IN AUSTRALIA, 1900-1 TO 1905-6.

State.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.
	acres.	acres.	acres.	acres.	acres.	acres.
New South Wales	2,445,564	2,276,528	2,245,639	2,542,919	2,672,973	2,836,492
Victoria ..	3,114,132	2,965,681	3,246,568	3,389,069	3,321,785	3,218,417
Queensland ..	457,397	483,460	275,383	566,589	539,216	522,748
South Australia	2,369,680	2,236,552	2,224,593	2,256,824	2,275,506	2,210,958
Western Australia	201,338	217,441	229,992	283,752	327,391	362,816
Tasmania ..	224,352	232,550	246,923	259,611	226,228	229,000
	8,812,463	8,412,212	8,469,298	9,298,764	9,363,099	9,380,431

NOTE.—Grass and fallow lands are not included.

TOTAL YIELD AND VALUE OF WHEAT PRODUCED IN THE COMMONWEALTH AND EXPORTED THEREFROM.

Year.*	Total Yield of Wheat in Commonwealth.	Net Export of Wheat from Commonwealth to other Countries.	Estimated Total Value of Wheat Produced in Commonwealth.	Net Value of Wheat Exported from Commonwealth to other Countries.
	Bushels.	Bushels.	£	£
1891	27,344,750	11,131,306	4,785,000	2,198,250
1892	25,682,507	3,862,048	5,244,000	837,250
1893	32,759,693	8,553,993	5,060,000	1,359,914
1894	37,135,798	11,856,675	3,714,000	1,406,942
1895	27,629,524	6,669,687	2,533,000	796,507
1896	18,262,348	(-) 4,045,504	3,805,000	(-) 837,375
1897	20,880,479	(-) 3,742,852	4,959,000	(-) 827,391
1898	28,241,409	1,299,317	5,295,000	230,779
1899	41,417,853	11,251,650	5,522,000	1,589,322
1900	39,977,567	13,969,071	5,330,000	1,890,631
1901	48,353,402	24,775,216	6,447,000	3,304,911
1902	38,561,619	9,928,649	6,106,000	1,531,558
1903	12,378,068	(-) 10,675,297	3,817,000	(-) 2,237,423
1904	74,149,634	38,534,647	10,813,000	6,078,477
1905	54,535,582	32,301,958	7,953,000	5,323,128

* Period ending 31st March for production figures, calendar year for export figures.

NOTE.—In the exports flour has been converted to its equivalent in grain.

(—) Denotes excess of import.

VALUE OF HAY PRODUCED IN AUSTRALIA.

QUANTITY AND VALUE OF BUTTER EXPORTED FROM AUSTRALIA, 1899 TO 1905.

Year.	Quantity.	Value.
	lbs.	£
1899	39,968,575	1,582,631
1900	44,191,657	1,753,181
1901	34,536,277	1,447,882
1902	7,777,971	379,244
1903	30,901,910	1,213,177
1904	64,788,542	2,460,664
1905	55,904,151	2,331,595

State.	Value. 1902-3.	Value. 1903-4.	Value. 1904-5.
	£	£	£
New South Wales	1,303,000	2,122,000	966,700
Victoria ..	3,070,000	1,675,000	861,500
Queensland ..	125,000	387,000	160,000
South Australia	1,535,000	1,148,000	515,000
Western Australia	554,000	355,000	256,000
Tasmania ..	451,000	281,000	220,400
	7,038,000	5,968,000	2,969,600

QUANTITY AND VALUE OF POTATOES PRODUCED IN AUSTRALIA.

State.	Quantity Produced.		Value.	Average for Five Years 1898 to 1902-3.	Quantity Produced.		Value.	
	1901-2.	1902-3.	1901-2.		1903-4.	1904-5.	1903-4.	1904-5.
	Tons.	Tons.	£	£	Tons.	Tons.	£	£
New South Wales ..	39,146	30,732	207,500	232,000	56,743	48,754	103,400	251,900
Victoria ..	125,474	168,759	480,700	606,000	167,736	92,872	246,700	417,100
Queensland ..	22,402	3,257	99,600	71,000	17,649	19,231	35,000	86,500
South Australia ..	15,059	28,312	56,500	76,000	31,415	19,521	55,000	87,800
Western Australia ..	5,739	6,488	51,700	34,000	4,542	5,614	10,000	28,000
Tasmania ..	114,704	163,518	430,100	440,000	171,298	110,547	323,000	525,100
	322,524	401,066	1,326,100	1,459,000	449,383	296,539	776,100	1,396,400

Sir John Forrest.

QUANTITY OF WINE PRODUCED IN AUSTRALIA, 1901 TO 1904.

State.	1901.	1902.	1903.	1904.
	gallons.	gallons.	gallons.	gallons.
New South Wales	868,479	806,140	1,086,820	928,160
Victoria	1,981,475	1,547,188	2,551,150	1,832,386
Queensland	148,835	100,852	38,558	60,433
South Australia	2,077,923	2,145,525	2,345,270	2,625,430
Western Australia	185,735	158,853	138,371	185,070
Tasmania	..	..	..	..
	5,262,447	4,758,558	6,160,169	5,631,479

NUMBER OF LIVE STOCK IN AUSTRALIA, 31ST DECEMBER, 1900, 1904, AND 1905.

State.	Sheep.			Cattle.		
	1900.	1904.	1905.	1900.	1904.	1905.
New South Wales	40,020,506	34,526,894	39,494,207	1,983,116	2,167,129	2,337,947
Victoria ..	10,841,790	10,167,691	11,455,115	1,602,384	1,694,976	1,737,690
Queensland ..	10,339,185	10,843,470	12,535,231	4,078,191	2,722,340	2,722,340*
South Australia—						
Proper ..	5,235,220	5,820,301	6,524,300	214,761	272,459	272,459*
South Australia—						
Northern Territory ..	49,027	54,678		257,667	247,920	247,920*
Western Australia	2,434,311	2,853,424	3,140,360	338,590	561,490	631,825
Tasmania ..	1,683,956	1,556,460	1,556,460*	165,516	202,206	202,206*
	70,602,995	65,822,918	74,705,673	8,640,225	7,868,520	8,152,387

State.	Horses.			Pigs.		
	1900.	1904.	1905.	1900.	1904.	1905.
New South Wales ..	481,417	482,663	506,835	256,577	330,666	310,662
Victoria ..	392,237	372,397	385,513	350,370	286,070	273,682
Queensland ..	456,788	413,165	413,165*	122,187	185,141	185,141*
South Australia—						
Proper ..	166,790	200,241	183,481*	89,734	112,584	111,497*
South Australia—						
Northern Territory ..	12,562		16,760*	1,450		1,087*
Western Australia ..	68,253	90,225	97,397	61,740	70,299	74,567
Tasmania ..	31,607	36,565	36,565*	68,291	77,493	77,493*
	1,609,654	1,595,256	1,639,716	950,349	1,062,253	1,034,129

* Figures relate to 1904. Later figures not available.

VALUE OF THE WOOL PRODUCED IN EACH AUSTRALIAN STATE, 1901 TO 1905.

State.	1901.	1902.	1903.	1904.	1905.
	£	£	£	£	£
New South Wales ..	8,425,000	7,152,000	8,361,000	9,133,000	12,103,000
Victoria ..	2,454,000	2,279,000	1,864,000	3,387,000	2,702,000
Queensland ..	2,083,000	1,276,000	1,828,000	2,224,000	2,625,000
South Australia ..	998,000	1,062,000	1,212,000	1,273,000	1,300,000
Western Australia ..	370,000	448,000	434,000	409,000	577,000
Tasmania ..	273,000	256,000	194,000	391,000	400,000
	14,603,000	12,473,000	13,891,000	16,817,000	19,707,000

NOTE.—These figures represent the estimated value at the place of production, and differ from those shown on the succeeding page, which represent the values at export prices. The difference between the two values shows the cost of handling up to the time of shipment.

NUMBER OF SHEEP IN COMMONWEALTH; ALSO WEIGHT AND VALUE OF WOOL PRODUCED AND EXPORTED, 1884 TO 1905.

(The number of sheep is in March of each year; the production and exports of wool are for the calendar year.)

Year.	Number of Sheep in Commonwealth.	Weight of Wool (in Grease).		Value of Wool.	
		Produced.	Net Export.*	Produced. (At Export Prices.)	Net Export.*
		lbs.	lbs.	£	£
1884	61,570,130	387,277,500	384,099,700	16,830,600	16,684,721
1885	67,489,411	387,096,600	384,454,600	13,760,700	13,660,139
1886	69,565,169	382,238,500	358,887,200	12,785,000	12,672,070
1887	80,406,477	428,178,900	425,075,800	15,043,000	14,933,279
1888	80,789,506	442,823,500	439,647,500	15,786,500	15,680,789
1889	85,809,405	473,672,300	470,722,400	17,474,200	17,369,487
1890	97,881,221	447,607,700	444,494,000	16,048,400	15,960,588
1891	106,421,068	607,993,100	604,356,500	20,009,000	19,910,171
1892	103,272,068	614,357,200	612,241,000	19,558,000	19,504,585
1893	99,857,120	607,341,800	604,504,500	17,237,100	17,168,814
1894	100,620,415	605,127,000	601,703,200	15,356,600	15,284,881
1895	90,934,324	611,624,200	607,262,400	16,386,400	16,289,355
1896	90,919,622	582,549,200	577,160,900	16,176,300	16,047,440
1897	83,142,211	518,894,500	513,290,300	14,118,100	13,989,897
1898	79,915,494	538,817,300	532,626,000	15,150,200	14,987,095
1899	72,665,860	474,911,900	468,693,000	19,164,200	18,927,463
1900	70,602,995	395,552,700	388,870,100	13,559,100	13,338,840
1901	71,528,446	522,298,600	515,149,700	15,427,100	15,231,977
1902	52,754,636	390,492,900	383,249,300	12,990,200	12,740,172
1903	55,371,220	390,614,400	383,067,900	14,277,700	13,991,800
1904	65,822,918	455,722,100	448,695,700	17,377,700	17,112,339
1905	74,705,673†	498,969,000	491,503,000	20,125,900‡	19,814,924

* Australian Wool, less Imports. For value of Australian Wool exported, see Table T.

† On 31st December. ‡ Highest value.

OVERSEA TRADE OF COMMONWEALTH.

	1903.			1904.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
New South Wales	13,977,917	18,861,213	32,839,130	13,133,857	23,089,785	36,223,642
Victoria	12,339,615	11,188,939	23,528,554	12,739,986	16,172,694	28,912,680
Queensland	3,249,627	3,726,975	6,976,602	3,029,771	2,973,810	6,003,581
South Australia	3,224,370	3,638,242	6,862,612	3,289,669	4,709,445	7,999,114
Western Australia	4,228,554	9,458,125	13,686,679	4,021,953	9,912,432	13,934,385
Tasmania	791,388	1,296,670	2,088,058	805,606	631,050	1,436,656
	37,811,471†	48,170,164	85,981,635†	37,020,842	57,489,216	94,510,058

1905.

	Imports.	Exports.	Total.
	£	£	£
New South Wales	14,485,123	24,493,530	38,978,653
Victoria	12,957,935	14,028,674	26,986,529
Queensland	3,163,627	3,384,856	6,548,483
South Australia	3,232,614	5,402,638	8,635,252
Western Australia	3,769,395	9,059,162	12,828,557
Tasmania	738,117	472,175	1,210,292
	38,346,731	56,841,035	95,187,766

NOTE.—These figures are exclusive of Inter-State trade.

† This figure does not include £1,024,211 shown in note to Table V.

Sir John Forrest.

IMPORTS AND EXPORTS TO AND FROM THE COMMONWEALTH, 1894 TO 1905.

Year.	Imports into Commonwealth from—			Total Value of Imports.	Exports from Commonwealth to—			Total Value of Exports.	Total Trade, Imports and Exports.
	United Kingdom.	British Possessions.	Foreign Countries.		United Kingdom.	British Possessions.	Foreign Countries.		
	£	£	£	£	£	£	£	£	£
1894 ..	15,748,297	2,617,966	3,530,851	21,897,114	22,943,100	2,900,654	6,287,359	32,131,113	54,028,227
1895 ..	16,610,697	2,659,769	3,924,635	23,195,101	23,767,173	2,975,232	6,898,927	33,644,332	56,839,433
1896 ..	20,252,561	3,184,529	6,221,107	29,658,197	21,630,820	2,861,751	8,470,951	32,963,522	62,621,719
1897 ..	21,166,806	3,422,626	7,368,694	31,958,126	25,823,931	3,053,853	8,904,809	37,782,593	69,740,719
1898 ..	20,975,551	3,423,972	7,081,621	31,481,144	23,886,313	3,208,464	13,069,829	40,164,606	71,645,750
1899 ..	21,230,913	4,035,056	9,063,715	34,329,687	26,564,690	7,586,084	14,448,259	48,599,033	82,928,720
1900 ..	25,363,352	4,670,379	11,354,299	41,388,030	25,215,905	8,624,297	12,116,680	45,956,882	87,344,912
1901 ..	25,236,877	4,758,795	12,438,339	42,434,011	25,196,441	12,007,527	12,492,204	49,696,172	92,130,183
1902 ..	23,850,557	5,377,885	11,447,508	40,675,950	20,224,504	12,197,821	11,492,762	43,915,087	84,591,037
1903 ..	19,855,340	4,980,880	12,975,251	37,811,471	19,962,503	15,490,490	12,717,171	48,170,164	85,981,635
1904 ..	22,461,854	4,524,718	10,034,270	37,020,842	27,565,000	15,245,447	14,678,769	57,489,216	94,510,058
1905 ..	23,074,717	5,884,150	9,887,864	38,846,731	26,702,390	12,519,319	17,619,326	56,841,035	95,187,765

* This figure does not include £1,024,211 shown in note to Table V.

TABLE T.—VALUE OF EXPORTS OF AUSTRALIAN PRODUCE FROM THE COMMONWEALTH, ALSO VALUE OF OTHER PRODUCE, 1900 TO 1905.

Article.	1900.	1901.	1902.	1903.	1904.	1905.
	Total Value Exported.	Total Value Exported.	Total Value Exported.	Total Value Exported.	Total Value Exported.	Total Value Exported.
	£	£	£	£	£	£
Wool	13,348,441	15,234,704	12,743,013	13,997,233	17,115,334	19,822,216
Gold[Specie and Bullion ..	12,639,324	13,491,513	12,883,629	17,124,233	15,692,273	9,515,372
Butter	1,753,181	1,447,882	379,244	1,213,177	2,460,664	2,331,595
Wheat	1,514,783	2,774,643	1,402,883	181,355	5,240,590	4,174,128
Flour	430,313	589,604	266,655	61,199	792,772	1,160,813
Meats of all kinds, preserved by cold process (exclusive of Rabbits and Hares) ..	1,825,820	1,960,051	1,685,595	1,341,238	1,120,969	1,628,727
Rabbits and Hares ..	178,393	120,477	181,948	219,823	220,311	389,738
Silver Ore and Bullion and Silver Lead ..	2,127,074	2,085,024	1,846,166	1,781,739	2,205,348	1,824,224
Copper Bullion and Ore ..	1,505,610	1,618,453	2,339,757	1,679,787	1,654,761	2,103,101
Tin Ore and Ingots ..	504,107	381,256	409,860	598,157	743,862	967,729
Coal	754,397	987,801	907,468	1,053,903	786,490	861,692*
Tallow	826,216	677,745	468,034	307,467	550,173	784,718
Hides and Skins ..	1,148,129	1,249,260	1,946,275	1,701,778	1,334,840	2,112,415
Pearl Shell ..	219,521	202,402	288,593	368,569	1,244,679	252,895
All other Articles ..	4,892,918	4,920,961	3,519,631	3,949,277	4,940,412	6,198,395
Value of Exports of Australian Produce ..	43,668,227	47,741,776	41,268,781	45,678,935	55,103,468	54,127,758
Value of Exports of other Produce ..	2,288,655	1,954,396	2,646,306	2,591,229	2,385,748	2,713,277
Total Value of Exports ..	45,956,882	49,696,172	43,915,087	48,170,164	57,489,216	56,841,035

* The total value of coal produced for 1905 was £2,852,198.

COMPARISON OF TRADE WITH THE UNITED KINGDOM, BRITISH POSSESSIONS, AND FOREIGN COUNTRIES.

	Total Trade, Imports and Exports, 1894.	Proportion of Total, 1894.	Total Trade, Imports and Exports, 1895.	Proportion of Total, 1895.	Total Trade, Imports and Exports, 1896.	Proportion of Total, 1896.	Total Trade, Imports and Exports, 1897.	Proportion of Total, 1897.
	£		£		£		£	
United Kingdom	38,691,397	71.61	40,377,870	71.04	41,883,381	66.88	46,990,737	67.38
British Possessions	5,518,620	10.22	5,638,001	9.92	6,046,280	9.66	6,476,479	9.29
Foreign Countries	9,818,210	18.17	10,823,562	19.04	14,692,058	23.46	16,273,503	23.33
	54,028,227	100.00	56,839,433	100.00	62,621,719	100.00	69,740,719	100.00

	Total Trade, Imports and Exports, 1898.	Proportion of Total, 1898.	Total Trade, Imports and Exports, 1899.	Proportion of Total, 1899.	Total Trade, Imports and Exports, 1900.	Proportion of Total, 1900.	Total Trade, Imports and Exports, 1901.	Proportion of Total, 1901.
	£		£		£		£	
United Kingdom	44,861,864	62.61	47,795,603	57.64	50,579,257	57.91	50,433,318	54.74
British Possessions	6,632,436	9.26	11,621,140	14.01	13,291,676	15.22	16,766,322	18.20
Foreign Countries	20,151,450	28.13	23,511,977	28.35	23,470,979	26.87	24,930,543	27.06
	71,645,750	100.00	82,928,720	100.00	87,344,912	100.00	92,130,183	100.00

	Total Trade, Imports and Exports, 1902.	Proportion of Total, 1902.	Total Trade, Imports and Exports, 1903.	Proportion of Total, 1903.	Total Trade, Imports and Exports, 1904.	Proportion of Total, 1904.	Total Trade, Imports and Exports, 1905.	Proportion of Total, 1905.
	£		£		£		£	
United Kingdom	44,075,061	52.10	39,817,843	46.31	50,026,854	52.93	49,777,107	52.29
British Possessions	17,575,708	20.77	20,471,370	23.80	19,770,165	20.92	17,903,469	18.81
Foreign Countries	22,940,270	27.13	25,692,422	29.89	24,713,039	26.15	27,507,190	28.90
	84,591,037	100.00	85,981,635*	100.00	94,510,058	100.00	95,187,766	100.00

* This figure does not include £1,024,211 shown in note to Table V.

TABLE V.—TRADE OF COMMONWEALTH WITH VARIOUS COUNTRIES.

Country.	Imports to Australia.			Exports from Australia.			Total Trade of Australia.		
	1903.	1904.	1905.	1903.	1904.	1905.	1903.	1904.	1905.
	£	£	£	£	£	£	£	£	£
United Kingdom	19,855,340	22,461,854	23,074,717	19,962,503	27,565,000	26,702,390	39,817,843	50,026,854	49,777,107
British Possessions	4,980,880	4,524,718	5,384,150	15,490,490	15,245,447	12,519,319	20,471,370	19,770,165	17,903,469
France and New Caledonia	506,667	366,513	529,469	3,350,109	3,959,440	5,898,661	3,856,776	4,325,958	6,428,129
Germany	2,858,553	2,655,855	2,643,412	3,134,638	3,741,030	3,888,170	5,493,191	6,396,885	6,531,562
Netherlands and Java	847,387	350,017	396,759	230,762	346,775	517,675	1,078,149	696,792	914,434
Italy	153,787	177,978	148,183	132,623	135,695	194,737	286,419	313,673	342,922
China	244,172	76,109	69,349	98,906	330,352	453,783	343,078	406,461	523,132
South Sea Islands	75,371	58,728	80,008	119,374	88,416	109,321	194,745	147,144	189,329
United States	6,368,532	4,591,945	4,486,604	2,625,399	2,228,843	1,049,773	8,993,931	6,820,788	5,536,377
Denmark	7,809	695	3,083	10	5,991	142	7,819	6,686	3,225
Norway and Sweden	316,508	424,867	302,397	810	973	1,714	817,318	425,840	304,111
Belgium	341,275	643,974	551,984	1,809,760	2,215,406	3,212,869	2,161,035	2,859,380	3,764,853
Switzerland	119,116	9,883	22,826	553	493	403	119,674	10,381	23,229
Spain	45,690	13,029	15,738	196	2,607	138,807	45,886	15,636	154,545
Greece	54,544	33,000	40,286	350	11	200	54,894	33,011	40,486
Japan	330,121	421,153	371,761	115,992	581,214	581,155	446,113	1,002,367	952,916
Portugal	12,847	8,458	8,943	..	..	..	12,847	8,458	8,943
Argentine Republic	894,929	137	37	21,908	25,791	36,748	916,837	25,928	36,782
Chili	6,059	10,448	14,496	293,512	253,034	265,012	299,571	263,482	279,508
Philippine Islands	75,604	49,451	76,803	231,624	297,299	407,610	357,223	346,750	484,413
Portuguese East Africa	..	8	84	154,738	93,927	143,630	154,738	93,935	143,714
Other Foreign Countries	216,230	142,017	125,639	345,902	371,472	718,921	562,182	513,489	844,560
Total Foreign Countries	12,975,251	10,034,270	9,887,864	12,717,171	14,678,769	17,619,326	25,692,422	24,713,039	27,507,190
Grand Total	37,811,471*	37,020,842	33,346,731	48,170,164	57,489,216	56,841,035	85,981,635*	94,510,058	95,187,766

* In addition to these amounts the sum of £1,024,211 must be added, representing the value of goods which arrived from countries beyond the Commonwealth and which were transhipped from one Australian port to another without a record having been taken of such arrival. The figures for 1904 and 1905 require no correction.

Sir John Forrest.

COMPARISON BETWEEN AUSTRALIA AND CANADA IN REGARD TO CERTAIN STATISTICS.

Heading.	Australia.		Canada.	
Population	4,052,475	(31.12.05)	5,604,328	(30.6.04)
External Trade—Imports	£38,346,731	(1905)	£53,282,426	(1904)
Exports	£56,841,035	"	£43,890,476	"
Miles of Railway	14,891	(30.6.05)	20,198	(30.6.04)
Value of Gold produced —for year	£15,559,622	(1905)	£3,371,111	(1904)
" " " to date	£462,438,622	(to 31.12.05)	£45,008,157	(to 31.12.04)
Quantity of "Wheat produced .. bush.	54,535,582	(1904-5)	69,029,266	(1904)
"Wool produced .. lbs.	498,969,000	(1905)	10,542,100*	(1903)
Live Stock—				
Sheep No.	74,705,673	(1905)	2,511,239	(1901)
Cattle "	7,868,520	(1904)	5,576,411	"
Horses "	1,595,256	"	1,577,493	"
Pigs "	1,062,253	"	2,353,838	"

* Estimate.

STATISTICAL COMPARISON OF THE COMMONWEALTH OF AUSTRALIA AND BRITISH SOUTH AFRICA, 1904-5.

Heading.	Year.	Australia.	Year.	British South Africa.
1. Population	31.12.05	4,052,475	1904	1,135,016*
2. Value of Imports	1905	£38,346,731	"	£35,656,000
" Exports	"	£56,841,035	"	£32,085,000
" Total trade	"	£95,187,766	"	£67,741,000
3. Value of Exports of Wool	"	£19,814,924	"	£2,083,465
4. Live Stock—				
Sheep (number of)	"	74,705,673	31.12.04	14,075,389
Cattle	1904	7,868,520	"	2,937,182
Horses	"	1,595,256	"	410,961
Pigs	"	1,062,253	"	461,092
5. Value of Gold produced	1905	£15,559,622	"	£16,998,022

* Europeans and whites, and exclusive of native population, which numbers about 5,000,000.

NOTE.—The colonies included under the heading "British South Africa" are The Cape, Transvaal, Orange River, Natal, Southern Rhodesia, Bechuanaland, Protectorate, and Basutoland.

INTER-STATE TRADE—CALENDAR YEAR 1904.

State.	Imports from Australian States.			Exports to Australian States.			Net Imports (+) or Net Exports (-).		
	Australian Produce.	Other Produce.	Total.	Australian Produce.	Other Produce.	Total.	Australian Produce.	Other Produce.	Total.
	£	£	£	£	£	£	£	£	£
New South Wales	12,700,923	1,451,178	14,152,101	8,103,710	1,814,340	9,918,050	+ 4,597,213	- 363,162	+ 4,234,051
Victoria ..	6,692,151	660,916	7,353,067	6,073,095	2,129,473	8,202,568	+ 619,056	- 1,468,557	- 849,501
Queensland ..	1,979,517	1,042,876	3,022,393	8,104,055	182,359	8,286,414	- 6,124,538	+ 860,517	- 5,264,021
South Australia	3,557,975	603,072	4,161,047	3,317,959	637,596	3,955,555	+ 240,016	- 34,524	+ 205,492
Western Australia	2,326,850	323,677	2,650,527	307,361	51,698	359,057	+ 2,019,489	+ 271,981	+ 2,291,470
Tasmania ..	973,464	785,455	1,758,919	2,324,700	51,710	2,376,410	- 1,351,236	+ 733,745	- 617,491
	28,230,880	4,867,174	33,098,054	28,230,880	4,867,174	33,098,054	..	..	..

INTER STATE TRADE—CALENDAR YEAR, 1905.

State.	Imports from Australian States.			Exports to Australian States.			Net Imports (+) or Net Exports (-).		
	Australian Produce.	Other Produce.	Total.	Australian Produce.	Other Produce.	Total.	Australian Produce.	Other Produce.	Total.
	£	£	£	£	£	£	£	£	£
New South Wales..	18,282,446	1,582,465	14,864,911	10,512,282	1,751,190	12,263,472	+2,770,164	- 168,725	+ 2,601,439
Victoria ..	8,745,189	634,892	9,380,081	6,557,062	2,173,185	8,730,187	+2,188,087	- 1,538,243	+ 649,844
Queensland ..	2,431,861	1,104,334	3,535,695	8,301,014	179,750	8,480,764	-5,869,653	+ 924,584	- 4,945,069
South Australia ..	4,617,233	589,772	5,207,005	3,404,657	683,373	4,088,029	+1,212,576	- 93,600	+ 1,118,976
Western Australia	2,444,458	288,021	2,712,479	758,299	58,588	811,857	+1,691,189	+ 209,433	+ 1,900,622
Tasmania ..	1,168,381	745,248	1,913,629	3,180,744	78,697	3,259,441	- 1,992,363	+ 666,551	- 1,325,812
	32,689,018	4,924,732	37,613,750	32,689,018	4,924,732	37,613,750	..	..	..

COMPARISON OF IMPORTS INTO THE COMMONWEALTH FROM THE UNITED KINGDOM, BRITISH POSSESSIONS, AND FOREIGN COUNTRIES.

—	Total Value of Imports, 1861.	Proportion of Imports, 1861.	Total Value of Imports, 1871.	Proportion of Imports, 1871.	Total Value of Imports, 1881.	Proportion of Imports, 1881.	Total Value of Imports, 1891.	Proportion of Imports, 1891.
	£		£		£		£	
United Kingdom	12,354,123	70.33	10,096,057	60.36	21,131,869	72.56	26,453,841	70.21
British Possessions	2,050,599	11.67	4,543,105	27.16	3,940,352	13.53	4,298,333	11.41
Foreign Countries	3,160,888	18.00	2,087,630	12.48	4,052,021	13.91	6,927,941	18.38
	17,565,610	100.00	16,726,792	100.00	29,124,242	100.00	37,680,115	100.00

—	Total Value of Imports, 1894.	Proportion of Imports, 1894.	Total Value of Imports, 1895.	Proportion of Imports, 1895.	Total Value of Imports, 1896.	Proportion of Imports, 1896.	Total Value of Imports, 1897.	Proportion of Imports, 1897.
	£		£		£		£	
United Kingdom	15,748,297	71.92	16,610,697	71.61	20,252,561	68.28	21,166,806	66.23
British Possessions	2,617,966	11.96	2,659,769	11.46	3,184,529	10.74	3,422,626	10.71
Foreign Countries	3,530,851	16.12	3,924,635	16.93	6,221,107	20.98	7,368,694	23.06
	21,897,114	100.00	23,195,101	100.00	29,658,197	100.00	31,958,126	100.00

—	Total Value of Imports, 1898.	Proportion of Imports, 1898.	Total Value of Imports, 1899.	Proportion of Imports, 1899.	Total Value of Imports, 1900.	Proportion of Imports, 1900.	Total Value of Imports, 1901.	Proportion of Imports, 1901.
	£		£		£		£	
United Kingdom	20,975,551	66.63	21,230,913	61.85	25,363,352	61.28	25,236,877	59.48
British Possessions	3,423,972	10.88	4,035,056	11.75	4,670,379	11.29	4,758,795	11.21
Foreign Countries	7,081,921	22.49	9,063,718	26.40	11,354,299	27.43	12,438,339	29.31
	31,481,444	100.00	34,329,687	100.00	41,388,030	100.00	42,434,011	100.00

—	Total Value of Imports, 1902.	Proportion of Imports, 1902.	Total Value of Imports, 1903.	Proportion of Imports, 1903.	Total Value of Imports, 1904.	Proportion of Imports, 1904.	Total Value of Imports, 1905.	Proportion of Imports, 1905.
	£		£		£		£	
United Kingdom	23,850,557	58.63	19,855,340	52.51	22,461,854	60.67	23,074,717	60.17
British Possessions	5,377,885	13.22	4,980,880	13.17	4,524,718	12.22	5,384,150	14.04
Foreign Countries	11,447,508	28.15	12,975,251	34.32	10,034,270	27.11	9,887,864	25.79
	40,675,950	100.00	*37,811,471	100.00	37,020,842	100.00	38,346,731	100.00

* This figure does not include £1,024,211 shown in note to Table V.

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Dealing with the Inter-State trade, I may say that it amounted last year in value to £37,613,750. I have prepared a table which shows the value of goods imported by each State from all the other States, and also of goods exported from each State to the other States, with the balance in each case. From this return, it will be seen that Queensland sends to the

other States goods to the value of £8,480,764, and receives from them goods to the value of £3,535,695. Tasmania sends to the other States goods to the value of £3,239,441, and receives from them goods to the value of £1,913,629. The figures for the other four States tell in the opposite way.

INTER-STATE TRADE, 1905.

Name of State.	Imported from other States.	Exported to other States.	Balance imported more from other States than it exported to other States.
	£	£	£
New South Wales	14,864,911	12,263,472	2,601,439
Victoria	9,380,031	8,730,187	649,844
South Australia	5,207,005	4,088,029	1,118,976
Western Australia	2,712,479	811,857	1,900,622
			6,270,881
Queensland	3,535,695	8,480,764	4,945,069
Tasmania	1,913,629	3,239,441	1,325,812
Total	37,613,750	37,613,750	6,270,881

Queensland sends away £8,480,764 to other States, and receives only £3,535,695 back. Tasmania sends away £3,239,441, and receives back only £1,913,629. The other four States do the opposite. I come now to a very important matter, and that is to my recommendations with regard to the financial problems of the Commonwealth under the Constitution. I am glad to say that I have been able to submit these recommendations with the full concurrence of my colleagues in the Government. The desire of the Government is to act as far as possible in accord with the wishes of the States. When I became Treasurer, I felt that it was my duty not to follow, but to endeavour to lead, in this crucial matter. I felt that it was the duty of the Commonwealth Government, and, if with all diffidence I may say so, the duty of Parliament as well to lead the way rather than to leave it to others to discover a suitable road. Acting upon this principle, the Government have taken the responsibility of propounding a scheme with that object in view. I do not for a moment say that we have arrived at finality, or that the scheme I have propounded, and which has been approved by

the Government, is the best for the purpose that could possibly be devised. But I do say that I am convinced that the plan I have proposed is a good one, that it will meet the circumstances, and give satisfaction, not only to the Commonwealth, but also to the States. It is a difficult matter with which to deal, as we have to continually keep in mind the terms of the Constitution, the interests of the Commonwealth, and the interests of the States. These three considerations must be constantly borne in mind, and I felt that it would be of no use to propound a scheme unless I were fairly certain that it would be acceptable to the people. It would be most undesirable, as well as difficult, to attempt to force upon the country the views of the Government or even of Parliament. The desire of the Government is to arrive at a fair and reasonable arrangement with the States, and the best way to begin is to propound and recommend, as has been done, a scheme, to be criticised by the Parliaments of the Commonwealth and of the States and by the people of Australia. It is not expedient that the Government should hesitate to take the lead in this matter. Nearly six years have passed since Federation was inaugurated, and that time has been fully

occupied in arranging the various Departments of Government and passing the laws necessary to give effect to the constitutional changes involved. Still, three Conferences of Premiers have been held in which this question has been raised, and, although some advance has been made towards a settlement, there is yet no finality. In four years' time—on the 31st December, 1910—section 87, the Braddon clause, becomes alterable. Parliament will then have the responsibility of deciding what amount of surplus Customs and Excise revenue shall be returned to the several States, and on what basis the return shall be made. I do not fear that the States will suffer injustice under this arrangement. This Parliament represents the people of the States, and will, I feel sure, always recognise the obligations and responsibilities of the States Governments. They have to carry out great works in settling people on the land, in building railways, providing water supplies, and giving all the other facilities which are required for the settlement and improvement of the condition of the people, the provision of which does not come within the province of the Commonwealth. My confidence is somewhat shaken, however, when I notice that resolutions have been passed in Conference and in Parliament asking for a *per capita* distribution, under which the State of which I am a representative would suffer a loss of about £300,000 a year. But, although I have never seen any disposition on the part of the members of this Parliament to act other than fairly and generously to the several States, I recognise that it is not right that the financial position of the States should be uncertain or unsafe, and dependent upon the annual votes of this Parliament. We should, therefore, begin to prepare at once for the time when the Braddon provision will become alterable. I felt, on taking office as Treasurer, that the question was one of the chief obligations resting upon me, and have kept it in view ever since, and I went to London specially to obtain information in regard to the matter. In considering it, I have tried to meet the views expressed by the Premiers of the States in Conference at Hobart, and to comply as nearly as possible with the terms of the Constitution. The proposals submitted have, as I have already

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said, received the approval of the Government, as a scheme most likely to meet with the support of those best acquainted with our constitutional and financial circumstances, and honorable members will find in the Budget papers the full proposals, with complete returns and tables which will be found useful in thoroughly investigating the position. The proposals of the Government embrace the taking over of the debts of the States, the amount of the debts to be so taken over, the continuance of section 87, the Braddon section, the amount and basis of the annual payments to the States, the bookkeeping system, the future borrowing by the States, some concluding remarks and a summary. I do not intend to deal with the scheme in detail now, as the full report is submitted for the information of honorable members. I have not consulted any one outside Australia in regard to matters between the Commonwealth and the States, because I am of opinion that those who possess full information and local knowledge are better able to deal with them than any one else. But, with regard to the taking over of the States debts and the substitution of Australian stock for the States' stock now existing, I felt that great financial authorities in England could give valuable information, and I was not disappointed. Amongst those whom I had the privilege of consulting were the governor, deputy-governor, and officers of the Bank of England, the directors and officers of the London and Westminster Bank, the brokers for those banks, the Chancellor of the Exchequer, and the permanent Financial Secretary to the Treasury, Sir Edward Hamilton. I also had the honour of an interview with Lord Goschen, who, when Chancellor of the Exchequer, carried out the great scheme under which nearly £600,000,000 worth of British stock was converted. In addition to having a long interview with Lord Goschen, I had a number of interesting conversations with Sir Edward Hamilton, who was his right-hand man throughout the negotiations referred to, and who was then, as he is now, the principal financial Secretary to the Treasury. I also had the pleasure of meeting Lord Revelstoke, one of the governors of the Bank of England, and the head of the firm of Messrs. Baring Brothers. The conclusions I have arrived at after

carefully considering the opinions expressed by those whom I have had the privilege of consulting are contained in a memorandum I addressed to the Prime Minister as follows:—

Commonwealth Treasury,
Melbourne, 9th July, 1906.

The Honorable the Prime Minister.

On the 25th September last I submitted to you a memorandum (copy herewith) setting forth, more fully than I had done in the Budget Speech of the 22nd of August, my views in regard to the annual return of Surplus Revenue to the States, and the extension of Section 87 (the Braddon Clause) of the Constitution.

2. Since that time, having given attention to the subject, I now venture to submit the result, in the hope that it may not only be useful in arriving at the best means of dealing with the important matter of the taking over by the Commonwealth of the State Debts, but also in dealing with the other financial problems of the Constitution.

3. I propose to deal with the whole subject under the following heads:—

- A.—Taking over the States Debts.
- B.—Amount of State Debts to be taken over.
- C.—Continuance of Section 87 (the Braddon Clause).
- D.—Amount and basis of the annual payment to the States.
- E.—Bookkeeping system.
- F.—Future borrowing by the States.
- G.—Concluding remarks.
- H.—Summary.

A.—TAKING OVER THE STATES DEBTS.

4. During my recent visit to London I had the opportunity of consulting leading financiers and directors of financial institutions, as well as the Permanent Financial Secretary and other officials of His Majesty's Treasury, and the result of such consultations fully satisfies me that it would be financially advantageous to Australia if the transfer of the State Debts to the Commonwealth, as authorized and intended by Section 105 of the Constitution, were undertaken as soon as possible; and further, I was assured that such proposals to transfer would be well received in financial circles in London.

5. It is not reasonable to suppose that any single State of the Commonwealth can for long be able to either raise, redeem, or convert loans on such favorable terms as the

Commonwealth, with its exclusive powers of taxation through Customs and Excise, and with the security behind it of the whole of Australia. Those who argue that State securities are likely to continue to be as valuable as Commonwealth securities, take a very sanguine, and, I think, not well founded, view of the situation.

6. The conclusions I have arrived at after carefully considering the opinions expressed by those whom I have had the privilege of consulting are—

- (1) That by having one denomination of stock firmly established on the London market, secured on the Consolidated Revenue of the Commonwealth, a considerable advantage and saving to Australia must eventually result.
- (2) That a favorable opportunity for the establishment of Commonwealth Stock would be at a time when a considerable amount of State Stocks was within a reasonable period of maturity.
- (3) That as the existing State Stocks from time to time are approaching maturity, provision should be made for their conversion or redemption (or in some cases, of such portion as is not provided for by a sinking fund) by the issue of Stock secured upon the Consolidated Revenue of the Commonwealth, to be called "Australian Consols."
- (4) That such Stock should be issued at 3 per cent. interest per annum for a fixed term of, say, thirty years, but interminable after the expiration of that term except at the option of the Government, on giving six months' notice to the holder.
- (5) That until "Australian Consols" are firmly established on the London market and become popular (which it is anticipated would soon be the case) it is inadvisable to proceed with conversion of State Stocks until they are approaching towards maturity.
- (6) That "Australian Consols" would in time (if not immediately) command a higher price than State Stocks of the same denomination and currency, and

that so soon as that takes place conversion on terms favorable to the Commonwealth would no doubt be found to be advantageous, and consequently would be desired by existing Stockholders.

- (7) That upon all "Australian Consols" issued for the conversion or redemption of State Stocks or otherwise, a sinking fund of not less than $\frac{1}{2}$ per cent. per annum should be provided; and such sinking fund, together with all net interest arising from its investment, should be vested in trustees for the purposes of the final redemption of such Stock. Any existing sinking funds in connexion with any of the State debts taken over by the Commonwealth, should, subject to the existing trusts in each case, become the property of the Commonwealth, but solely for the purposes of such trusts and the redemption of such debts.

- (8) That all net profits arising from any conversion or redemption of existing loans should be credited by the Commonwealth to the State concerned, and the annual payment by that State reduced accordingly from time to time.

7. Nothing in the foregoing proposals would in any manner affect the indemnity given to the Commonwealth by the States under Section 105 of the Constitution, but it would be advisable for each State to pass a special permanent appropriation providing for the payment to the Commonwealth from time to time of any deficiency that might arise. I would, however, particularly point out that for many years to come, under the plan proposed, the Commonwealth would have ample funds in hand belonging to each State to fulfil its obligations in this respect to each State (*vide* Tables C and D, herewith, showing approximately what would be the position at the end of 1920.

B.—AMOUNT OF STATE DEBTS TO BE TAKEN OVER.

8. I recommend that legislative provision be made for taking over by the Commonwealth of the whole of the existing State Debts, which amounted in the aggregate on 30th June, 1905, to £236,680.739; but, as by Section 105 of the Constitution only

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the State Debts "as existing at the establishment of the Commonwealth," which on the same date amounted to £201,983,386 (*vide* Tables D and F herewith), can be legally dealt with, and, as it must take some time to obtain an amendment of the Constitution, I advise that the legislation should provide for dealing with the £201,983,386 at once, and that the balance of £34,697,353 be dealt with so soon as the required amendment of the Constitution is obtained. By adopting this course the conversion or redemption of loans approaching maturity could be dealt with at once by the Commonwealth.

The procedure and conditions of taking over the State Debts to be as follows:—

- (1) That a law be passed enabling the whole of the State Debts to be converted before maturity, or redeemed at maturity by the Commonwealth (subject in regard to debts incurred since 1st January, 1901, to the necessary amendment of the Constitution), by such successive operations as may be thought fit.
- (2) That until conversion or maturity of the State Debts, as the case may be, each State continue to pay its own annual interest and sinking fund (if any).
- (3) That on conversion or at maturity of the State Debts, as the case may be, the Commonwealth become solely liable for the annual payment of interest and sinking fund as well as for the redemption of the Stock.
- (4) That the Commonwealth deduct each year from the amount to be paid to each State the expenditure made on behalf of that State for interest and sinking fund, and, if such amount is insufficient in any case, the deficiency be paid to the Commonwealth by that State.

The financial authorities whom I consulted in London were unanimous in the opinion that it would be disadvantageous to place the Commonwealth brand on State Stocks before conversion, as such action would prevent the possibility of any profitable conversion, and would be making to the existing holders a present of any increase in price caused by the additional Commonwealth security.

C.—CONTINUANCE OF SECTION 87 (The Braddon Clause).

9. Under Section 87 of the Constitution, known as the "Braddon Clause," it is provided that "during a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, of the net revenue of the Commonwealth from duties of Customs and of Excise not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure." It is not generally realized that this section, which was intended for the financial protection of the States, has never yet come into practical operation, as the Commonwealth has not expended in any year by a considerable sum the one-fourth of the net Customs and Excise revenue it was entitled to expend.

10. I do not recommend the continuance of this clause beyond the 31st December, 1910, the date on which it becomes alterable, as provided by Section 87; indeed, if the States would agree, I should advise, in the interests of both Commonwealth and States, its repeal at once and the substitution of a plan by which a specified annual payment should be made to the States. During its continuance it has never been of any advantage to the States, while it has hampered the Commonwealth and prevented it dealing with important questions of policy. The one fact that if additional revenue were required from Customs and Excise, whether for general or specific purposes, it would be necessary to raise four times as much as was required, shows the unpractical character of such a provision, and renders its permanent continuance impossible. For instance, if, say, an additional million were required from Customs and Excise for general purposes, it would necessitate raising four millions; or, if an additional million were required for a specific purpose, such, for instance, as for Immigration, Defence, or Old-age Pensions, and a special Customs tax were imposed on certain articles with the object that the proceeds should be "ear-marked" for such specific purpose, it would be necessary to raise four millions instead of the one million required.

Such a procedure is impracticable. A periodical adjustment on the basis of a proportionate return of the whole of the net revenue from Customs and Excise suffers from the same difficulty, as it would practically prevent additional revenue being obtained from Customs and Excise for any

general or specific purpose without compelling the Commonwealth to raise four times as much as was necessary.

D.—AMOUNT AND BASIS OF ANNUAL PAYMENT TO THE STATES.

11. Realizing fully, therefore, that a return by the Commonwealth to the States of a fixed proportion of the whole Customs and Excise revenue annually received would leave the States in a position of uncertainty as to the amount they would annually receive, and would also be embarrassing to the Commonwealth, I am convinced that the most satisfactory solution of this question would be that the Commonwealth should undertake to make to the States annually a specified fixed payment, with an additional annual payment should the total net revenue from Customs and Excise increase, and that the whole of any additional revenue derived from any new or existing items of duties from Customs and Excise which may be levied after 31st December, 1910, and appropriated for a specific purpose may be "ear-marked" and retained by the Commonwealth solely for such purpose.

12. The effect of this plan would be that the Commonwealth, having arranged its taxation so as to provide sufficient funds to pay annually the required contribution to the States, and also sufficient to provide for all its own general and special expenditure, would then be free from any further financial obligation to the States. The States, on the other hand, would be free from uncertainty as to the amount they were to annually receive from the Commonwealth, while both Commonwealth and States would know their exact financial positions and obligations, and would have the burden separately placed upon them of making both ends meet. This is not the case at present, since any extra expenditure by the Commonwealth means a diminution of the amount returnable to the States.

This proposal of a return of a specified amount annually has already received the support of the Premier of New South Wales (Mr. Carruthers), *vide* para. 9 of my letter dated 25th September, 1905 (copy herewith, Appendix A).

13. I would suggest that the period during which the Commonwealth should undertake to guarantee an annual payment to the States (on the basis hereinafter mentioned) be ten years, viz., after 31st December, 1910, up to 31st December, 1920, and thereafter until Parliament otherwise provides.

By that time we should have had twenty years' experience of Federation, and would necessarily have acquired during that period a greater and wider knowledge of the question, which would assist the Parliament in making arrangements "on such basis as it deems fair" for the future.

The guaranteed annual payment to each State to be on the following basis:—

- (1) To pay annually to each State for ten years after 31st December, 1910 (the date on which Section 87 (the Braddon Clause) becomes alterable), a fixed sum equal to the average annual amount of three-fourths of the net revenue from Customs and Excise which that State has contributed during (say) the five years preceding such 31st December, 1910 (not including the special revenue in the case of Western Australia).
- (2) If three-fourths of the total net revenue received by the Commonwealth from Customs and Excise in any year after 31st December, 1910, exceeds the aggregate amount of the annual fixed sum guaranteed to all the States, any such sum in excess to be distributed among the States *per capita*.
- (3) Provided that after 31st December, 1910, the Commonwealth may impose additional Customs and Excise duties for specific purposes, and may specially appropriate and retain and " earmark " the whole of the revenue—
 - (a) Derived from any new items of duties imposed solely for specific purposes;
 - (b) Derived from any additional duties on existing items of duties imposed solely for specific purposes.

If any surplus remains in any year after providing for such specific purposes from the revenue derived from such special appropriations, three-fourths of such surplus to be annually returned to the States *per capita*.

These arrangements to continue for ten years, viz., after the 31st December, 1910, up to 31st December, 1920, and thereafter until the Parliament otherwise provides.

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E.—THE BOOKKEEPING SYSTEM.

14. Under the foregoing proposals the bookkeeping system would terminate at the same time as the "annual fixed payment" system would come into force, viz., 31st December, 1910. The effect of this termination would be that the Commonwealth expenditure would be dealt with as a whole, irrespective of State divisions; though it need not prevent the Commonwealth expenditure in each State being approximately commensurate with the revenue derived from that State. It would also simplify the keeping of the Public accounts, and give financial responsibility as well as financial independence to both the Commonwealth and the States. We must not, however, forget that both are supplying the wants of the same people, and that in each case the expenditure is intended to be equally beneficial to the same people.

F.—FUTURE BORROWING BY THE STATES.

15. The Commonwealth should be empowered to raise loans for the States on terms and conditions to be agreed upon.

16. It is, I think, inadvisable at the present time to ask the States to undertake for all time not to borrow on the London market except through the Commonwealth. In order, however, to firmly establish on the London market "Australian Consols" with the object of obtaining better terms and making greater savings through the conversion or redemption by the Commonwealth of their existing stocks, the States should undertake not to borrow in the London market, except through the Commonwealth, up to 31st December, 1920, the date on which it is proposed that the amount and basis of the annual payment by the Commonwealth to the States may be reconsidered by the Parliament. The States should limit their borrowing during that period to the Australian market, and each State would of course be solely responsible for any new debts it incurred, together with all interest and sinking fund on such debts.

G.—CONCLUDING REMARKS.

17. I submit the foregoing recommendations for adoption. If a comparison be made between my proposals and those made by the Premiers on 15th February, 1905, at the Hobart Conference (*vide* Appendix B, with annotations), it will be found that there is nothing in them inconsistent with any of the proposals recommended by the Premiers.

18. Only two sections of the Constitution are affected, viz., Sections 94 and 105, and if these recommendations are favorably viewed by the States, there should be little difficulty in obtaining the consent of the electors to the required amendments at the ensuing General Election, especially as the proposed amendments would not in any way prejudice State rights; or it might be considered sufficient to obtain "the concurrence of the Parliaments of all the States" to an agreement with the Commonwealth based on these proposals, under the powers contained in Section 51, sub-sec. xxxviii. of the Constitution, and if this can be legally done there need not be any amendment whatever of the Constitution.

19. I have purposely not referred in this memorandum to the question of "Transferred Properties," because my recommendations on that subject have been already presented to Parliament (*vide* page 1800, Parliamentary Papers, vol. 2, Session 1904, Appendix A1).

H.—SUMMARY.

20. The following is a summary of the recommendations contained herein:—

- (1) That the State Debts, "as existing at the establishment of the Commonwealth," amounting to about 202 millions (as provided by Section 105 of the Constitution), be taken over as soon as possible (*vide* par. 8).
- (2) That the balance of the total existing State Debts, amounting to about 35 millions, be "taken over," so soon as an amendment of Section 105 of the Constitution, enabling it to be done, is obtained (*vide* par. 8).
- (3) That Section 87 (the Braddon Clause) be not continued beyond the 31st December, 1910 (*vide* pars. 9 and 10).
- (4) That after 31st December, 1910, up to 31st December, 1920, and thereafter until Parliament otherwise provides, the net Customs and Excise revenue be divided between the States and the Commonwealth as follows:—

The States to have—

- (a) A guaranteed fixed annual payment for ten years to each State on the basis of three-fourths of the net re-

venue from Customs and Excise which that State contributed (excluding the special revenue in the case of Western Australia) during (say) the five years preceding such 31st December, 1910 (*vide* par. 13, sub-par. (1)).

- (b) If three-fourths of the total net revenue from Customs and Excise in any year (not "ear-marked") exceeds the aggregate of the guaranteed fixed payments to all the States—a *per capita* return of such excess (*vide* par. 13, sub-par. (2)).
- (c) A *per capita* return of three-fourths of any *surplus* of "ear-marked" net Customs and Excise revenue (new or additional) after providing for the specific purposes for which it was specially appropriated (*vide* par. 13, sub-par. (3)).

The Commonwealth to have—

- (d) Subject to the annual payment of the guaranteed fixed sum to the States one-fourth of the net Customs and Excise revenue (not "ear-marked") (*vide* par. 13, sub-par. (1)).
- (e) Any new or additional net Customs and Excise revenue, "ear-marked" for specific purposes (*vide* par. 13, sub-par. (3)).
- (f) One-fourth of any *surplus* of "ear-marked" net Customs and Excise revenue, after providing for the specific purposes for which it was specially appropriated (*vide* par. 13, sub-par. (3)).
- (5) That the bookkeeping system should cease on 31st December, 1910 (*vide* par. 14).
- (6) That the States undertake not to borrow on the London market, except through the Commonwealth, up to 31st December, 1920 (*vide* pars. 15 and 16).

- (7) That Sections 94 and 105 of the Constitution be amended or an agreement entered into between the Commonwealth and the States (*vide* par. 18).

JOHN FORREST,
Treasurer.

Appendix A.

COPY OF A MEMORANDUM BY SIR JOHN FORREST, DATED 25TH SEPTEMBER, 1905.

The Honorable the Prime Minister.

In my Budget speech of the 22nd August, I said—

“Unless some arrangement can be made under which a fixed sum shall be returned to the States each year, it seems to me that we have no alternative but to continue the bookkeeping method—at any rate until the expiration of Section 87 of the Constitution.” (*Hansard*, p. 1211.)

And again—

“I am of opinion that the bookkeeping system will never be acceptable as a permanent system to the people of Australia. It hampers both States and Commonwealth, and, although it has been serviceable and will do good service for years to come, it cannot be looked upon as a permanent arrangement.” (*Hansard*, p. 1211.)

And again—

“My judgment leads me to believe that it will be found advisable to consider whether it is not possible to adopt the Canadian plan or some scheme which will be equitable and acceptable, under which it might be agreed that a fixed amount, subject, if necessary, to periodical adjustment, should be annually returnable to each State. If some such proposal could be given effect the Commonwealth and the States would be in a position of financial independence, and would be able to work out their financial problems in their own way.” (*Hansard*, p. 1217.)

2. The more I have considered this question the more I am convinced that the plan outlined in my Budget speech, and now

Sir John Forrest.

proposed by the Premier of New South Wales (Mr. Carruthers), is the only one that will be permanently satisfactory to the Commonwealth and to the States.

3. It is scarcely likely that the Federal Parliament will continue the Braddon Clause beyond the 31st December, 1910, and, therefore, after that date, the whole Customs and Excise revenue will be at the disposal of the Commonwealth, subject only to the provision in Section 94 of the Constitution that “the Parliament may provide on such basis as it deems fair for the monthly payment to the several States of all surplus revenue of the Commonwealth.”

4. The taking over by the Commonwealth of the State Debts is not necessarily connected with the return of any surplus revenue to the States, as, whether the Debts are taken over or not, the States will have to pay the interest. The necessities of the States in this respect cannot, however, be ignored by the Commonwealth, as they have at the present time to pay £8,400,000 annually in interest on their Public Debts, and largely rely upon the surplus returned by the Commonwealth to enable them to do so. There cannot in any case, I think, be any doubt as to the accuracy of the statement in my Budget speech—

“That the Commonwealth, with its great and exclusive power over Customs taxation, is in a far stronger and better position to deal with this great financial matter than are the States, either collectively or separately.” (*Hansard*, p. 1216.)

5. But the taking over of the States Debts under Section 105 of the Constitution will in no way limit the spending power of the Commonwealth after the 31st December, 1910, as Section 105 provides that—

“The States shall indemnify the Commonwealth in respect of the debts taken over, and thereafter the interest payable in respect of the debts shall be deducted and retained from the portion of the surplus revenue of the Commonwealth, payable to the several States, or if such surplus is insufficient, or if there is no surplus, then the deficiency or the whole amount shall be paid by the several States.”

It will be noticed that the Constitution even seems to infer the possibility of there being no surplus returnable to the States by the words used, viz., "or if such surplus is insufficient, or if there is no surplus then the deficiency or the whole amount shall be paid by the several States."

6. Unless, therefore, some mutually satisfactory arrangement is arrived at between the Commonwealth and the States before the end of 1910, the States will have to rely solely upon the Commonwealth Parliament, and not upon any legal obligation, in respect of the return of surplus revenue.

7. That being so, it is manifestly a very urgent and important matter for the States that no time should be lost in endeavouring to make a binding arrangement with the Commonwealth in regard to the amount to be annually returned to them after the end of 1910.

8. The duty of the Commonwealth and the States is, of course, to do that which is best for Australia as a whole, and viewing the question solely from that stand-point, the proposal foreshadowed in my Budget speech, and now submitted by the Government of New South Wales, seems to me the only possible satisfactory basis for the future in the interests of both the Commonwealth and the States.

9. The proposals of the Premier of New South Wales (Mr. Carruthers) are—

- (a) The return of an adequate fixed amount of the Customs revenue to each State on the expiration of the Braddon Clause.
- (b) The continuation of the bookkeeping period to the end of 1910

(the expiration of the Braddon Clause).

10. The effect of this proposal would be that—

- (1) The States would be no longer under any financial obligation to the Commonwealth, and would know exactly what amount they were to annually receive.
- (2) The Commonwealth would have the responsibility of making its own financial arrangements, and of raising what revenue it required to carry out its obligations.
- (3) Both the Commonwealth and the States would have the burden of making both ends meet, and not as would be the case in the future if no arrangement is come to, that burden being altogether (as it is at present) placed upon the States.

11. The solvency and prosperity of the States must always be of vital importance to the Commonwealth Parliament, and, therefore, although it may be thought by some that in giving favorable consideration to the proposals of the Premier of New South Wales (Mr. Carruthers) the Commonwealth is relinquishing some of its powers, I am of opinion that to do so will be to the advantage of Australia, and I also believe that to do so will not be acting contrary to the real spirit of the Constitution.

JOHN FORREST,

Treasurer.

25th September, 1905.

APPENDIX B.

PROPOSALS MADE IN REGARD TO STATE DEBTS AND CONTINUATION OF SEC. 87 (THE BRADDON CLAUSE) BY THE STATE PREMIERS AT HOBART CONFERENCE, 15th FEBRUARY, 1905.

With Annotations by the Treasurer, Sir John Forrest.

Proposals of State Premiers.

1. That pending a better provision being embodied in the Constitution to secure the States against deficiency, the 87th section of the Constitution Act should be amended by the omission of the words, "during a period of ten years after the establishment of the Commonwealth, and thereafter until Parliament otherwise provides," in order to secure the constitutional right of the return to each of the States of three-fourths of the net revenue of the Commonwealth from duties of Customs and of Excise, as provided by that section.

2. That, subject to the foregoing and following stipulations, the whole of the State debts be taken over by the Commonwealth when arrangements can be made.

Annotations by the Treasurer, Sir John Forrest.

The same result obtained for a period of 10 years, after the 31st December, 1910 (the date on which section 87 (the Braddon Clause) becomes alterable) up to 31st December, 1920, and thereafter until Parliament otherwise provides (*vide par. 13, sub-par. (1) and (2)*).

Agreed to (*vide par. 8*).

Future Borrowing.

3. That, except as hereinafter mentioned, all moneys required by the States on loan shall be raised through the Commonwealth. } Agreed to, but more liberal (vide pars. 15 and 16).
4. That any State requiring money to be raised on its behalf through the Commonwealth shall give the Federal Treasurer six months' notice of its requirements. }
5. That within three months of the receipt of such notice the Federal Treasurer shall ascertain the probable terms and costs of the proposed loan, and notify the State Treasurer thereof, who shall elect whether to proceed with the loan or not through the Commonwealth. } Vide par. 15.
6. If the State so desires, it shall be at liberty to raise the loans within the Commonwealth. } Agreed to (vide par. 16).
7. That the Commonwealth Government shall refrain from competing with the States in the local market. }
8. Any debt incurred by a State within the Commonwealth may, at or before maturity, be taken over by the Federal Treasurer as if it were a transfer debt. } Vide pars. 15 and 16.

Sinking Fund.

9. Upon all loans raised or renewed there shall be provided a sinking fund of $\frac{1}{2}$ per cent. Provided, that where a sinking fund already exists in a State, the total, whether arising therefrom or in respect of loans or renewals, shall not be required to exceed $\frac{1}{2}$ per cent. per annum. } Agreed to (vide par 6, sub-par. (7)).
10. All sinking funds shall be vested in trustees, and applicable only for the redemption of loans. The money to be vested in State or Commonwealth stock. The interest in respect of such stock shall form part of the sinking fund. }

Payment of Sinking Fund and Interest.

11. All sinking funds and interest shall be debited as follows :—
- (1) On transferred debts and all renewals thereof, to the State } Agreed to (vide par. 7).
owing such debt.
- (2) On new loans for a State, to that State. } Agreed to (vide par. 16).
- (3) On loans for Commonwealth purposes, on a population } Agreed to. Provided by
basis. } Constitution.
- (4) As to the compensation for transferred properties—
- (a) Interest—as against States owning properties during } Dealt with by me in
the book-keeping period and afterwards on a popu- } separate paper already
lation basis. } presented to Parlia-
(b) Sinking fund—on a population basis. } ment (vide page 1800,
(3) and (4) to be Federal expenditure. } Parliamentary Papers,
vol. 2, Session 1904,
Appendix A1).

Security.

12. (1) The Federal Treasurer to be entitled to use the proportion of the revenues of the Commonwealth which otherwise would be payable to the States (as provided by the Constitution.) } Agreed to (vide par. 7 and
par 8, sub-par. (4)).
- (2) Any further amount required shall be paid by the States to the Commonwealth. }
- (3) Each State to pass a special appropriation for the payment of any such shortage. } Agreed to (vide par. 7).
- (4) Provision to be made that these appropriations shall not be repealed. }
- (5) Nothing in this proposal is to in any manner affect the indemnity given by the Constitution. } Agreed to (vide par. 7).

General.

13. All necessary alterations in the Constitution to be made.

Agreed to (vide par. 18).

JOHN FORREST,
Treasurer.

The Treasury,
9th July, 1906.
Sir John Forrest.

TABLE C.

STATEMENT COMPARING THE AVERAGE THREE-FOURTHS OF THE NET CUSTOMS AND EXCISE REVENUE OF THE FOUR YEARS ENDED 30TH JUNE, 1906, WITH THE INTEREST (AT PRESENT RATES) ON PUBLIC DEBTS MATURING BEFORE 31ST DECEMBER, 1920.

Interest on Public Debts which cannot be taken over under Section 105 of the Constitution is not included.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Average of $\frac{3}{4}$ ths of Customs and Excise Revenue from 1st July, 1902, to 30th June, 1906—four years—not including Western Australia, Special Tariff	2,379,275	1,819,181	834,300	498,194	763,207	247,487	6,541,644
Interest, calculated at present rates, which would be payable by Commonwealth at end of 1920† ..	1,096,807	1,096,620	528,578	765,381	349,521	307,872	4,144,779
Surplus (+) or deficiency (–) for payment of interest ..	+1,282,468	+722,561	+305,722	* –267,187	+413,686	† –60,385	+2,396,865

* There would be no deficiency before 1916.

† There would be no deficiency up to end of 1919.

‡ Interest on Debts redeemed or converted since 30th June, 1905, is included.

TABLE D.

PUBLIC DEBTS AT 30TH JUNE, 1905.

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.	Interest.
	£	£	£	£	£	£	£	£
Debts which may be taken over under section 105 of the Constitution, and which mature between 1st July, 1905, and 31st December, 1920†	30,460,496	28,212,296	13,217,200	20,100,045	10,320,621	8,355,382	110,666,040	4,144,779
Debts which may be taken over under section 105 of the Constitution, and which will remain to be dealt with by the Commonwealth after 31st December, 1920 ..	82,639,510	26,149,533*	24,350,094	5,743,500	2,298,041	136,668	91,817,346	3,137,226
Total of Public Debts which may be taken over under section 105 of the Constitution ..	63,100,006	54,361,829*	37,567,294	25,843,545	12,618,662	8,492,050	201,983,386	7,282,005
Public Debts which cannot be taken over until Constitution amended ..	19,221,992	2,453,643†	4,717,873	2,930,150	4,393,774	979,921	34,697,353	1,206,664
Total Public Debts at 30th June, 1905 ..	82,321,998	56,815,472	42,285,167	28,773,695	17,012,436	9,471,971	236,680,739	8,488,669

* Includes £1,108,338 and £3,649,366 as per footnote to Table F.

† Includes £294,002 as per footnote to Table F.

‡ A considerable portion of these amounts representing Debts in connexion with which the Government has the option of fixing dates of redemption would not necessarily be redeemed or converted before 31st December, 1920.

TABLE F.

PUBLIC DEBT OF AUSTRALIA AT 30TH JUNE, 1905.

(NOTE.—Sinking Funds have not been deducted from the debt. In the cases in which, since the date of Federation, loans have been redeemed out of the proceeds of new loans it has been assumed that the Commonwealth may take over such portion of the new loans as realized the amount of the redeemed loans. Treasury Bills covering Revenue Deficits are included. Revenue Deficits which are not covered by Treasury Bills and overdrafts on Loan Account are not included.)

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Debt which can be taken over under the Constitution of the Commonwealth:—							
Redeemable in London ..	52,152,945	44,620,229	33,363,834	22,876,320	10,567,726	7,830,250	171,411,864
Redeemable in Australia ..	10,947,061	4,888,896 4,757,704 ^b	4,203,460	2,967,225	2,050,936	661,900	30,572,082
Total ..	63,100,006 ^a	49,604,125 4,757,704 ^b	37,567,294	25,843,545	12,618,662	8,492,050 ^c	201,962,386
Debt which cannot be taken over under the Constitution of the Commonwealth:—							
Redeemable in London ..	11,878,805	90,000	2,228,913	50,000	3,500,000	..	17,747,718
Redeemable in Australia ..	7,343,187	2,069,641 294,002 ^d	2,488,960	2,880,150	898,774	979,921	16,949,635
Total ..	19,221,992	2,159,641 294,002 ^d	4,717,873	2,930,150	4,398,774	979,921	34,607,253
Total of Public Debt ..	82,321,998	51,763,766 4,757,704 ^b 294,002 ^d	42,285,167	28,773,695	17,012,436	9,471,971	236,680,739

^a In addition, the Commonwealth can apparently take over new loans to be raised by New South Wales for the redemption of certain loans, amounting to £1,174,100, which have been paid off since Federation, and charged to General Loan Account.

^b Amount which may apparently be taken over by the Commonwealth being—
 Amount of stock inscribed under the Victorian Municipalities Loans Extension Act .. £1,108,338
 Certificates given to the Victorian Trust Fund Trustees. (These may be exchanged for Government Bonds, which could be sold) 3,649,366
 £4,757,704

^c An additional amount of £16,022, amount of loans paid off, and for which a redemption loan is to be raised, can apparently be taken over

^d Certificates given to the Victorian Trust Fund Trustees, £294,002. (These may be exchanged for Government Bonds, which could be sold.)

TABLE G.

SHOWING AMOUNT OF DEBT WHICH MUST BE REDEEMED AT FIXED DATES, ETC.

	London.	Australia.	Total
	£	£	£
Debt redeemable at fixed dates	145,844,010	22,736,715	168,580,725
Debt in connexion with which, within certain limits, States have the option of fixing date of redemption ..	43,113,262	17,206,090	60,319,342
Interminable Debt	..	532,890	532,890
Other Debt	201,750	7,046,032	7,247,782
Total Public Debt	£189,159,022	£47,521,717	£236,680,739

TABLE H.

ESTIMATED POPULATION OF THE COMMONWEALTH OF AUSTRALIA AS AT 31ST DECEMBER, 1905.
(Excluding Aboriginal Natives.)

New South Wales	1,491,763	being 3681	of total population.
Victoria	1,218,571	" 3007	" "
Queensland	528,048	" 1303	" "
South Australia	378,208	" 9933	" "
Western Australia	254,779	" 0629	" "
Tasmania	181,106	" 0447	" "
Total	4,052,475	1.0000	

Sir John Forrest.

TABLE J.

PUBLIC DEBT, AT 30TH JUNE, 1905, PER HEAD OF POPULATION AS AT 31ST DECEMBER, 1905.
(See Notes to Table F.)

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Debt which can be taken over under the Constitution of the Commonwealth	42.299*	44.611	71.144	68.332	49.528	46.890	49.842
Debt which cannot be taken over under the Constitution of the Commonwealth	12.885	2.014	8.935	7.747	17.245	5.411	8.562
Total Public Debt	55.184	46.625	80.079	76.079	66.773	52.301	58.404

* The additional amount of £1,174,100 which can be taken over (see Note to Table F) is equal to £.787 per head.

TABLE K.

AMOUNTS AVAILABLE FOR PAYMENT OF INTEREST ON THE TOTAL AUSTRALIAN PUBLIC DEBT.

	Surplus paid to States by Commonwealth in 1905-6.	Interest on Total Public Debt.	Surplus (+) or Deficiency (-) of Provision for Payment of Interest at present Rates. (d)
	£	£	£
New South Wales ..	2,742,770	2,937,150	- 194,380
Victoria ..	2,097,119	1,974,499c	+ 122,620
Queensland ..	857,048	1,565,106	- 708,058
South Australia ..	559,411	1,081,025	- 521,614
Western Australia ..	2795,326	582,773	+ 212,548
Tasmania ..	256,391	348,111	- 91,720
Total ..	27,308,065	8,488,669	- 1,180,604

(a) Special Western Australian Tariff, £77,666, omitted.

(c) This includes £91,000, being approximate amount of interest payable on moneys covered by certificates in hands of Victorian Trust Fund Trustees, but it does not include interest on £1,108,338 stock under the Victorian Municipalities Loans Extension Act, which does not at present bear interest.

(d) In arriving at the surplus or deficiency no charges have been made for payments into Sinking Funds or for expenses.

TABLE L.

AMOUNTS AVAILABLE FOR PAYMENT OF INTEREST ON TOTAL AUSTRALIAN PUBLIC DEBT.

	Three-fourths of Net Customs and Excise Revenue, 1905-6.	Interest on Total Public Debt.	Surplus (+) or Deficiency (-) of Provision for Payment of Interest at present Rates. (d)
	£	£	£
New South Wales ..	2,370,930	2,937,150	- 566,220
Victoria ..	1,852,889	1,974,499c	- 121,610
Queensland ..	849,850	1,565,106	- 715,256
South Australia ..	496,033	1,081,025	- 584,992
Western Australia ..	2688,855	582,773	+ 106,077
Tasmania ..	237,770	348,111	- 110,341
Total ..	26,496,327	8,488,669	- 1,992,342

For Notes (a), (c), and (d) see Table K.

TABLE M.

AMOUNTS AVAILABLE FOR PAYMENT OF INTEREST ON THE AUSTRALIAN PUBLIC DEBT WHICH CAN BE TAKEN OVER UNDER THE CONSTITUTION OF THE COMMONWEALTH.

	Surplus paid to States by Commonwealth in 1905-6.	Interest on the Public Debt which can be taken over.	Surplus (+) or Deficiency (—) of provision for Payment of Interest at present Rates. (d)
	£	£	£
New South Wales ..	2,742,770	2,260,710	+ 482,060
Victoria ..	2,097,119	1,904,675c	+ 192,444
Queensland ..	857,048	1,401,201	— 544,153
South Australia ..	559,411	971,462	— 412,051
Western Australia ..	795,326	431,079	+ 364,247
Tasmania ..	256,391	312,878	— 56,487
Total ..	7,308,065	7,282,005	+ 26,060

For notes (a), (c), and (d), see Table K.

TABLE N.

AMOUNTS AVAILABLE FOR PAYMENT OF INTEREST ON AUSTRALIAN PUBLIC DEBT WHICH CAN BE TAKEN OVER UNDER THE CONSTITUTION OF THE COMMONWEALTH.

	Three-fourths of Net Customs and Excise Revenue for 1905-6.	Interest on the Public Debt which can be taken over.	Surplus (+) or Deficiency (—) of provision for payment of Interest at present Rates. (d)
	£	£	£
New South Wales ..	2,370,930	2,260,710	+ 110,220
Victoria ..	1,852,889	1,904,675c	— 51,786
Queensland ..	849,850	1,401,201	— 551,351
South Australia ..	496,033	971,462	— 475,429
Western Australia ..	688,855	431,079	+ 257,776
Tasmania ..	237,770	312,878	— 75,108
Total ..	6,496,327	7,282,005	— 785,678

For notes (a), (c), and (d), see Table K.

TABLE O.

(Prepared from figures furnished by State Treasuries.)

NET REVENUE (i.e., EARNINGS AVAILABLE FOR THE PAYMENT OF INTEREST) RECEIVED DURING 1904-5 FROM WORKS CONSTRUCTED OUT OF LOANS. (POST OFFICE WORKS NOT INCLUDED.)

	Railways.	Water.	Sewers.	Other.	Total.
	£	£	£	£	£
New South Wales ..	1,609,666 (a)	371,732 (d)	..	175,736	2,157,134
Victoria b ..	1,507,653 (b)	161,024	..	15,488	1,684,165
Queensland c ..	594,670	..	..	128,584	723,254
South Australia b ..	532,845	73,578	27,393	46,717	680,533
Western Australia ..	354,126 (a)	68,643	..	52,737	475,506
Tasmania ..	73,429	..	..	13,387	86,816
Total ..	4,672,389	674,977	27,393	432,649	5,807,408

(a) Includes tramways.

(b) Includes work constructed out of revenue.

(c) Does not include interest paid by selectors under the Agricultural Lands Purchase Acts and interest on suspended deposits.

(d) Including sewers.

Sir John Forrest.

TABLE P.
THE PUBLIC DEBTS SINKING FUNDS OF AUSTRALIA AT 30TH JUNE, 1905.
Held in Cash in Banks unless otherwise stated.

New South Wales	£439,033 (a)
Victoria	298,579 (b)
Queensland	68 (c)
South Australia	144,601 (d)
Western Australia	1,112,652 (e)
Tasmania	214,171 (f)
	£2,209,104

(a) £59,419 of this was on Fixed Deposit in Banks at interest.

(b) Includes moneys at credit of Mallee Land Account.

(c) There is no regular sinking Fund. When a surplus of revenue occurs in any year the amount is paid over to the credit of the Public Debt Reduction Fund Trustees.

(d) After providing for £32,500, loans redeemable on 1st July, 1905. Includes £11,452 invested in Public Securities.

(e) At 31st March, 1905. With the exception of £10,501 cash, this was invested in Government Securities. Includes moneys and securities held on account of Agricultural Bank Act and Agricultural Lands Purchase Act.

(f) This is wholly invested in Government Securities.

TABLE R.
PUBLIC DEBTS AT 30TH JUNE, 1905.

Amounts maturing in each Year, including Debts which cannot be taken over without an Amendment of the Constitution.

(NOTE.—In cases in which the Government has the option of fixing the date of redemption, the loans have been included under the *earliest* year in which they may be redeemed.)

Year.	Total	
	Principal.	Interest.
	£	£
Overdue	10,250	..
Indeterminable	532,890	21,342
Annual Payments	1,727,626	52,144
Annual Drawings	192,600	8,037
Indefinite	265,600	8,633
1905	1,259,391	45,429
1906	4,097,637	156,293
1907	12,338,646	485,674
1908	8,038,838	320,097
1909	5,549,703	220,770
1910	4,738,575	184,435
1911	5,417,611	217,137
1912	10,266,078	360,885
1913	8,037,570	322,234
1914	1,499,530	60,681
1915	19,459,260	737,398
1916	9,746,645	328,297
1917	6,701,973	237,181
1918	14,300,700	508,355
1919	4,441,050	173,752
1920	13,944,700	522,705
1921	6,378,726	218,113
1922	4,526,010	136,012
1923	7,356,573	255,697
1924	31,323,199	1,144,524
1925	235,555	7,174
1926	1,914,350	63,181
1927	2,518,257	75,728
1928	62,431	2,297
1929	8,814,266	322,190
1930	3,804,100	133,144
1933	9,686,300	387,452
1934	1,460,653	53,456
1935	12,500,000	375,000

TABLE R.—PUBLIC DEBT—continued.

Year.	Total	
	Principal.	Interest.
	£	£
1936	332,900	11,652
1939	2,719,800	95,192
1945	4,315,640	150,594
1950	946,600	28,631
1952	175,800	6,153
	231,629,033	8,397,669
Amount as per Footnotes †† on Page 19 of Table Q of separate Budget Papers	294,002 1,108,338 3,649,366	91,000
Totals	236,680,739	8,488,669

I claim that these proposals are practicable, and that they are generous to the States. I submit that they are fair both to the States and to the Commonwealth, and that they are concisely put and easily understood. It will be noticed that, although I propose that the scheme may be terminated upon the 31st December, 1920, there will be no occasion to bring it to an end unless Parliament decides to do so. It may continue indefinitely if it is regarded as suited to the circumstances. My reason for not making any proposal of a permanent character is that I do not believe it possible at the present time to formulate a plan that would be acceptable for all time to both the Commonwealth and the States. The difficulties in the way at present are too great, and we are only beginning to think federally. I think, however, that by the end of 1920, when we shall have had twenty years' experience of Federation, we shall be in

a far better position to again deal with the matter, if it is considered necessary to do so. If we were to attempt to make a permanent arrangement now, it would no doubt be necessary to amend the Constitution, and there might be obstacles to our success in that direction. There is plenty of room for criticism and for differences of opinion in this matter, and all I desire is that those who do not agree with me will suggest some better scheme. The honorable member for Mernda has had several conversations with me upon this matter, but I am sorry to say we are not in accord. He has in preparation a scheme which I hope he will allow me to place upon the table of the House in a few days, in order that honorable members may give it their full consideration. I have not seen the final draft of it, but honorable members know the reputation of the honorable member. He has had a long commercial experience, and I believe that his scheme—which I will not venture to criticise at the present moment—aims at securing finality immediately. I am sorry to say that I do not think his desire can be attained. His proposals are much more ambitious one than the proposals I have submitted, and I am quite sure that it will receive from honorable members every consideration. I thank the honorable member for what he has done, and regret I do not agree with his views. I wish that some other honorable members, possessed of similar knowledge and experience, would do the same. I submit my proposals with confidence, and in the hope that they will prove acceptable to the Governments of the States and the people of Australia. I suppose it is characteristic of me that, while I do not make up my mind in a moment, when once I have made it up I am not easily turned from my resolve. Probably that is the reason why I am sometimes credited with being an autocrat.

MR. CARPENTER.—The States Treasurers will be opposed to the right honorable gentleman upon his proposal to terminate the Braddon section of the Constitution.

SIR JOHN FORREST.—I do not propose to terminate that section immediately. Under my proposal, it will be practically perpetuated till 1920, and thereafter until Parliament otherwise provides.

MR. CARPENTER.—Let us hope that they will see it in that light.

SIR JOHN FORREST.—I am also glad to say that the proposals now submitted are practically in accord with the views expressed by the Premiers of the States at the Hobart Conference. As a matter of fact, they are more generous to the States than were the proposals of the Premiers. For instance, I do not suggest that the States should for ever forego the right to borrow on the London market except through the Commonwealth—as was agreed to at the Hobart Conference—but I propose to make that question an open one after 1920. In no way are the present recommendations of the Government less liberal to the States than were those submitted by the Premiers themselves at Hobart. If honorable members will look at Appendix B they will see that I have annotated the recommendations of the Premiers, so as to show clearly where they differ, and in what respect our proposals are more liberal or less liberal, than those submitted by the Premiers. Our proposals will give—subject to certain limitations—financial freedom alike to the States and the Commonwealth. The last subject with which I am called upon to deal is the Tariff. I am not in a position to submit proposals for an amendment of the Tariff with my Budget statement. Had I been able to do so, it would have been most desirable, because I should then have been in a position to indicate the financial effects of the proposals. Up to the present time, only the operation of the excise duties has been reported upon by the Tariff Commission, and considered by the Government. It is impossible for me to announce the probable effect of any proposed duties until more reports have been received from the Commission embodying their recommendations in regard to Customs, and until their general effect upon the revenue has been ascertained. I should like to point out—no doubt it has occurred to honorable members—that any proposals for an amendment of the Tariff must take effect immediately they are submitted. That being so, their consideration will require to be proceeded with, without delay, until the final decision has been arrived at. That is a very important point, which honorable members should thoroughly weigh. In dealing with Tariff reform, we ought not to commence the consideration of any proposals we cannot finish. What would be our position if, after levying duties during the next month or two, it was found that

we could not conclude the consideration of the Bill authorizing them during the present Parliament? I think that we should be compelled to return all the money that we had collected under the proposed duties unless we could pass legislation to legalise the collection of the duties until the new Parliament has time to pass the necessary law—and that might be difficult, besides being unprecedented. It will thus be seen that great difficulties would arise. The Government recognise the great importance of the interests affected, and are most anxious to afford whatever relief is possible to any injured industries at the earliest possible moment. We desire to complete the work of the session by the end of September, and will deal with all reports of the Tariff Commission, which we have proper time to consider, within the time available. It would, of course, have been preferable if the whole of the proposed amendments of the Tariff could be dealt with at one time, in order not only that their effect upon the revenue might be known, but also that any extra expenditure upon defence caused by the proposals now under consideration, and others not yet ripe for submission, might have been considered in the light of the revenue likely to be available. I have now dealt with all the subjects that occur to me. In Committee, Ministers in charge of the various Departments will be only too anxious to give full information upon every item which appears in the Estimates or in the Budget papers. The Government have no secrets. We have no skeleton in our political cupboard. We desire to take honorable members into our confidence upon every public matter in respect of which it is reasonable and proper for us to do so. In conclusion, I would ask honorable members to try to realize what the 4,000,000 of British people in Australia have done and are doing. They have £107,000,000 upon deposit at the banks, of which over £23,000,000 are in coin and bullion. They have deposits in the Savings Banks of over £37,000,000, and the number of depositors is 1,152,506. They have produced minerals to the value of £636,000,000, of which £24,766,000 were produced during 1905. Of this £636,000,000, the sum of £462,439,000 represents the production of gold, and of that quantity £15,500,000 worth was produced in 1905. Perhaps I may be pardoned for saying that more than half of the gold production of that year came from Western Australia.

They have 9,380,000 acres under cultivation not including grass and fallow lands. During the last two years they have produced wheat valued at £18,766,000, and have exported butter valued at £4,792,000. They have 75,000,000 sheep, 8,000,000 cattle, 1,600,000 horses, and 1,000,000 pigs. Their sheep have increased during the last three and three-quarter years by 22,000,000, and the value of the wool produced is now over £20,000,000, having increased during the same period by £7,000,000. In 1906 their oversea trade represented £95,000,000; their imports being of the value of £38,000,000 and their exports of the value of £57,000,000. I am glad to say that 71 per cent. of this trade was with the people of the British Empire—our own people—the remaining 29 per cent. being with the people of foreign countries. The value of their imports is £15,000,000 less than those of Canada, but their exports exceed in value those of Canada by £13,000,000, and of South Africa by £25,000,000.

Mr. HARPER.—And Canada has a population of about 6,000,000.

Sir JOHN FORREST.—As compared with our population of about 4,121,000. The people of Australia produce annually about £3,000,000 worth of hay, £1,400,000 worth of potatoes, and 6,000,000 gallons of wine. They have a grand total of primary annual production, including manufactures, representing a value of about £120,000,000 a year. They have great and populous cities, railways, tramways, water supplies, telegraphs, telephones, shipping facilities with the world and on their coasts, and are in enjoyment of most of the advantages, conveniences, and luxuries of the old world. They have thirty times as many sheep, and produce forty times as much wool as Canada, whilst they have five times as many sheep as in the whole of South Africa. They produced last year 54,000,000 bushels of wheat, being only 15,000,000 bushels less than the output of Canada, which is regarded as the granary of the world. They produced nearly five times as much gold as Canada, their product being valued at only £1,500,000 less than that of South Africa, which has been considered as the greatest gold producer of recent times. This is what the people of Australia—4,000,000 British people—are doing. We have our difficulties, political, as well as financial; we have had to face times of depression as well as of prosperity; but the results I have

a far better position to again deal with the matter, if it is considered necessary to do so. If we were to attempt to make a permanent arrangement now, it would no doubt be necessary to amend the Constitution, and there might be obstacles to our success in that direction. There is plenty of room for criticism and for differences of opinion in this matter, and all I desire is that those who do not agree with me will suggest some better scheme. The honorable member for Mernda has had several conversations with me upon this matter, but I am sorry to say we are not in accord. He has in preparation a scheme which I hope he will allow me to place upon the table of the House in a few days, in order that honorable members may give it their full consideration. I have not seen the final draft of it, but honorable members know the reputation of the honorable member. He has had a long commercial experience, and I believe that his scheme—which I will not venture to criticise at the present moment—aims at securing finality immediately. I am sorry to say that I do not think his desire can be attained. His proposals are much more ambitious one than the proposals I have submitted, and I am quite sure that it will receive from honorable members every consideration. I thank the honorable member for what he has done, and regret I do not agree with his views. I wish that some other honorable members, possessed of similar knowledge and experience, would do the same. I submit my proposals with confidence, and in the hope that they will prove acceptable to the Governments of the States and the people of Australia. I suppose it is characteristic of me that, while I do not make up my mind in a moment, when once I have made it up I am not easily turned from my resolve. Probably that is the reason why I am sometimes credited with being an autocrat.

MR. CARPENTER.—The States Treasurers will be opposed to the right honorable gentleman upon his proposal to terminate the Braddon section of the Constitution.

SIR JOHN FORREST.—I do not propose to terminate that section immediately. Under my proposal, it will be practically perpetuated till 1920, and thereafter until Parliament otherwise provides.

MR. CARPENTER.—Let us hope that they will see it in that light.

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referred to remain. Whether we look at our position collectively or individually we have, I think, good cause for satisfaction and gratefulness. Collectively, we have an opportunity—given to no other 4,000,000 people in the world—of guiding the destinies of an immense continent “compass’d by the inviolate sea,” and of fashioning its laws “broad based upon her people’s will.” Individually, far removed from the crowded centres of the old world, and its grinding competition—in a sunny land, with healthy and pleasant surroundings, where there is plenty of room for all to make a living, and even gain a competence—surely we may rejoice that our “walks” are “by the long wash of Australasian seas,” and that we have the opportunity and the privilege—

To take
Occasion by the hand, and make
The bounds of freedom wider yet.

I move—

That the item, “President. £1,100,” be agreed to.

Mr. JOSEPH COOK.—I ask for the usual adjournment.

Progress reported.

BOUNTIES BILL.

SECOND READING.

Debate resumed from 27th July (*vide* page 1984), on motion by Sir WILLIAM LYNE—

That the Bill be now read a second time.

Mr. GLYNN (Angas) [5.36].—I desire to deal briefly with the provisions of the Bill, which should not be allowed to pass without a critical examination of its scope and the probable efficacy of its provisions. We have heard a good deal from time to time from the Prime Minister as to the possibility of great good being done by the granting of bounties to rural industries. If the farmers of Australia rely upon this Bill as a stimulus to the agricultural and associated industries throughout the Continent they will be somewhat severely disappointed. The policy of bounties is one that we ought not to launch without being fairly sure that the limits of its application are likely to be adhered to, and that it will probably be successful. In nearly all cases bounties are continued after the period during which they were intended to apply, and in most they are increased. The position is the same, whether it be a bounty or a protective duty. In 1789, when Madison in-

troduced his first Tariff, and placed a duty of 7½ per cent. on cotton in order to stimulate the industry, he said that it was to be imposed for only a few years, and that the industry, being once established, could continue without adventitious aid. But the duty was increased to 35 per cent. in 1812. Cotton is one of the lines which, under this Bill, is to be stimulated into productivity in Australia by means of a bounty. I may also point to the experience of Canada. Although I do not wish to specify the articles in respect of which the bounties were given, we know that the original policy, both with regard to period and amount, was never adhered to. Some of the commodities that are to be the subjects of bounty under this Bill have already had the bounty system applied to them in Australia. I think that fifteen or twenty years ago Queensland granted a bounty to stimulate the cotton industry. In 1892 some 700 or 800 acres there were under cotton, and produced over 200,000 lbs. of ginned cotton. According to recent information, the industry has not progressed. It is now practically non-existent, or, at all events, insignificant, so that we have practical experience as regards the effect of granting a bounty on cotton produced in Australia.

Mr. EWING.—It fell very much in price.

Mr. GLYNN.—We are not going to get an assurance of high prices or regularity in prices in the future any more than we did in the past. As regards cotton, within the last fifteen or twenty years there have been serious fluctuations in price, but they are likely to continue. Between 1860 and 1870, owing to the American war, there were bigger fluctuations. But as regards the future, it must be remembered that during the last ten years the demand for cotton has fluctuated a good deal; on the whole, it has been on the increase. Considering that certain parts of New South Wales and Queensland have been declared to be fairly well suited for the production of cotton, that the price is good, that cotton goods production and their exportation are increasing in England, there is every inducement to private enterprise, even without a bounty, to enter into the cotton industry in Australia. With a bounty it has not been a success in the past. I mentioned that in England the demand for cotton is increasing. The figures for last year show that, notwithstanding the allegation of Mr. Chamberlain and some of his followers, the cotton industry there is

particularly strong. The actual profit made by the industry in Lancashire last year was estimated at £668,000. There is a very big demand for cotton within the Empire itself if it can be produced here. Let me take some of the other items. To a large extent, coffee production depends for success, not so much on any bounty—and certainly not on the bounty offered in this Bill—but on the quality of the article. This is a bounty on production, and not a bounty on quality. That is, I think, the experience of the commercial world. Coffee is now produced in Australia, but the small amount offered here as a bounty is not likely to induce a much larger production. Coffee of fair quality—and I have drunk some of it—is, I understand, produced in Norfolk Island. I believe that it is produced in parts of the Commonwealth. What we want to do is to get a reputation for coffee, and that will depend upon its quality. The offer of this bounty—which, if it does anything, may perhaps draw into the industry a few small men, who generally fail—is not likely to lead to a very great stimulus in production. On many lines we have had bounties in operation in the States. In South Australia, for instance, there was a bounty on the production of olive oil. It will show how unequal bounties are when I mention that practically that bounty was drawn by one or two men. I think that one man derived the principal advantage from it. It has been in existence in South Australia, and I do not think that the fact that the Commonwealth offers a bounty which, under the terms of this Bill, could not last for more than a year, would act as a stimulus to production. I do not know what the draftsman was about when he drafted the Bill. It seems to me to have been drawn by an amateur rather than by a professional draftsman. I believe that olive trees do not bear until about nine years after they have been planted. The bounty which is to induce production is to expire at the end of ten years, therefore it will last for only one year.

Mr. EWING.—Did not the Minister explain that he intended to make the bounties operate for five years from the time of the trees bearing?

Mr. GLYNN.—Of course, if the Minister intends to amend his Bill out of recognition it is not worth our while to discuss it.

Mr. EWING.—He will only do what is right.

Mr. GLYNN.—I have not had an opportunity of reading his speech. Unfortunately, I was not in the Chamber when it was delivered—I could not be here—but I have read the newspaper reports.

Mr. EWING.—The Minister will not be deaf to any reasonable suggestion made by honorable members.

Mr. GLYNN.—Our amendments might be so numerous as to occupy more space than the text of the Bill, and the policy, as a policy, would, in effect, disappear. I understand that the Minister has given up the proposed bounty on chicory production, and now we are told that the terms of the bounty on olive oil, which is utterly incapable of affording an incentive under the text of the Bill, because it would last only one year, are to be amended.

Mr. EWING.—The Minister is not going to give it up.

Mr. GLYNN. — Either the bounty must be given up or the Bill must be remodelled in that regard. There is one objection to the whole scheme. Bounties ought to be given for the production of commodities which are likely to be produced over a fair area throughout the Commonwealth. In other words, the benefit of the bounty ought to be fairly well distributed throughout its territory. It is a great mistake to introduce bounties, the benefits of which can be enjoyed by only one State, or, at most, by one or two States. This is a subvention chiefly to the industries of Queensland and New South Wales, if to any extent it is likely to be availed of.

Mr. EWING.—The honorable member does not mean that, surely?

Mr. GLYNN.—I do. I believe that the bulk of the articles mentioned in the schedule are not likely to be produced by three of the States.

Mr. EWING.—Take South Australia.

Mr. GLYNN.—The honorable member alludes to rice, I suppose?

Mr. EWING.—No; to fibres, fish, milk, and oil.

Mr. GLYNN. — Milk is produced already, and I do not think that the industry, as regards production, requires to be stimulated. The panacea which has been urged has been protection.

Mr. EWING.—Suppose that we take in the Northern Territory?

Mr. GLYNN.—The honorable member proposes to give a bounty on the produc-

tion of certain commodities in the Northern Territory with white labour. There lies the difficulty. A bounty on cotton production would amount to absolutely no stimulus in the Northern Territory, where the plant grows wild and in abundance.

Mr. EWING.—The honorable member's statement was that some of the States would not participate, and my reply was that in South Australia almost all of these articles could be produced.

Mr. GLYNN.—I quite understand the statement of the Minister. But I repeat that the bounty would be availed of largely, if not exclusively, by New South Wales and Queensland. Certainly, the articles mentioned by the honorable member are produced at the present time.

Mr. EWING.—And the rest of them can be produced in the Northern Territory.

Mr. GLYNN.—I beg the Minister's pardon, the conditions under which they are to receive the bounty are not existent in the Northern Territory. It is of no use to offer a bounty for the production of cotton in places where it could not be produced by white labour. The honorable gentleman offers a bounty with one hand, and practically takes it away with the other. Within the settled districts of Australia, so far as bounties are likely to be effective, they would operate chiefly in Queensland and parts of New South Wales. The reports say that cotton can be produced here; but, leaving out the Northern Territory, I have not seen in a report a reference to any other part of Australia where the cotton industry is likely to be successful. We have had from the Treasurer to-day figures showing that in bounties on sugar production alone Queensland and New South Wales have received, in the last five years, over £700,000, and that there has been an average shrinkage of £100,000 a year from import duties on sugar. So that, in connexion with the sugar industry, those States have received a subvention of over £1,200,000; and the operation of this Bill will be, although in a comparatively small way, in further aid of industries in those territories. I am not seeking to draw any distinction between the States. What I submit is that bounties ought to be given in respect of such commodities as are likely to be produced over a fairly wide area of the States, or, at all events, be applied to commodities the production of which would not be confined to one or two States. Because, so far as

production was likely to be confined to one or two States, those States could produce the article unaided. This is an Australian policy, or it is nothing. But if a bounty on the production of commodities which are almost peculiar to a State be desired, then that State, with the consent of the Commonwealth, has the power to make the necessary provision. The duty rests upon the States to stimulate certain classes of production. Talking of the probability of the success of bounties. I said in the beginning that in many cases they have failed. I remember reading in the report of the Tobacco Commission that the bounties given in the State of Victoria for the production of tobacco had failed. The amount was, I think, 3d. per lb.; and for reasons which one may or may not accept, given in the Commission's report, and for causes which are also explained in *Coghlan* and other authorities, the bounties were not a success. That, at all events, suggests that we should be cautious before launching out on a system of bounties, the extension of which is almost certain to be demanded.

Mr. ISAACS.—The excise killed the tobacco industry in Victoria.

Mr. GLYNN.—Perhaps so. But, at all events, bounties could not keep it alive, and we cannot afford to forfeit excise for the sake of bounties on tobacco. I do not quite understand the scope of this Bill. The Minister of Trade and Customs mentioned, and clause 3 describes, what bounties shall be given in respect of the goods which the Minister is to find to be "of a merchantable quality." This is one of those Bills which prescribes a number of duties that necessitate the Minister being an expert. Under clauses 5 and 7, for instance—and in the latter clause, although the Governor-General is mentioned, the Minister is meant—the Minister is to do certain things. He is to find what is the standard rate of wages in a particular industry. Paragraph *b* of clause 7 prescribes that he is to determine the market value of certain commodities. All that I can say is, that if the Minister efficaciously discharges the duties imposed on him by the Bill, he must become an expert. Then the bounty is to be given to a number of persons. It is to be given to the grower or producer of the goods in question; but we also find in clause 4 that—

the owner, occupier, or lessee of any land or factory in which the goods were produced.

or in which they may have gone for any process of manufacture, shall be deemed to be a producer. If the bounty is to be given to the grower or the producer, and also to all the persons mentioned in clause 4, who are also to be regarded as producers, it seems to me that the amount which each of them will get must be very small. Some portion of it will go to persons who have absolutely nothing to do with the production of the commodities. There seems to be something wrong either in the draftsmanship or in the policy of this Bill. Surely the lessee of land as well as the owner ought not to share in the bounty. The lessee may be the producer or he may not. The owner may be the producer or he may not. But you cannot have both the owner and the lessee as producers of a particular commodity—except under the definition of this Bill. We ought to be careful before we consent to the system proposed. It is not likely to be attended with any benefit to the genuine producer on whose behalf the Minister professes to be so solicitous, and its benefits will be less than the producer had a right to expect, after reading the platform generalizations of the Prime Minister as to what he was going to do for the agricultural industry. The Bill and the policy which it represents are not likely to lead to that extended production throughout Australia which we have been led to expect, and if the farmers have any such hopes, they are likely to be falsified.

Mr. JOSEPH COOK (Parramatta) [5.44].—On Friday last the Minister of Trade and Customs promised that before this Bill was proceeded with he would make available for honorable members certain documents from which he quoted. There was a clear and definite statement on that point. The Minister made that the excuse for shortening his remarks, and certainly for shortening his quotations. Why has not that information been made available?

Mr. ISAACS. — The Minister said, "I propose to have the information printed and distributed amongst honorable members," but he did not say that that would be done before the debate was proceeded with.

Mr. JOSEPH COOK.—There was a distinct understanding that this Bill would not be proceeded with until the documents were printed.

Mr. DEAKIN.—I did not understand that there was a definite promise, but there was

an understanding that before we got into Committee the information should be available.

Mr. JOSEPH COOK.—And the Minister went on to promise that there should be every speed in the printing of the documents.

Mr. DEAKIN.—That is so, but of course the Budget papers had to be printed first. This is really a Committee Bill, and we will not ask honorable members to go into Committee upon it before the documents have been distributed.

Mr. JOSEPH COOK. — Then I am afraid that I shall have to proceed. My recollection does not accord with that of the Prime Minister. However, we are accustomed to that; and we are also accustomed to the constant absence of the Minister of Trade and Customs when he has business before this Chamber. It is about time that some protest was made against the absence of the Minister so constantly when he has important Bills before the House.

Mr. DEAKIN.—He has a great deal of important business in Sydney.

Mr. JOSEPH COOK.—I know that he has a great deal of important business—principally in connexion with his electorate. The Prime Minister need not apologize for the absence of his colleague, because we know quite well where he is. He is doing what we should all like to be doing, and for the same reason. He is electioneering, and he is doing that persistently; but I submit that when a Minister brings down important proposals to this House, such as the Minister of Trade and Customs has done in connexion with the Anti-Trust Bill and this Bounty Bill, he ought to be here to see those measures through. He ought to be here until our business upon them is completed. But we find this honorable gentleman throwing Bills down on the table of the House, reading some statements in support of them, which very often he does not understand—and when asked for information he cannot give it. For instance, when discussing the growth of cotton the other day the Minister quoted some figures, and when interrogated by the honorable member for North Sydney as to whether he was referring to raw cotton, or otherwise, he had not the slightest idea. He could not tell us whether he was speaking of raw cotton or any other kind of cotton. Honorable members, who would have

undertaken to speak to-day, have gone away, expecting that, as usual, the Opposition would keep the debate going. I think it is about time this kind of thing was stopped. So far as I am concerned, I shall decline to proceed in view of what I regard as a direct breach of the understanding arrived at on Friday.

Mr. DUGALD THOMSON (North Sydney) [6.0].—I am very much astonished at the attitude taken up by Ministers. The Minister of Trade and Customs decidedly left the impression on honorable members' minds that he would provide the information on which he had based the Bill, so that we might discuss it, not at one stage, but at every stage.

Mr. JOSEPH COOK.—I call attention to the want of a quorum. [*Quorum formed.*]

Mr. DUGALD THOMSON.—When interrupted by the call for a quorum, I was saying that it was distinctly understood by honorable members on this side that the figures which the Minister of Trade and Customs did not put forward in full, but merely alluded to as his ground for introducing a measure of this character, would be placed in the hands of honorable members before they were called upon to continue the debate. Had it not been for that understanding, I am sure honorable members in all parts of the House would have insisted on the Minister giving the figures in full. The Minister said that the figures contained important information which it had taken twelve months to gather, and which had induced him to introduce the Bill. Not only so, but it was suggested by honorable members on this side that, in order that the information might be available in time, it should not be handed to *Hansard*, but should be printed as a separate document. We now find ourselves called upon to discuss the Bill: and to that I should not have objected in the least had the promise been fulfilled. We are asked to resume the debate without the information which is the basis of the measure, and which the Minister promised to supply. I cannot believe that if the Minister were here, he, knowing what took place on Friday, would not recognise the position at once. It cannot be said to be the fault of honorable members that delay has taken place in the printing of the documents. So much was I satisfied with the Minister's promise, that, like the deputy-leader of the Opposition, I have waited for the information before coming to any conclusion on

the Bill. At the present moment, not only have we not the necessary information, but we have not our own figures prepared, because we have been waiting for what the Minister had to place before us, naturally anticipating that he would have figures from the best source to enable us to consider a measure of the kind. I hope that the Prime Minister, in the absence of the Minister of Trade and Customs, will see the desirability of carrying out the understanding arrived at, and not insist on a second reading debate in which, while considering the necessity for the Bill, we have to deal, not with its details, but with its methods.

Mr. DEAKIN.—With the principle of the measure.

Mr. DUGALD THOMSON.—Not merely with the principle of bonuses; because, whether an honorable member is, or is not, in favour of bounties or bonuses as a principle, he must consider whether the Bill proposed deals with items that require a bounty—which will most benefit by a bounty—or whether there are included items which are not deserving, or which should come second when such a question is being considered. That is the information we anticipated obtaining from the figures referred to by the Minister. It looks to me like taking advantage of honorable members to promise such figures and then fail to supply them. Had the Minister not made that promise we should doubtless have required the figures to be quoted, in order to satisfy us as to the desirability or otherwise of the Bill. I am prepared to resume the debate in a sort of way without the figures, but I am sure every honorable member will admit that, with the information available, he would be in a much better position to consider the question.

Mr. DEAKIN.—If I may interpose for a moment, without interfering in any way with the right of the honorable member for North Sydney to speak further, I should like to say that, although personally I heard my honorable colleague during the greater part of his speech, I did not hear the undertaking mentioned. But since honorable members press the meaning they attached to the remarks of the Minister of Trade and Customs, I suggest that, as the next measure to be proceeded with is not immediately available, you, sir, under the extraordinary circumstances of to-day, might see your way, with the consent of the House, to leave the chair,

and resume it at the usual hour after dinner. Such a course would relieve the honorable member for North Sydney from speaking on the measure before he is prepared to do so.

Mr. JOSEPH COOK.—I should also like to interpose—

Mr. SPEAKER.—This is all out of order; still, I think that, under the circumstances, the honorable member may be allowed to proceed.

Mr. JOSEPH COOK.—I do not like to see half-an-hour of our time wasted. I should like to point out that I terminated my speech on the second reading, and may thereby be debarred from again addressing myself to the measure.

Mr. DEAKIN.—That difficulty may easily be overcome by the honorable member for North Sydney submitting an amendment to the motion for the second reading.

Mr. DUGALD THOMSON.—I ask leave to continue my remarks on a future occasion.

Leave granted. Debate adjourned.

Sitting suspended from 6.10 p.m. to 7.30 p.m.

DESIGNS BILL.

SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [7.30].—I move—

That the Bill be now read a second time.

In this measure Parliament is asked to further exercise the powers which it possesses under section 51 of the Constitution to make laws for the peace, order, and good government of the Commonwealth with respect to—

XIII. Copyrights, patents of inventions, and designs and trade marks.

This Bill is really one of a number of measures dealing with the subjects referred to in that sub-section of the Constitution. We have already passed laws dealing with copyright, patents of invention, and trade marks. The only power remaining under the sub-section which we have not yet exercised is that relating to designs. The Bill is rather urgent, because certain practical difficulties have arisen in connexion with the operation of the other measures to which I have referred which necessitate the passing as soon as possible of a law dealing with this branch of the subject. A Convention between several leading European countries was signed at Paris on the 20th March, 1883, and in the following year Great Britain

gave her assent to it. Article 2 of this International Convention provides—

The subjects or citizens of each of the Contracting States shall in all the other States of the Union as regards patents, industrial designs or models, trade marks, and trade names, enjoy the advantages that their respective laws now grant or shall hereafter grant to their own subjects or citizens.

Consequently they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided they observe the formalities and conditions imposed on subjects or citizens by the internal legislation of each State.

Of course, it is our desire that in the matters of patents and industrial designs our people shall enjoy the benefit of this international agreement, but in order that they may do so, it is necessary that we should legislate upon all of these subjects. The House is accordingly asked now to give its assent to this Bill, which has already been passed by the Senate.

Mr. HIGGINS.—Have not the States passed Designs Acts already?

Mr. GROOM.—Yes.

Mr. HIGGINS.—Will they not be covered by the Convention?

Mr. GROOM.—The difficulty is that as a Commonwealth Parliament we have dealt so far only with patents, trade marks, and copyright, and in order to get the benefit of the Convention, it is necessary that we should exercise our power to deal with this other branch of the subject as well.

Mr. HUGHES.—How does the Minister propose to differentiate between a trade mark and a design?

Mr. GROOM.—A design is intended only for the ornamentation of goods, and may have reference to the particular configuration of an article. It is a pattern or plan as distinguished from a trade name which a person acquires by virtue of the excellence of the article which he manufactures.

Mr. HUGHES.—But a trade mark may also be a design.

Mr. GROOM.—A design is distinguished from a trade mark in its object and purpose. I will deal with that presently if the honorable and learned member will permit me to refer to some other matters first.

Mr. GLYNN.—Clause 5 of the Bill defines the matter clearly.

Mr. GROOM.—Yes, it is all defined. The principle of this Bill generally follows that which we have laid down in the

Patents and Copyright Acts which we have already passed. On the issue by the Governor-General of a proclamation in pursuance of this Bill, the administration of the existing States Acts will be transferred to the Commonwealth. As a result, whatever executive powers are now possessed by the Governors of the respective States under the States Acts will then be exercisable by the Governor-General or the Governor-General in Council of the Commonwealth. All the records, registers, and so on kept in the various States under the States Act will pass over to and become the property of the Commonwealth. Under clause 6, it is provided that, after the proclamation, there shall be no further registration under the States laws, and subject to a saving of the rights under existing States Act, the administration will proceed on the principles laid down in this measure.

Mr. HUGHES.—Does this differ from the Imperial Act?

Mr. GROOM.—No; this measure is based on the English Act. The English law on the subject is to be found in the Trade Marks Act of 1883 and amending Acts of 1888. This Bill embodies the principles of the English law, and applies the machinery we have already adopted in connexion with the other Acts to which I have referred to meet the circumstances of the Commonwealth. The administration of the law will be in the hands of the Minister of Trade and Customs. It is provided that there shall be a Registrar, but it is not intended to create any new office. The administration of this Bill will be in the hands of the present Commissioner of Patents, and there will therefore be no increased cost in that respect as the result of passing this measure. There is power given in the Bill to appoint deputy registrars, the intention being that if it should be found necessary in any of the States, there may be such an officer appointed for the purposes of this Bill.

Mr. GLYNN.—I hope the deputy registrars will keep up the records. In the States offices they do not keep up the records in connexion with patents. That is a very important matter.

Mr. GROOM.—That is a matter of administration. It is intended under this measure to establish a Designs Office at the Seat of Government. Following the lines of other legislation upon kindred matters, there is to be a sub-office in each

State, and a seal of the Designs Office. The Bill deals with copyright in designs, and its machinery is intended to protect such copyright. In clause 4 it is provided that "design"—

means an industrial design applicable, in any way or by any means, to the purpose of the ornamentation, or pattern, or shape, or configuration, of an article, or to any two or more of those purposes,

while "article" means "any article or substance." What is protected is the copyright in a design as distinct from the article to which a design is applied. Under the English law, the protection of designs covered originally only designs applied to certain classes of fabrics, such as cotton; but it was afterwards extended to designs applied to other articles, and now relates to all designs applied to articles of manufacture. The design is distinct from the article to which it is applied. For instance, the pattern printed upon cotton goods is something apart from the goods themselves, being the result of an effort to produce something to take the fancy and capture the taste of the public. In some instances, the design is the configuration or shape of the article to which it is applied. For instance, a design of the shape of a lamp shade has been held in a leading case on the subject to be protected.

Mr. HUGHES.—What is the difference between copyright in such a design and a trade mark?

Mr. GROOM.—A trade mark is a mark or a word used to indicate that the article to which it is applied is the manufacture or production of a particular person or firm, and carries with it a certain reputation. A design is different from a trade mark.

Mr. HUGHES.—In some cases it is, while in other cases it is not.

Mr. GROOM.—Of course, a man may have his design registered to protect his interest in the design in relation to a certain class of goods. Clause 5 provides that—

A design shall be deemed to be applied to an article when—

- (a) the article is made from or in accordance with the design; or
- (b) the design is applied, in any way or by any means, to the purpose of the ornamentation, or pattern, or shape, or configuration, of the article, or to any two or more of those purposes.

The copyright, when registered, is protected, under clauses 13 and 26, from the date on which the application for registra-

tion is lodged, the protection being for a period of five years, or so long as the registration remains in force. Clause 28 provides that—

The owner of a registered design shall, within two years after registration, substantially use the design or cause it to be substantially used in Australia in the manufacture of articles, and if he fails to do so the copyright in the design shall cease.

Provided that if such design is used in any manufacture abroad the period aforesaid shall be limited to six months.

Mr. DUGALD THOMSON.—Is that clause similar to the English provision?

Mr. GROOM.—It is a modification of it, the English provision being that—

If a registered design is used in manufacture in any foreign country, and is not used in this country within six months of its registration in this country, the copyright in the design shall cease.

Mr. DUGALD THOMSON.—Does not the Bill shorten the period during which registration will protect?

Mr. GROOM.—No; but it requires the owner of a registered design, if he wishes to have protection for five years, to use it within two years after registration, and there is a proviso, which was inserted because of the provision in the English law, to the effect that, if the design is used in any manufacture abroad, the period within which it must be used here shall be limited to six months. The author of a design is to be regarded as its first owner; but if a design has been made on behalf of any person for valuable consideration, that person shall be deemed to be its author, and the author of an unregistered design may, by instrument in writing, assign it, and the right to make application for its registration. The person registered as the owner of a registered design is to be regarded as the owner of a copyright in the design, while the registered design will be personal property, capable of assignment, and of transmission by operation of law; but the assignment must be in writing, and signed by the registered owner.

Mr. HUGHES.—Is it not desirable that assignments shall be registered?

Mr. GROOM.—Clause 38 provides for the entry of assignments in the register. Coming now to Part IV., which deals with the registration of designs, clause 17 provides that—

Any new and original design, which has not been published in Australia before the lodging of an application for its registration, may be registered under this Act in respect of all or any

of the articles included in one or more of the classes in the prescribed classification.

The classes of articles so prescribed under the English Act are as follow:—

1. Articles composed wholly or chiefly of metal not included in class 2.
2. Jewellery.
3. Articles composed wholly or chiefly of wood, bone, ivory, papier maché, or other solid substances not included in other classes.
4. Articles composed wholly or chiefly of glass, earthenware, or porcelain, bricks, tiles, or cement.
5. Articles composed wholly or chiefly of paper (except hangings).
6. Articles composed wholly or chiefly of leather, including book-binding of all materials.
7. Paper hangings.
8. Carpets and rugs in all materials, floorcloths, and oilcloths.
9. Lace, hosiery.
10. Millinery and wearing apparel, including boots and shoes.
11. Ornamental needlework on muslin or other textile fabrics.
12. Goods not included in other classes.
13. Printed or woven designs on textile piece goods.
14. Printed or woven designs on handkerchiefs and shawls.

Mr. HUGHES.—Will all those details be set out in a schedule?

Mr. GROOM.—They will be prescribed by regulation.

Mr. HUGHES.—Will the copyright run for the same length of time with respect to all the articles enumerated?

Mr. GROOM.—Under clause 18, it will be necessary to make a separate application in respect of each class. For instance, if a man desires to register one design for paperhangings and another for carpets, he will have to make a separate application in each case.

Mr. HUGHES.—But will the copyright extend over the same period in each case?

Mr. GROOM.—Yes; it will extend for five years in all cases. Then the Bill sets out the procedure to be followed in the registration of designs. Clause 19 provides that, after an application for registration has been lodged, the design may be published and used without prejudice. Then further provision is made that certain conditions shall be fulfilled before registration is granted. If these conditions are not complied with, the Registrar will have power to refuse registration. Then an appeal will lie to the Law Officer of the Commonwealth, which means the Attorney-General or the Crown Solicitor.

Mr. HUGHES.—Is there no appeal from the Crown Law Officer?

Mr. GROOM. — Application may be made under clause 39 to have the register rectified.

Mr. HUGHES.—But, supposing that it is desired to insert something that is not contained in the register?

Mr. GROOM.—We can rectify by inserting, as well as by omitting.

Mr. HUGHES.—I do not think that rectification means that.

Mr. GROOM. — If the honorable and learned member will read clause 39, which follows the wording adopted in the Imperial Statute, he will see that the necessary power is given.

Mr. HUGHES.—Yes; but even by adopting the wording of an Imperial Statute you cannot convert a cow into a horse.

Mr. GROOM.—To rectify means to put right, and you can rectify a register by inserting something that has been improperly omitted from it. Part V. deals with the remedies for infringement of copyright or design. The person who infringes a copyright is liable to an action for damages, or for penalty, or to have an injunction issued against him. But it is not intended that a penalty shall be imposed upon, or damages awarded against, an offender unless it is shown that he has knowingly infringed a copyright.

Mr. DUGALD THOMSON.—It is not proposed in this case to put the onus of proof upon the offender?

Mr. GROOM.—We are now dealing with a class of cases quite different from that which the honorable member has in his mind. Part VI. deals with the register of designs. There is to be a register in which proper entries shall be made, and there is the usual provision that trusts shall not be noticed in the register. Other clauses deal with the inspection of the register, and provide for penalties for making false entries, and also for the correction of the register. In minor matters, the Registrar may, upon request, amend or alter the register by correcting any error; but in important matters the Court itself must be appealed to. The miscellaneous clauses include provisions which give power to make regulations and to deal with certain offences. Clause 47 is worthy of notice. Registration cannot be obtained for a design if it has been previously published. At public exhibitions it is very often desirable to display designs for certain purposes, and clause 47 provides that designs exhibited under such

circumstances shall be protected. Under clauses 48 and 49 the Commonwealth will be empowered to take advantage of the Conventions to which I have already referred. The measure is based upon English legislation, which went through several changes before it reached its present stage. We have in the six different States conflicting laws with regard to the registration of designs, and this is one of those matters in which, above all things, it is desirable to bring about uniformity, in order that one registration may give protection throughout the Commonwealth.

Mr. GLYNN.—The Commercial Congress urged that provision should be made for uniformity throughout the Empire.

Mr. GROOM.—As far as possible, our legislation will fall into line with the Imperial law, and will substantially secure uniformity. We did the same thing in regard to our copyright and patent laws. The desire is to, as far as possible, insure Imperial uniformity, and I think that this measure will carry out that intention.

Debate (on motion by Mr. GLYNN) adjourned.

AUDIT BILL.

In Committee.

Motion (by Mr. DEAKIN) agreed to—

That it is expedient that an appropriation of money be made for the purposes of a Bill for an Act to amend the Audit Act 1901.

Resolution reported, and adopted.

(Bill read a first time, 20th June.)

PAPERS.

Mr. DEAKIN laid on the table the following papers:—

Papers prepared by the Treasurer in connexion with the Budget, 1906-7

Memorandum by the Postmaster-General recommending the establishment of the penny post.

Ordered to be printed.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

In Committee—(Consideration resumed from 18th July, *vide* page 1486):

Clause 1—

This Act may be cited as the Kalgoorlie to Port Augusta Railway Survey Act 1906.

Mr. KELLY (Wentworth) [8.2]. — As honorable members no doubt remember, representatives of the western gold-fields, when they first made their appearance in the House, spoke in advocacy, first of a Kalgoorlie to Esperance Ray line, and afterwards in advocacy of a transcontinental line. It is my purpose now to test the *bona*

fides of those honorable members by moving, as I now do—

That after the word "Augusta," line 2, the words "and Kalgoorlie to Esperance Bay," be inserted.

Mr. BAMFORD.—That is purely a State matter.

Mr. KELLY.—I am glad that the honorable member sees that when once we begin to construct a railway through a State, it is a matter of State concern.

Mr. BAMFORD.—There are two States concerned in the other line.

Mr. KELLY.—Does the honorable member suggest that if we were to build a railway over the New South Wales border—

Mr. BAMFORD.—I suggest that this is a Survey Bill, and not a Bill to authorize the construction of a railway.

Mr. KELLY.—Does the honorable member ignore the fact that this Bill authorizes preliminary expenditure for the construction of a railway?

Mr. BAMFORD.—No.

Mr. KELLY.—The honorable member cannot ignore the fact.

Mr. BAMFORD.—This Bill merely pledges us to a survey.

Mr. KELLY.—Do I understand the honorable member to say that when he votes for a survey he is not pledging himself to the construction of a line?

Mr. BAMFORD.—Yes.

Mr. KELLY.—That is the position taken up by the honorable member?

Mr. BAMFORD.—Exactly.

Mr. KELLY.—Then the honorable member takes up the position of a man who, while knowing that he does not want to buy a horse, and would not buy a horse under any consideration, is willing to send out a number of agents looking for horses to inspect.

Mr. POYNTON.—That is as clear as mud!

Mr. KELLY.—Then I hope the honorable member will see the analogy.

Mr. BAMFORD.—It is quite poetic!

Mr. KELLY.—I cannot understand the attitude of honorable members who, because they have not pluck to stand up in their places, and say they are against the construction of a transcontinental railway, wish to postpone the evil day by voting for a survey which they pretend does not commit them. The Treasurer has already stated his view of this matter. No; I am wrong in saying that, because the Treasurer afterwards wished us to believe that he had

scarcely used the words attributed to him. I am sure, however, that honorable members will see that the moment they assent to this Bill the people of the western State will say to them, "You have voted for the survey, and for an expenditure of £20,000 of public funds, and now you are opposed to the verdict of your own arbiters."

Mr. BAMFORD.—If we had spent on this railway the money which the honorable member voted for the Queen Victoria Memorial, it would have been a much better expenditure.

Mr. KELLY.—I wish to test the *bona fides* of the gentlemen from the Western Australian gold-fields. The honorable member for Coolgardie spoke eloquently in this House of the necessity to inaugurate a service of motor cars from Esperance to Kalgoorlie, and the construction of a special track over which that type of conveyance could move with its customary celerity. That honorable member pointed out that the difficulty lay in the fact that the Commonwealth could not construct a line through any one State without the consent of that State, and that Western Australia would be opposed to an Esperance Bay line through its territory. The opposition of Western Australia, as a whole, to the proposal for a railway from Esperance Bay, lies undeniably in the fact that it would lead to the gold-fields market being largely supplied from the eastern States. Over a transcontinental line the coastal farmers of Western Australia know full well that not a ton of produce from the eastern States could find its way into their market in competition with their produce. On the other hand they know that if a line from Esperance Bay were built the cost of freight would be very considerably lessened to the eastern producers, and for that very reason they are anxious at all hazards to prevent its construction. It was for that reason that the honorable member for Coolgardie suggested in a very able speech the method of transit to which I have just referred; and I wish to give that honorable member a chance to stand to his original protestations. To show that the people on the western gold-fields are not altogether unrecognisant of the great advantages of having an Esperance Bay line, I shall quote from the report of a civic welcome which was tendered to the leader of the Labour Party when he visited the gold-fields last May.

Mr. DUGALD THOMSON (North Sydney) [9.55].—The Treasurer has pointed out one of the purposes for which this provision is designed, but the question is whether, if we give this power, it will not only cover the case mentioned, but also apply to others in which it will be less desirable to extend such power to the Treasurer. Say that a credit is given for £10,000 towards the end of one financial year. The result would be to lessen the expenditure for the next financial year.

Sir JOHN FORREST.—The money would have been spent, of course.

Mr. DUGALD THOMSON.—It strikes me that if a credit for £10,000 came in at the end of one financial year, under this provision, the Treasurer when he asked Parliament for an appropriation, would require £10,000 less than he would do if that account had not come in.

Sir JOHN FORREST.—He would have obtained the appropriation for the year previously.

Mr. DUGALD THOMSON.—But if the Treasurer had that credit of £10,000, he would require so much less to be appropriated in the following year. I see very little objection to the provision from the point of view which the Treasurer puts, but the provision goes beyond his case in the power which it gives. As the Auditor-General has drawn attention to the point, it might be desirable to furnish us with his opinion. If the matter in question is merely one of adjusting States accounts, there is not much objection to what is proposed. But the point which I put to the Treasurer is whether the provision could not be used in a way that would go beyond what he intends.

Sir JOHN FORREST.—If the clause is allowed to pass, we will afterwards re-commit it. In the meantime, I will look into the matter.

Clause agreed to.

Clause 9 (Extension of time for making surcharges).

Mr. DUGALD THOMSON (North Sydney) [9.58].—I think the Treasurer should give us some reasons why it is proposed to amend section 45 of the principal Act in this way.

Sir JOHN FORREST (Swan—Treasurer) [9.59].—It is merely intended to give a little more time for making surcharges, by omitting from sub-section 2 of section 42 of the principal Act the word "three" between the words "within" and "months,"

and by inserting in lieu thereof the word "six."

Clause agreed to.

Clause 10 agreed to.

Clause 11—

After section forty-five of the Principal Act the following section is inserted:—

"45A. The Auditor-General may, with the consent of the Treasurer, dispense with all or any part of any detailed audit of any accounts, but not with any appropriation audit of those accounts. The consent of the Treasurer shall be given only in cases in which he considers that there are circumstances which render a detailed audit under this Act unnecessary."

Mr. DUGALD THOMSON (North Sydney) [10.0].—Will the Treasurer explain why this new clause has been proposed in addition to section 45 of the principal Act? Does it mean that the Auditor-General is not to be called upon to check certain work which he now checks—such, for example, as the additions in the accounts?

Sir JOHN FORREST (Swan—Treasurer) [10.0].—This clause is similar to a provision which is contained in the laws of Great Britain and three of the States, and will enable economy to be exercised without undue risk. That is my note upon the matter. The only explanation of it which I can offer is that the Auditor-General requires it in order that he may be saved the necessity of checking minute details which have already been checked, and certified to by the proper departmental officers.

Mr. DUGALD THOMSON.—Of course, it will save him a lot of work.

Sir JOHN FORREST.—It is a provision that is not new.

Mr. JOSEPH COOK (Parramatta) [10.2].—I trust that the Treasurer is right in disposing of the matter in this way. I also hope that he will not be surprised if he finds that it leads to an increase in speculation.

Sir JOHN FORREST.—The Auditor-General cannot dispense with a detailed audit without the consent of the Treasurer.

Mr. JOSEPH COOK.—The provision means that we are going to relax both our inspection and our audit. I have yet to learn that we should copy Great Britain in this particular respect. There is no analogy between the circumstances of a small country like Great Britain and those of the Commonwealth.

Sir JOHN FORREST.—A similar provision is contained in the laws of New South Wales, South Australia, and Western Australia.

Mr. JOSEPH COOK.—That may be so; but my recollection of the New South Wales provision is that the inspection there, and also the audit, were somewhat relaxed because it was felt that the inspections which were taking place all over the country were being duplicated. That position, however, does not apply to the Commonwealth. We have no other officers who can do this work for us, as the States Governments have. Therefore, it occurs to me that unless we keep the inspectorial staff as efficient as possible we shall not have that proper supervision of accounts which is necessary.

Sir JOHN FORREST.—But the clause provides that the Treasurer must agree to dispense with the detailed audit.

Mr. JOSEPH COOK.—I understand that the Treasurer desires this power in order that he may use it. I would point out that the peculations which are constantly going on in the service, despite all our checks, do not argue the wisdom of relaxing our system of inspection and of checks.

Sir JOHN FORREST.—The clause provides that there must be circumstances which render a detailed audit unnecessary.

Mr. JOSEPH COOK.—I am referring to the inspection and the audit taken in conjunction. We have already provided for a relaxation in our inspection of these accounts, and now we are asked to sanction a relaxation in the audit—that is to say, in the accounting within the Department, as well as in the inspection without the Department. Our inspection, so far as the Post Office is concerned, is not such as, in my judgment, can be safely relaxed. Certainly it cannot be done without leading to an increase in the peculations which are already going on. I believe that the accounting of these matters has been very much relaxed in many of the States, and that some of the detailed clerical work with which the Treasurer proposes to dispense is being carried on in a very lax way indeed. Only the other day I was informed that in the Money Order Branch of the Post and Telegraph Department the classification of money-order dockets is two or three months in arrear. I believe that fraud could take place in that Department, without the Department being able to discover it until the whole of that work had been brought up-to-date. That is a very serious matter, I think. Yet, in this Bill, we are asked to dispense still further

with the inspection of the individual accounts at the outside offices, and to relax the system of auditing those accounts within the Department itself.

Mr. HUME COOK.—The appropriation audit must be made.

Mr. JOSEPH COOK.—But it is proposed to relax the audit which is intended to act as a check upon the Department.

Mr. HUME COOK.—Only in certain circumstances.

Mr. JOSEPH COOK.—I take it that it is the intention of the Treasurer to put this system into operation, otherwise he would not need the power to do so. It is a power to dispense with the detailed auditing of accounts, and I am not quite sure that we are taking a step in the right direction by following a precedent which affords no parallel to our own circumstances.

Sir JOHN FORREST.—The Auditor-General is in favour of it.

Mr. JOSEPH COOK.—If the Auditor-General be satisfied, it is all right. But I read clauses 10 and 11 together, and I say that our system of auditing in the Commonwealth has no parallel in that of the United Kingdom.

Sir JOHN FORREST.—The Auditor-General asked for this power of his own motion, and we provide that it shall be exercised subject to the Treasurer's consent.

Mr. DUGALD THOMSON.—Has the Auditor-General reported upon the whole Bill?

Sir JOHN FORREST.—I do not know that he has.

Mr. JOSEPH COOK.—The Treasurer must accept the responsibility for this provision. In my opinion, by relaxing our inspection of these accounts, we are taking a step in the wrong direction.

Mr. GLYNN (Angas) [10.9].—It seems to me that we have already given to the Treasurer a wider power in the clause which we have just passed. This provision relates to a matter of detail, whereas the previous clause authorizes the Treasurer to dispense with annual inspections, and to have them carried out at such intervals as he may choose. It seems to deal with an audit in detail, which the Auditor-General may not think necessary, and very properly it provides that in such a case the Auditor-General shall not be responsible, but the Treasurer. I presume that it is intended to apply to cases where a detailed audit would not afford an additional check. Seeing that under clause 10 the Treasurer has

the power to dispense entirely with an audit during a particular year, it can scarcely be claimed that it is an extension of that power to declare that where an audit does take place it need not be of the detailed character prescribed by the Audit Act.

Mr. DUGALD THOMSON (North Sydney) [10.10].—We are voting very largely in the dark in dealing with this Bill. The Treasurer ought to know more about the necessity for such proposals, and the way in which they will affect the keeping of the accounts, than any honorable member who has not been in the Treasury can be expected to know. It should be his business to enlighten the Committee as to the necessity for any of these clauses, where honorable members desire that information, or where the effect of the clauses is not plain on the face of them.

Sir JOHN FORREST.—I tell the honorable gentleman that the Auditor-General is in favour of them.

Mr. DUGALD THOMSON.—The right honorable gentleman has already told me so across the table, and I say that we should have had the opinion of the Auditor-General placed before us.

Sir JOHN FORREST.—I see no necessity for that. If I say so, surely it is all right?

Mr. DUGALD THOMSON.—I mean through the Treasurer. I am not asking for the production of the document in which the Auditor-General's opinion is stated. A measure of this kind, proposing alterations, which might be far-reaching, in connexion with the audit of the public accounts, should surely be placed before the Auditor-General for his consideration. It should not emanate wholly from the Treasury, since the Treasury Department sometimes objects to the Auditor-General's requirements. I should like the Treasurer to tell the Committee whether this Bill has been placed before the Auditor-General, whether he has approved of it, or has taken exception to any part of it, and, if so, to which part?

Sir JOHN FORREST (Swan—Treasurer) [10.13].—So far as I am aware, the Auditor-General has approved generally of the plan of the measure. Owing to his absence, through illness, he has not personally approved of it in every particular, but his *locum tenens*, Mr. Whitton, has approved of the measure, with the exception of the

clause I have undertaken to recommit. I understand that all the other clauses have received the approval of the Auditor-General's *locum tenens*.

Mr. DUGALD THOMSON.—Can the right honorable gentleman give us that assurance, or is it merely an understanding?

Sir JOHN FORREST.—That is the information I have just obtained.

Mr. DEAKIN.—It is the information given to me by the officer, who is present.

Mr. KENNEDY (Moir) [10.14].—I am prepared to accept the statement of the Treasurer, and I recognise that Mr. Whitton is a man of very considerable experience in the matter of auditing and finance. But it does appear to me that the members of the Committee are not sufficiently informed as to the necessity for this Bill at all. We have no information as to how the Audit Department or the Treasury Department are restricted or hampered in any way under existing conditions. The clauses which we have already passed, and the clause now before the Committee, appear to me to provide for some relaxation of the supervision of the Auditor-General, which is certainly not desirable, unless good reason for it can be shown. We have already agreed that the audit of a particular branch of a Department shall not be necessary every year. In view of the great area of the Commonwealth. I can quite understand why that should be provided for. But when we are asked to accept a proposal that the detailed audit of any accounts may be entirely dispensed with by the Auditor-General under the direction of the Treasurer—

Sir JOHN FORREST.—Not under the direction, but with the consent of the Treasurer.

Mr. KENNEDY.—It is practically by the recommendation of the Audit Department?

Sir JOHN FORREST.—Yes.

Mr. KENNEDY.—Then who is going to run the show, the Auditor-General or the Treasury Department? And who is to be eventually responsible to this House? To my mind this is a proposal for a divided authority in connexion with the performance of his duties by the Auditor-General.

Mr. DUGALD THOMSON.—We have set up the Auditor-General to check the accounts of all the Departments, and now it is proposed that the Treasurer and the

Auditor-General may arrange between them to dispense with the check in certain cases.

Mr. KENNEDY.—So far as my experience goes, divided responsibility leads to carelessness all round, and I should very much prefer the existing practice, under which the Auditor-General is responsible solely for the correctness of the public accounts. When we have a right honorable gentleman at the head of affairs who is known to be prepared to spend money, it is well that our Auditor-General should be entirely independent and responsible in such a matter. I am opposed to the clause.

Mr. JOSEPH COOK (Parramatta) [10.16].—It is an entire reversing of the usual practice to say that the Auditor-General can dispense with certain of his functions only with the consent of the Treasurer.

Mr. KENNEDY.—He is above and beyond the Treasurer under the Audit Act. He is independent of the Treasurer.

Mr. JOSEPH COOK.—Yes; it is the object and purpose of the Audit Act to place him in that position.

Sir JOHN FORREST.—The clause refers only to cases where the Auditor-General desires to dispense with the audit itself.

Mr. JOSEPH COOK.—Why should he have to get the consent of the Treasurer?

Sir JOHN FORREST.—The honorable member would not allow him to do it just as he pleased? We must empower him by some provision in our Act to do it.

Mr. JOSEPH COOK.—We do not propose to tell him under any Act that he shall or shall not do it.

Sir JOHN FORREST.—We propose that the Treasurer may give his consent in certain cases.

Mr. JOSEPH COOK.—Is it right that the Treasurer should have that power over the Auditor-General.

Sir JOHN FORREST.—It is only where he advises it himself.

Mr. JOSEPH COOK.—I say that we are sapping the independence of the Auditor-General in making anything that he does conditioned by a request for the consent of the Treasurer. I think that he should be entirely independent of the Treasurer, and should act as a check upon him. That is the prime function for which the office of the Auditor-General has been established. To make the Auditor-General subservient to

the Treasurer in regard to the carrying out of his primary function seems to me to be entirely wrong.

Mr. HUME COOK.—Suppose he neglected or desired to neglect to do some of his work; who would the honorable member authorize to compel him to do it?

Mr. JOSEPH COOK.—The Treasurer is not the proper authority. Parliament should be the master of the Auditor-General. We set the Auditor-General over the Treasurer to criticise his expenditure.

Sir JOHN FORREST.—The Treasurer will not tell him to do anything, he will only permit him to dispense with the doing of something.

Mr. JOSEPH COOK.—If the Auditor-General finds that some work is unnecessary, and should be dispensed with, he cannot dispense with it unless he obtains the consent of the Treasurer. I do not think that he should be put in any such position—

Sir JOHN FORREST.—As to have to ask the consent of the Treasurer to dispense with a duty which otherwise would have to be performed?

Mr. JOSEPH COOK.—This is where the Treasurer's power begins to operate upon this officer:—

The consent of the Treasurer shall be given only in cases in which he considers that there are circumstances which render a detailed audit under this Act necessary.

That is clearly setting the Treasurer up in judgment on a statement submitted by the Auditor-General. Instead of making the Auditor-General the arbiter in all these matters, the Bill proposes to set up the Treasurer as the arbiter in connexion with the dispensing of these detailed audits.

Mr. WILKINSON.—What will be the good of having an Auditor-General if he can act only with the consent of the Treasurer?

Mr. JOSEPH COOK.—The consent of the Treasurer is to be given only in cases in which he considers a detailed audit under the Act unnecessary. Where such permission is given, the Auditor-General can no longer be held responsible. I am afraid that we have not done right in passing clause 10, allowing the Treasurer to say when inspections are to be made, and when an audit is to take place. Such an arrangement may be very prejudicial to the public interest, if we have a masterful Treasurer, and an Auditor-General who is in the slightest degree complacent.

for believing just as firmly that it is, and that it is a proposal which Western Australia is entitled to have considered upon its merits. The honorable member has dealt with this measure in a different way from that adopted by some honorable members who, by means of a series of amendments, have endeavoured to block its passage.

Mr. KELLY.—I rise to a point of order. I should like your ruling, sir, as to whether the Minister is in order in imputing motives to members of the Opposition. His statement is certainly calculated to detrimentally affect the prospective success of the amendment?

The CHAIRMAN.—I did not catch the words of the Minister, but certainly if he has attributed motives to any honorable member he is not in order, and should withdraw his statement.

Mr. GROOM.—I apologize and withdraw. It now appears that the honorable member for Wentworth is desirous of assisting in the passage of the Bill. He has already voted against it, but has now repented of his folly. I am glad that he has become converted. I ask the honorable member for Moira not to assist in inserting in the Bill an amendment which is utterly alien to its provisions. The measure simply seeks the authorization of Parliament to the expenditure of a certain sum upon the survey of a route, whereas the amendment proposes that, in connexion with that survey, we shall permanently appropriate part of the estate of Western Australia. When it was pointed out to Western Australia that it was desirable that they should reserve the land abutting upon the line from sale, pending the passing of this Bill, both Houses of its State Parliament passed the following resolution:—

That, in the opinion of this House, the Government should at once reserve from sale all rural Crown lands for twenty-five miles on each side of the proposed route of the transcontinental railway, between Kalgoorlie and the eastern boundary of the State, with a view of facilitating the construction of the said railway, and that the Prime Minister of the Commonwealth be so advised.

Mr. KELLY.—Will that have the effect of reserving these lands from sale?

Mr. GROOM.—At this stage, honorable members are merely asked to authorize the survey of a route. When Western Australia is asked to sanction the construction of the line, it will be for her to take whatever action she may deem to be necessary.

The honorable member is seeking to introduce a series of inconsistencies into the Bill to make it more difficult for the Government to get it passed. The Western Australian Parliament have throughout, in connexion with this matter, dealt with us in a fairly generous spirit, and in connexion with such an important measure we should treat them in a similar way. Honorable members should consider that at this stage we are asking merely that an investigation shall be made. When it is made, and we have the survey of the proposed line from point to point, we shall be in a better position to consider the advisability of taking any further action in the direction of meeting the wishes of the people of Western Australia. We are entitled to treat the people of that State with some courtesy. They made no bargain about this matter; they came into the Federation freely, but believing, at the same time, that certain inducements held out to them would be fulfilled. It would appear now that some honorable members desire that we should make a bargain with them in connexion with the construction of the proposed line; that we should say that we will agree to the survey of the line only if they will agree to do this, that, and the other thing. They are asking that these conditions shall be imposed even before we know the nature of the route, and before the advisability of constructing the line has been considered. I think that we can rely upon the good faith of the people of Western Australia, as expressed in the resolutions carried in their State Parliament.

Mr. KENNEDY.—Would any sane business man have done otherwise than is contemplated in the telegram referred to, in view of the possibility of the line being made?

Mr. GROOM.—The resolution passed by the Western Australian Parliament shows that, although the people of Western Australia are not required to do it, they are prepared to meet the Commonwealth as far as possible.

Mr. FRAZER.—They have undertaken, also, to duplicate the line between Kalgoorlie and Fremantle.

Mr. GROOM.—They have passed a Bill in their State Parliament providing that, in the event of the standard gauge of 4 ft. 8½ in. being adopted, they will impose upon themselves the additional expense of duplicating the line on a uniform gauge straight through from Kalgoorlie to Fremantle.

They have also, in addition, provided for certain indemnities to South Australia.

Mr. CARPENTER.—They have promised to act generously in connexion with any loss on the working of the line.

Mr. GROOM.—In every possible way they have shown their willingness to act generously.

Mr. CARPENTER.—They have offered too much.

Mr. GROOM.—I will not say that they have offered too much, but they have treated us generously, and we should be generous in our treatment of them in return.

Mr. KELLY (Wentworth) [8.54].—The Minister has told us of the enormous sacrifices which the people of Western Australia are prepared to make in this matter, but he concluded by saying that they are not prepared to put their undertaking into writing in the terms of my amendment. The honorable and learned gentleman has greatly over-estimated the extraordinary nature of the surrender proposed by Western Australia in this regard. This line will pass through 450 miles of Western Australian territory; that, multiplied by fifty miles, will give an area of 14,400,000 acres. If all this land were taken up at the maximum rental obtained in the West for similar country, it would yield a revenue of only £7,200 per annum. The experts intrusted with the matter by the Commonwealth have estimated that the deficit to be expected from this line, arising from the excess of working expenses and interest charges over gross revenue, will amount to £70,000 per annum. Therefore, the great sacrifice which Western Australia is prepared to make, and which the Minister thinks should be sufficient to induce us, as the trustees of the taxpayers of the Commonwealth, to withdraw all other objections to the proposal, is a sacrifice equal only to one-tenth of the actual annual loss which the taxpayers of the Commonwealth will have to bear in connexion with the running of the line.

Mr. KENNEDY.—They do not propose to sacrifice the rental value. They say only that they will not alienate this land until such time as the line is made when the value of it will possibly be enhanced.

Mr. KELLY.—I was assuming that they would act up to the spirit behind the offer made, but I admit that, as the honorable member for Moira points out, there is no guarantee that they will allow the Com-

monwealth to secure the advantage of any enhanced value given to this land by the construction of the line. The Treasurer, whose presence I welcome, has on some occasions expressed profound distrust of the methods proposed by certain sections of Australian political parties.

Mr. MAUGER.—Does the right honorable gentleman follow the honorable member?

Sir JOHN FORREST.—I have something better to do.

Mr. KELLY.—I refer to certain closer settlement proposals. Here we have an opportunity to start afresh. If the amendment is accepted, no graduated land tax will ever be necessary in connexion with the area involved, because we shall retain the enhanced value given to this land by the construction of the line. The Commonwealth is being pledged to an expenditure of nearly £5,000,000, and it is only reasonable that we should ask for some guarantee in return. The Minister is not prepared to give any guarantee. He is a representative of the taxpayers of the Commonwealth, and not merely of Western Australia, who are no doubt anxious, if they can, to get some one else to bear their burden; and yet he has absolutely refused to agree to insert a simple provision of this character. He informs honorable members that it is entirely foreign to the measure. If it is, the blot is upon the measure itself, because the more safeguards we have the better in dealing with a measure of this kind. I regret that it has been necessary for me to rise again to urge upon the Minister the advisability of accepting my amendment. I feel sure that if the honorable and learned gentleman will not accept this amendment he will accept some proposition of a similar nature. I hope that honorable members will help me to divide the Committee on the amendment, and to see that every possible safeguard shall be provided for.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes	...	...	...	6
Noes	...	...	...	29
				—
Majority	...	...	...	23

AYES.

Fuller, G. W.
Kelly, W. H.
Kennedy, T.
Robinson, A.

Tellers:

Culpin, M.
Storrer, D.

NOES.	
Bamford, F. W.	Mahon, H.
Batchelor, E. L.	McCay, J. W.
Carpenter, W. H.	Phillips, P.
Chapman, A.	Poynton, A.
Crouch, R. A.	Ronald, J. B.
Deakin, A.	Skene, T.
Ewing, T. T.	Spence, W. G.
Forrest, Sir J.	Thomson, Dugald
Fowler, J. M.	Watkins, D.
Frazer, C. E.	Watson, J. C.
Glynn, P. McM.	Wilkinson, J.
Groom, L. E.	
Higgins, H. B.	
Hughes, W. M.	
Hutchison, J.	
Isaacs, I. A.	

Tellers:

Cook, Hume
Mauger, S.

PAIRS.	
Tudor, F. G.	Lyne, Sir W. J.
Thomson, David	McLean, A.
Salmon, C. C.	Knox, W.

Question so resolved in the negative.

Amendment negatived.

Mr. KELLY (Weatworth).—In the final report of the Engineers-in-Chief the following passage occurs:—

We understand that the Gawler range route is regarded unfavorably by the South Australian Government; while the Tarcoola route is preferred, owing to the prospect of probable future development of the district, and as best serving the traffic which will result. For these reasons we have put on one side the further consideration of the Gawler range route, although it might prove to be 60 miles shorter, and presumably proportionately less costly.

That statement leads me to move—

That after the word "may," line 1, the following words be inserted:—"So soon as the States of South Australia and Western Australia have given an undertaking to permit and facilitate the eventual construction of the line by the Commonwealth over whatever route it may select."

My object is to enable the Commonwealth to decide, on the advice of its engineers, what route shall be taken. We have been told over and over again that the main reason why the Commonwealth should construct the railway lies in the national character of the undertaking, and, if that is so, its route should be determined by the Commonwealth authority. Therefore, I have moved the amendment in the full expectation that the Minister will see his way clear to accept it.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes	...	...	2
Noes	...	...	27
			—
Majority	...	...	25

AYES	
<i>Teller:</i>	<i>Teller:</i>
Kelly, W. H.	Kennedy, T.
NOES.	
Bamford, F. W.	Mauger, S.
Batchelor, E. L.	McCay, J. W.
Carpenter, W. H.	Phillips, P.
Chapman, A.	Ronald, J. B.
Crouch, R. A.	Skene, T.
Culpin, M.	Spence, W. G.
Deakin, A.	Storror, D.
Ewing, T. T.	Watkins, D.
Forrest, Sir J.	Webster, W.
Fowler, J. M.	Wilkinson, J.
Glynn, P. M.	
Groom, L. E.	
Higgins, H. B.	
Isaacs, I. A.	
Mahon, H.	
	<i>Tellers:</i>
	Cook, Hume
	Frazer, C. E.
PAIRS.	
Tudor, F. G.	Lyne, Sir W. J.
McWilliams, W. J.	Bonython, Sir J. L.
Salmon, C. C.	Knox, W.
Thomson, David	McLean, A.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 3—(Appropriation of moneys.)

Mr. KENNEDY (Moira) [9.14].—I wish to know what ground the Minister has for the assumption that the expenditure of £20,000 upon the proposed survey will result in our being furnished with reliable data in the light of which we can consider the proposal for the construction of the line. The experience gained in various States with regard to railway surveys would lead us to conclude that the amount proposed to be expended will scarcely cover the cost of a flying survey. In Victoria, something like £400,000 has been spent upon flying surveys. That amount has been absolutely wasted, because a flying survey does not enable any one to form even an approximate idea of the cost of constructing a line, or the possibilities of the surrounding country. I have looked through the reports in connexion with the proposed survey, and I have failed to find any statement by a reputable authority that the expenditure of £20,000 upon a survey would lead to our being supplied with reliable data. We know very well that alternative routes have been suggested over a considerable portion of the distance between Kalgoorlie and Port Augusta, and I presume that close investigation will be necessary to enable us to arrive at a conclusion as to which of these will be the better one to follow. Consequently, I think it is only right that honorable members should know

whose advice has been followed in fixing upon the amount of £20,000.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [9.17].—The sum of £20,000 was fixed upon the advice of the Chief Engineers of the States, who had previously reported upon the proposed railway. That was the best advice that was available to us, and I have no doubt that the sum provided for will prove sufficient.

Mr. KELLY (Wentworth) [9.18].—I should like to know what will be done in the event of the cost of the survey exceeding the sum provided for in the Bill. Will the Minister ask Parliament to make a further grant, or will he abandon the survey?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [9.19].—The strongest endeavours are always made to keep the expenditure within the sum voted by Parliament. As I have stated, we have been advised by experts of considerable standing that £20,000 will be sufficient. If any further money is required, the authority of Parliament must be sought before any additional expenditure takes place. I can assure the honorable member that every effort will be made to keep the expenditure within the sum provided.

Mr. KENNEDY (Moir) [9.20].—It is not my intention to "stonewall" this measure, but I think that I am justified in expressing my opinions. Having looked up all the available information on the question, and having had some experience in regard to the cost of contemplated works in other directions, I know that, although Parliament may vote only £20,000, the work, even if it costs £100,000, must be carried to a completion. It is strange that no engineer has stated that £20,000 will be sufficient.

Mr. GROOM.—Mr. Kernot has said so.

Mr. KENNEDY.—What has been said is, in effect, that for the money proposed there may be a flying survey.

Sir JOHN FORREST.—We shall get a lot for £20,000, which is £20 a mile.

Mr. KENNEDY.—No doubt we shall get a lot, but we should get a lot more for £100,000.

Sir JOHN FORREST.—We do not require £100,000.

Mr. FOWLER.—The honorable member for Moira can move to increase the amount.

Mr. KENNEDY.—I shall not do so, because I know it would be absolutely

useless. What I say is that one of the most experienced men we have in Victoria, in regard to this particular class of work, has stated, after careful investigation, that £90,000 would be a reasonable sum to expend in obtaining the information necessary in regard to this particular route.

Mr. FOWLER.—That was the way money used to be spent in the good old days in Victoria, but we do not do that over our way.

Mr. KENNEDY.—I know that work can be done much more cheaply to-day than it could twenty years ago, either in the way of survey or in carrying out public works such as the construction of a railway. I desire to direct attention to the fact that what is known as a flying survey is not a reliable guide to-day as to the cost of the construction of a railway. I object to the Government proposing to spend £20,000 when it is apparent to any man of experience, or of a practical turn of mind, that we cannot get for that amount the information necessary to guide us. Any reputable engineer would, I think, tell us that £20,000 is not sufficient, and that, before we get the information, the cost will be at least £80,000. So far as I am concerned, I have no further remarks to make. My whole opposition to the Bill is based on the ground that the survey should be made by the States concerned. As to the other proposal, I shall deal with it after the survey has been made. From reliable information, I feel confident that if this survey is undertaken, this or some other Government will have to ask for an increased amount.

Clause agreed to.

Bill reported without amendment; report adopted.

Ordered—

That the Standing Orders be suspended so as to allow the third reading of the Bill to be moved this day.

Bill read a third time.

AUDIT BILL.

SECOND READING.

Sir JOHN FORREST (Swan—Treasurer) [9.26].—I move—

That the Bill be now read a second time.

This Bill is to amend the Audit Act 1901. There are several matters dealt with that are of some importance in the keeping of the public accounts, but I do

not think that any of them need cause much discussion. Clause 3 merely provides for a change in the term "public accountants." It appears that the Incorporated Institute of Accountants protest against the use of this term, which is generally used to describe persons who hold high qualifications in accountancy. By clause 4 it is desired to take authority for establishing a guarantee fund. There is such authority at present in the Public Service Act, but it does not apply to members of the Defence Forces, and to other persons exempt from the provisions of that Act. Clause 5 is a provision to save exchange. Under this clause postmasters will be authorized to use money, received for money orders, in payment of salaries and other expenses, instead of remitting the money to head-quarters. Proper adjustment will, of course, be made by paying the amount of such payments into the money order account at head-quarters. That has been done in several of the States already, and it is found to be a convenient plan, which saves the transfer of money, and, therefore, saves the cost of exchange. Clause 6 is to meet a difficulty which has been experienced in making payments in distant parts of the States. Clause 7 deals with lapsed votes in regard to the Militia. At present, votes lapse on the 30th June, and any money which is earned by the Militia, and which is on that date in the hands of the commanding officers for payment to the men, has to be returned to head-quarters. To place the commanding officers again in funds after the 30th June would take time, and before it could be done many of the men would make unsuccessful claims for their pay. It is desired to avoid dissatisfaction in this important branch of the Defence Forces, by allowing the pay to remain in the hands of the Accounting Officer for three months. Clause 8 provides for three new sections, the first of which will save much bookkeeping without any sacrifice of accuracy or principle. The principal clause of the Bill is clause 13, which is to legalize certain accounts which have been in existence for some time. The following may be termed "trading accounts," namely: The Commonwealth Ammunition Material Account, the Small Arms Ammunition Account, the Defence Clothing Material Account, the Small Arms Account and the Defence Force Stores Collection Account (Queensland). In connexion with all of these, material is

Sir John Forrest.

sold to members of rifle clubs and others, and the proceeds of the sales are paid into the accounts, in order that the fresh purchases made by the Government may be paid for out of such proceeds. A strict reading of the law would probably require the proceeds to be paid into revenue, and the fresh purchases to be charged to a vote of Parliament. Such a course would, however, show the expenditure of the Commonwealth as much more than the amount which is really borne by the general taxation of the people; and it is thought that these special receipts should be devoted wholly to the purpose of replacing the goods sold. This practice was followed by Victoria and Queensland before the Defence Department was transferred to the Federal control. The Government Printer's Account is also a trading account, but is used principally as a suspense account. Wages and material are paid for from the account, and, when the work is complete, transfer entries are made in the books, charging the votes of the various Departments and relieving the Trust Account. To the two Naval Agreement Act Accounts expenditure made for the British Government is charged, and the accounts are credited when the moneys are repaid. To the Pensions Account are credited the deductions made in accordance with the requirements of the States laws, from the salaries of officers transferred from the services of New South Wales and Queensland. The Pensions Account, therefore, applies only to New South Wales and Queensland officers. The money will be used towards payment of the pensions, and, in some cases, lump sum compensation, when due. The Guarantee Fund account, the Defalcation account, the Money Order account, the International Postal and Money Order account, the Deferred Pay account, and the Ocean Mails account are, it is thought, sufficiently explained in the schedule to the Bill. It may be stated, however, that the Defence Force Stores Collection account (Queensland), the Deferred Pay account, and the Ocean Mails account, are included in the Bill principally to validate past transactions, it being intended to close them almost immediately. Honorable members will see that the object of the Bill is merely to legalize certain methods adopted at the inception of Federation, and to provide for the manner in which these matters shall, in future, be dealt with. In a fourth schedule which appears in the Bill, the names

of the accounts, and the purposes referred to in section 62A are given, and this schedule it is proposed to insert in the principal Act.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 and 2 agreed to.

Clause 3 (Alteration of "Public Accountant" to "Accounting Officer.")

Mr. KELLY (Wentworth) [9.32]. — I should be glad if the Treasurer would explain the meaning of this provision.

Sir JOHN FORREST (Swan—Treasurer) [9.33]. — I have already explained that the Incorporated Institute of Accountants protested against the use of the term "Public Accountant," as it is generally used to describe certain persons who hold high qualifications in accountancy. It is thought well to meet their wish. I may say that this Bill has been in hand for some time. I believe it was drafted when the right honorable member for Balaclava held office as Treasurer.

Clause agreed to.

Clauses 4 to 7 agreed to.

Clause 8—

After section thirty-six of the Principal Act the following sections are inserted:—

"36A. Expenditure in excess of specific appropriation or not specifically provided for by appropriation may be charged to such heads as the Treasurer may direct, provided that the total expenditure so charged in any financial year, after deduction of amounts of repayments and transfers to heads for which specific appropriation exists, shall not exceed the amount appropriated for that year under the head 'Advance to the Treasurer.'

"36B. The amount included in any subdivision in a Schedule to an Appropriation Act for the salary in respect of an office or position occupied by an officer shall be available for payment of the officer's salary in any branch the salaries for which are provided in the same subdivision.

"36C. Repayments or credits which could have been taken in reduction of some particular expenditure in any financial year had the accounts of that year not been closed may be taken in reduction of similar expenditure in a subsequent year."

Mr. DUGALD THOMSON (North Sydney) [9.34]. — Will the Treasurer explain the reason for the proposed new section 36A?

Sir JOHN FORREST (Swan—Treasurer) [9.35].—The only information furnished me by the Treasury in regard to the provision referred to is that it will save much bookkeeping without any sacrifice of accuracy or principle.

Mr. KENNEDY (Moir) [9.36].—Am I right in assuming that under this provision the Treasurer would have power to transfer from one account to another amounts appropriated under the heading of "Advance to the Treasurer." If, for instance, a sum of £20,000 were appropriated for a specific purpose, but proved insufficient, and a vote in respect to another purpose were in excess of requirements, would the Treasurer be at liberty under this provision to transfer the amount in excess of the sum required from the one purpose to the other?

Sir JOHN FORREST (Swan—Treasurer) [9.37].—Under the Audit Act the transfer of one item to another in the same subdivision of the Estimates is permissible. This clause 36A is not intended to meet such cases. As I understand it, the intention is that when a Department applies to the Treasurer for an increase in respect to an item or for any expenditure not under the Appropriation Act, and the Treasurer approves of the amount so required being charged against the Treasurer's Advance, that amount, instead of being kept in a separate account against the Treasurer's Advance, may be debited at once to the sub-head or vote in the Estimates to which it relates.

Mr. DUGALD THOMSON.—What would be the position if there were no vote on the Estimates?

Sir JOHN FORREST.—In that case we should have to create a vote from the Treasurer's Advance. That is done towards the end of the financial year. The books are closed on 30th June in each year, and where cases of this kind arise the amounts have to be advanced by the Treasurer out of what is known as "Advance to the Treasurer." They have then to be debited to the particular sub-heading to which they relate, in order that the public accounts may be so presented to the House as to show properly the expenditure under every heading. That system has always been followed. It is now proposed to make a short cut, rather than to wait until the end of the year. In Western Australia we always charged the item at once to the vote or sub-head. Under the Federal system, however, that has not been customary. It is much more simple and sensible to charge the item against the vote at once.

Mr. JOSEPH COOK.—Yes; but why has it not been done?

Sir JOHN FORREST.—Because there was some question as to whether, under the

Audit Act, it could be done legally. It is now proposed to take the necessary power for that purpose. Without telling tales out of school, I think I can say that, as a matter of fact, it has often been done. It is the right thing to charge the vote straight-away rather than keep a separate account of the advance, and at the end of the year allocate it, because it will save double work.

Mr. JOSEPH COOK (Parramatta) [9.41].—I could quite understand what the Treasurer says if this were a direction to expend votes which had been appropriated, but it relates to expenditure in excess of specific appropriations.

Sir JOHN FORREST.—Out of the Treasurer's Advance.

Mr. JOSEPH COOK.—I know that. We make an appropriation for the purpose of the Treasurer's Advance, and now it is proposed to enact that the money which is appropriated to the specific purpose of the Treasurer's Advance shall be applied to some other purpose.

Sir JOHN FORREST.—Certainly not. This has nothing to do with the appropriation at all, but only with the way in which the vote is to be charged.

Mr. JOSEPH COOK.—Why is it to be accounted for in two ways? It is to be accounted for under some sub-head or Department—

Sir JOHN FORREST.—Yes; but hitherto it has not been done at once. It has been kept in a separate account, and has not been allocated against the vote until the end of the financial year. We want power to allocate it straight-away.

Mr. JOSEPH COOK.—I do not quite see the advantage of the proposal.

Sir JOHN FORREST.—It will save a lot of bookkeeping and expense.

Mr. JOSEPH COOK.—It will be necessary to keep some accounts current between the Departments, even if this provision be adopted.

Sir JOHN FORREST.—It will save much bookkeeping, without the sacrifice of any principle.

Mr. KENNEDY (Moir) [9.43].—With regard to the query I put to the Treasurer, I am not quite clear as to the position. What I wish to know is whether the proposed new section 36A gives power to expend money out of the Treasurer's Advance for a purpose for which no appropriation has been made?

Mr. JOSEPH COOK.—No.

Sir JOHN FORREST.—It is only a book-keeping matter.

Mr. KENNEDY.—The provision says that out of the Treasurer's Advance—

Expenditure in excess of specific appropriation or not specifically provided for by appropriation may be charged to such heads as the Treasurer may direct.

Sir JOHN FORREST.—The Treasurer gets his advance for that purpose. Generally there is a sum of £200,000 voted for unforeseen and extraordinary expenditure.

Mr. KENNEDY.—And it rests with the Treasurer to say how it shall be spent.

Sir JOHN FORREST.—Yes; but the accounts are submitted to the House afterwards.

Mr. KENNEDY.—I wished to ascertain that that was the bearing of the provision.

Sir JOHN FORREST.—That is so.

Mr. JOSEPH COOK (Parramatta) [9.45].—I desire to ask the Treasurer what is the object of the provision relating to salary votes? It reads as though it were a provision for such a contingency as a transfer of officers. It seems to me that if an officer were to go from one branch to another he could take his salary with him. It says—

The amount included in any subdivision in a schedule to an Appropriation Act for the salary in respect of an office or position occupied by an officer, shall be available for payment of the officer's salary in any branch—

Sir JOHN FORREST.—

the salaries for which are provided in the same subdivision.

Mr. JOSEPH COOK.—Is not that the case now?

Sir JOHN FORREST.—I believe that it is.

Mr. DUGALD THOMSON.—It is done now, and the object of this provision is to authorize the practice.

Mr. JOSEPH COOK.—One wonders why all these provisions are brought down for our approval, and whether they can mean anything which is intended to be an addition to the present practice.

Sir JOHN FORREST.—Sometimes an officer is lent from one branch to another, and there is great difficulty in arranging a count of the hours during which he was away from his own branch.

Mr. JOSEPH COOK.—My reading of the provision, in the first instance, was that if an officer were to go to another branch he would carry his salary with him, and it could be debited to that branch.

Mr. KELLY (Wentworth) [9.46]. — I hope that the Treasurer will bear with me while I endeavour to carry out a promise I made to the honorable member for Lang to move an amendment to the proposed new section 36C. The object of the amendment is to bring about a healthy state of financing, by which the House will know definitely for what purpose it is voting money. In his report for the year ending 30th June, 1905, the Auditor-General says—

A number of repayments and recoveries of amounts included in the expenditure of previous years, and amounting in the aggregate to about £2,000, were made during the year 1904-5. The Treasury departed from the practice hitherto in force of crediting these receipts to revenue, and placed them to the credit of the then current votes corresponding to those of previous years. This alteration of practice amounted to an appropriation in aid of votes, or in reduction of expenditure, without parliamentary authority, and upon exception being taken, the Secretary to the Treasury advised that an amendment of the Audit Act would be sought to authorize such credits.

Undoubtedly the object which is sought to be attained by this Bill is to authorize such credits. The Auditor-General, who is an independent arbiter in these matters, has said that the alteration of the practice virtually amounts to an appropriation in aid of votes, or in reduction of expenditure, without parliamentary authority. I think that the Committee should be extremely careful before it takes a step of that kind. The honorable member for Lang, who unfortunately is unable to be here to-day, has asked me to move an amendment. The Bill has been reached so unexpectedly to-night that I have not had an opportunity to look through his voluminous notes, but I commend the amendment, which is in print, to the attention of the Committee, especially the Treasurer, who, I have no doubt, will be able to accept it. It is as follows:—

Clause 8. In proposed new section 36C, omit all the words after the word "closed," with a view to the insertion of the following in place thereof: "shall be credited to revenue on account of appropriation of former years. Provided, however, that any amounts credited to expenditure during the financial year 1905-6 may, with the consent of the Treasurer, after favorable report from the Auditor-General, be allowed to remain in credit.

The effect of the adoption of this amendment would be to compel unexpended sums in any one year to be re-credited to revenue, except in cases in which the Auditor-General would permit their expenditure in the ensuing year. Under the scheme to be legalized in this Bill this year we may vote

£1,000 for the carrying out of a particular work. Only £200 may be expended this year. It may be that the work is a new post-office, and that it is discovered that £1,000 is more than sufficient. But, although £800 remains unexpended, the Government may next year come down with an item on the Estimates of £1,000. Members of Parliament may then overlook the fact that a previous vote of a similar amount has been made for the same purpose, and may not be aware that a portion of the money has been unexpended. In that way, the Auditor-General points out, votes may be obtained practically without the authority of Parliament.

Mr. HUMÉ COOK.—The Estimates always show re-votes.

Mr. KELLY. — But the unexpended balances in one year can be used in the next. I am not at all sure that an unexpended balance could not be used for an entirely different purpose. It is an important point, and one which I hope the Treasurer will be able to meet.

Sir JOHN FORREST (Swan) [9.52].—The matter in question is not an important one, but there is a little confusion in regard to payments towards the end of the year as to which it is impossible to get in the accounts in time. A case in point would be where a State—say, Victoria—pays a sum of money for the purpose of mails to New Zealand. Perhaps a good deal of that money should be paid by New South Wales. A credit is given on account of New South Wales, which would lessen the expenditure of Victoria if it were received before the close of the financial year. But if it is not received before such close, Victoria is charged with the whole expenditure, and afterwards gets a payment from New South Wales as revenue. Thereby the expenditure and revenue account is fictitiously enhanced. The difficulty could only appear at the end of the year, when it is impossible to get in accounts in time to credit expenditure properly. As the balances are arranged at the end of every month, it is convenient, in order that the revenue and expenditure may not be fictitiously increased to have a provision whereby payments from the other States may be taken in reduction of similar services for the ensuing year. The difficulty has been found to be troublesome. The provision is not a very important one, but I think that what it attempts to do is reasonable.

Mr. DUGALD THOMSON (North Sydney) [9.55].—The Treasurer has pointed out one of the purposes for which this provision is designed, but the question is whether, if we give this power, it will not only cover the case mentioned, but also apply to others in which it will be less desirable to extend such power to the Treasurer. Say that a credit is given for £10,000 towards the end of one financial year. The result would be to lessen the expenditure for the next financial year.

Sir JOHN FORREST.—The money would have been spent, of course.

Mr. DUGALD THOMSON.—It strikes me that if a credit for £10,000 came in at the end of one financial year, under this provision, the Treasurer when he asked Parliament for an appropriation, would require £10,000 less than he would do if that account had not come in.

Sir JOHN FORREST.—He would have obtained the appropriation for the year previously.

Mr. DUGALD THOMSON.—But if the Treasurer had that credit of £10,000, he would require so much less to be appropriated in the following year. I see very little objection to the provision from the point of view which the Treasurer puts, but the provision goes beyond his case in the power which it gives. As the Auditor-General has drawn attention to the point, it might be desirable to furnish us with his opinion. If the matter in question is merely one of adjusting States accounts, there is not much objection to what is proposed. But the point which I put to the Treasurer is whether the provision could not be used in a way that would go beyond what he intends.

Sir JOHN FORREST.—If the clause is allowed to pass, we will afterwards re-commit it. In the meantime, I will look into the matter.

Clause agreed to.

Clause 9 (Extension of time for making surcharges).

Mr. DUGALD THOMSON (North Sydney) [9.58].—I think the Treasurer should give us some reasons why it is proposed to amend section 45 of the principal Act in this way.

Sir JOHN FORREST (Swan—Treasurer) [9.59].—It is merely intended to give a little more time for making surcharges, by omitting from sub-section 2 of section 42 of the principal Act the word "three" between the words "within" and "months,"

and by inserting in lieu thereof the word "six."

Clause agreed to.

Clause 10 agreed to.

Clause 11—

After section forty-five of the Principal Act the following section is inserted:—

"45A. The Auditor-General may, with the consent of the Treasurer, dispense with all or any part of any detailed audit of any accounts, but not with any appropriation audit of those accounts. The consent of the Treasurer shall be given only in cases in which he considers that there are circumstances which render a detailed audit under this Act unnecessary."

Mr. DUGALD THOMSON (North Sydney) [10.0].—Will the Treasurer explain why this new clause has been proposed in addition to section 45 of the principal Act? Does it mean that the Auditor-General is not to be called upon to check certain work which he now checks—such, for example, as the additions in the accounts?

Sir JOHN FORREST (Swan—Treasurer) [10.0].—This clause is similar to a provision which is contained in the laws of Great Britain and three of the States, and will enable economy to be exercised without undue risk. That is my note upon the matter. The only explanation of it which I can offer is that the Auditor-General requires it in order that he may be saved the necessity of checking minute details which have already been checked, and certified to by the proper departmental officers.

Mr. DUGALD THOMSON.—Of course, it will save him a lot of work.

Sir JOHN FORREST.—It is a provision that is not new.

Mr. JOSEPH COOK (Parramatta) [10.2].—I trust that the Treasurer is right in disposing of the matter in this way. I also hope that he will not be surprised if he finds that it leads to an increase in peculation.

Sir JOHN FORREST.—The Auditor-General cannot dispense with a detailed audit without the consent of the Treasurer.

Mr. JOSEPH COOK.—The provision means that we are going to relax both our inspection and our audit. I have yet to learn that we should copy Great Britain in this particular respect. There is no analogy between the circumstances of a small country like Great Britain and those of the Commonwealth.

Sir JOHN FORREST.—A similar provision is contained in the laws of New South Wales, South Australia, and Western Australia.

Mr. JOSEPH COOK.—That may be so; but my recollection of the New South Wales provision is that the inspection there, and also the audit, were somewhat relaxed because it was felt that the inspections which were taking place all over the country were being duplicated. That position, however, does not apply to the Commonwealth. We have no other officers who can do this work for us, as the States Governments have. Therefore, it occurs to me that unless we keep the inspectorial staff as efficient as possible we shall not have that proper supervision of accounts which is necessary.

Sir JOHN FORREST.—But the clause provides that the Treasurer must agree to dispense with the detailed audit.

Mr. JOSEPH COOK.—I understand that the Treasurer desires this power in order that he may use it. I would point out that the peculations which are constantly going on in the service, despite all our checks, do not argue the wisdom of relaxing our system of inspection and of checks.

Sir JOHN FORREST.—The clause provides that there must be circumstances which render a detailed audit unnecessary.

Mr. JOSEPH COOK.—I am referring to the inspection and the audit taken in conjunction. We have already provided for a relaxation in our inspection of these accounts, and now we are asked to sanction a relaxation in the audit—that is to say, in the accounting within the Department, as well as in the inspection without the Department. Our inspection, so far as the Post Office is concerned, is not such as, in my judgment, can be safely relaxed. Certainly it cannot be done without leading to an increase in the peculations which are already going on. I believe that the accounting of these matters has been very much relaxed in many of the States, and that some of the detailed clerical work with which the Treasurer proposes to dispense is being carried on in a very lax way indeed. Only the other day I was informed that in the Money Order Branch of the Post and Telegraph Department the classification of money-order dockets is two or three months in arrear. I believe that fraud could take place in that Department, without the Department being able to discover it until the whole of that work had been brought up-to-date. That is a very serious matter, I think. Yet, in this Bill, we are asked to dispense still further

with the inspection of the individual accounts at the outside offices, and to relax the system of auditing those accounts within the Department itself.

Mr. HUME COOK.—The appropriation audit must be made.

Mr. JOSEPH COOK.—But it is proposed to relax the audit which is intended to act as a check upon the Department.

Mr. HUME COOK.—Only in certain circumstances.

Mr. JOSEPH COOK.—I take it that it is the intention of the Treasurer to put this system into operation, otherwise he would not need the power to do so. It is a power to dispense with the detailed auditing of accounts, and I am not quite sure that we are taking a step in the right direction by following a precedent which affords no parallel to our own circumstances.

Sir JOHN FORREST.—The Auditor-General is in favour of it.

Mr. JOSEPH COOK.—If the Auditor-General be satisfied, it is all right. But I read clauses 10 and 11 together, and I say that our system of auditing in the Commonwealth has no parallel in that of the United Kingdom.

Sir JOHN FORREST.—The Auditor-General asked for this power of his own motion, and we provide that it shall be exercised subject to the Treasurer's consent.

Mr. DUGALD THOMSON.—Has the Auditor-General reported upon the whole Bill?

Sir JOHN FORREST.—I do not know that he has.

Mr. JOSEPH COOK.—The Treasurer must accept the responsibility for this provision. In my opinion, by relaxing our inspection of these accounts, we are taking a step in the wrong direction.

Mr. GLYNN (Angas) [10.9].—It seems to me that we have already given to the Treasurer a wider power in the clause which we have just passed. This provision relates to a matter of detail, whereas the previous clause authorizes the Treasurer to dispense with annual inspections, and to have them carried out at such intervals as he may choose. It seems to deal with an audit in detail, which the Auditor-General may not think necessary, and very properly it provides that in such a case the Auditor-General shall not be responsible, but the Treasurer. I presume that it is intended to apply to cases where a detailed audit would not afford an additional check. Seeing that under clause 10 the Treasurer has

the power to dispense entirely with an audit during a particular year, it can scarcely be claimed that it is an extension of that power to declare that where an audit does take place it need not be of the detailed character prescribed by the Audit Act.

Mr. DUGALD THOMSON (North Sydney) [10.10].—We are voting very largely in the dark in dealing with this Bill. The Treasurer ought to know more about the necessity for such proposals, and the way in which they will affect the keeping of the accounts, than any honorable member who has not been in the Treasury can be expected to know. It should be his business to enlighten the Committee as to the necessity for any of these clauses, where honorable members desire that information, or where the effect of the clauses is not plain on the face of them.

Sir JOHN FORREST.—I tell the honorable gentleman that the Auditor-General is in favour of them.

Mr. DUGALD THOMSON.—The right honorable gentleman has already told me so across the table, and I say that we should have had the opinion of the Auditor-General placed before us.

Sir JOHN FORREST.—I see no necessity for that. If I say so, surely it is all right?

Mr. DUGALD THOMSON.—I mean through the Treasurer. I am not asking for the production of the document in which the Auditor-General's opinion is stated. A measure of this kind, proposing alterations, which might be far-reaching, in connexion with the audit of the public accounts, should surely be placed before the Auditor-General for his consideration. It should not emanate wholly from the Treasury, since the Treasury Department sometimes objects to the Auditor-General's requirements. I should like the Treasurer to tell the Committee whether this Bill has been placed before the Auditor-General, whether he has approved of it, or has taken exception to any part of it, and, if so, to which part?

Sir JOHN FORREST (Swan—Treasurer) [10.13].—So far as I am aware, the Auditor-General has approved generally of the plan of the measure. Owing to his absence, through illness, he has not personally approved of it in every particular, but his *locum tenens*, Mr. Whitton, has approved of the measure, with the exception of the

clause I have undertaken to recommit. I understand that all the other clauses have received the approval of the Auditor-General's *locum tenens*.

Mr. DUGALD THOMSON.—Can the right honorable gentleman give us that assurance, or is it merely an understanding?

Sir JOHN FORREST.—That is the information I have just obtained.

Mr. DEAKIN.—It is the information given to me by the officer, who is present.

Mr. KENNEDY (Moir) [10.14].—I am prepared to accept the statement of the Treasurer, and I recognise that Mr. Whitton is a man of very considerable experience in the matter of auditing and finance. But it does appear to me that the members of the Committee are not sufficiently informed as to the necessity for this Bill at all. We have no information as to how the Audit Department or the Treasury Department are restricted or hampered in any way under existing conditions. The clauses which we have already passed, and the clause now before the Committee, appear to me to provide for some relaxation of the supervision of the Auditor-General, which is certainly not desirable, unless good reason for it can be shown. We have already agreed that the audit of a particular branch of a Department shall not be necessary every year. In view of the great area of the Commonwealth, I can quite understand why that should be provided for. But when we are asked to accept a proposal that the detailed audit of any accounts may be entirely dispensed with by the Auditor-General under the direction of the Treasurer—

Sir JOHN FORREST.—Not under the direction, but with the consent of the Treasurer.

Mr. KENNEDY.—It is practically by the recommendation of the Audit Department?

Sir JOHN FORREST.—Yes.

Mr. KENNEDY.—Then who is going to run the show, the Auditor-General or the Treasury Department? And who is to be eventually responsible to this House? To my mind this is a proposal for a divided authority in connexion with the performance of his duties by the Auditor-General.

Mr. DUGALD THOMSON.—We have set up the Auditor-General to check the accounts of all the Departments, and now it is proposed that the Treasurer and the

Auditor-General may arrange between them to dispense with the check in certain cases.

Mr. KENNEDY.—So far as my experience goes, divided responsibility leads to carelessness all round, and I should very much prefer the existing practice, under which the Auditor-General is responsible solely for the correctness of the public accounts. When we have a right honorable gentleman at the head of affairs who is known to be prepared to spend money, it is well that our Auditor-General should be entirely independent and responsible in such a matter. I am opposed to the clause.

Mr. JOSEPH COOK (Parramatta) [10.16].—It is an entire reversing of the usual practice to say that the Auditor-General can dispense with certain of his functions only with the consent of the Treasurer.

Mr. KENNEDY.—He is above and beyond the Treasurer under the Audit Act. He is independent of the Treasurer.

Mr. JOSEPH COOK.—Yes; it is the object and purpose of the Audit Act to place him in that position.

Sir JOHN FORREST.—The clause refers only to cases where the Auditor-General desires to dispense with the audit itself.

Mr. JOSEPH COOK.—Why should he have to get the consent of the Treasurer?

Sir JOHN FORREST. — The honorable member would not allow him to do it just as he pleased? We must empower him by some provision in our Act to do it.

Mr. JOSEPH COOK.—We do not propose to tell him under any Act that he shall or shall not do it.

Sir JOHN FORREST.—We propose that the Treasurer may give his consent in certain cases.

Mr. JOSEPH COOK.—Is it right that the Treasurer should have that power over the Auditor-General.

Sir JOHN FORREST.—It is only where he advises it himself.

Mr. JOSEPH COOK.—I say that we are sapping the independence of the Auditor-General in making anything that he does conditioned by a request for the consent of the Treasurer. I think that he should be entirely independent of the Treasurer, and should act as a check upon him. That is the prime function for which the office of the Auditor-General has been established. To make the Auditor-General subservient to

the Treasurer in regard to the carrying out of his primary function seems to me to be entirely wrong.

Mr. HUME COOK.—Suppose he neglected or desired to neglect to do some of his work; who would the honorable member authorize to compel him to do it?

Mr. JOSEPH COOK.—The Treasurer is not the proper authority. Parliament should be the master of the Auditor-General. We set the Auditor-General over the Treasurer to criticise his expenditure.

Sir JOHN FORREST.—The Treasurer will not tell him to do anything, he will only permit him to dispense with the doing of something.

Mr. JOSEPH COOK.—If the Auditor-General finds that some work is unnecessary, and should be dispensed with, he cannot dispense with it unless he obtains the consent of the Treasurer. I do not think that he should be put in any such position—

Sir JOHN FORREST.—As to have to ask the consent of the Treasurer to dispense with a duty which otherwise would have to be performed?

Mr. JOSEPH COOK. — This is where the Treasurer's power begins to operate upon this officer:—

The consent of the Treasurer shall be given only in cases in which he considers that there are circumstances which render a detailed audit under this Act necessary.

That is clearly setting the Treasurer up in judgment on a statement submitted by the Auditor-General. Instead of making the Auditor-General the arbiter in all these matters, the Bill proposes to set up the Treasurer as the arbiter in connexion with the dispensing of these detailed audits.

Mr. WILKINSON.—What will be the good of having an Auditor-General if he can act only with the consent of the Treasurer?

Mr. JOSEPH COOK.—The consent of the Treasurer is to be given only in cases in which he considers a detailed audit under the Act unnecessary. Where such permission is given, the Auditor-General can no longer be held responsible. I am afraid that we have not done right in passing clause 10, allowing the Treasurer to say when inspections are to be made, and when an audit is to take place. Such an arrangement may be very prejudicial to the public interest, if we have a masterful Treasurer, and an Auditor-General who is in the slightest degree complacent.

Sir JOHN FORREST.—In the Act to which the honorable member refers, the word "Governor" is used.

Mr. JOSEPH COOK.—I think that the word "Governor-General" should be used in the Bill.

Sir JOHN FORREST.—That would make no practical difference.

Mr. JOSEPH COOK.—There is a difference between a Treasurer and the Governor-General. That would be demonstrated if a dispute arose between them, and I have known some very determined tugs-of-war to take place. Will the Treasurer agree to recommit the clause, if necessary?

Sir JOHN FORREST.—Certainly.

Mr. GLYNN (Angas) [10.24].—We should have had a more lucid and fuller explanation from the Treasurer than we have had. Under section 54 of the Audit Act, it is provided that the Auditor-General may make recommendations for the more economical keeping of the public accounts, though I do not remember whether he has done so in his report. Statements have been made from which I infer that, with the existing staff, our auditing work cannot be done very effectively. I understand that the auditing of the accounts of some of the country postmasters is to be done by the clerks in their offices. It is an extraordinary arrangement that a subordinate should audit the accounts of his superior officer, and, to my mind, indicates that the audit staff is, perhaps, overburdened by details in some cases. The Audit Act, however, enacts that, for the protection of the public interest, the Auditor-General "shall" do certain things. He "may," to facilitate the discharge of his duties, call persons in evidence, or call for the production of vouchers. But, in all provisions relating to the examining of accounts, it is laid down that he "shall" do certain things. The Bill provides for a dispensation under particular circumstances. Such a dispensation may be necessary, and, if so, we should grant it. I do not know of any better arrangement than that provided for in the Bill.

Mr. DUGALD THOMSON.—The Minister has promised to recommit.

Mr. GLYNN.—I regret that he has not given us a more elaborate explanation of the provisions of the Bill, to show why important checks should be modified.

Mr. DUGALD THOMSON (North Sydney) [10.26].—In the New South Wales Act there is a safeguard which has been omitted from the Bill. That Act requires that a statement as to any exemption must be laid before the Legislative Assembly, if Parliament is sitting, within seven days of the granting of that exemption, or, if Parliament is not sitting, within seven days after the next meeting of Parliament. That safeguard is a very important one. The Auditor-General is intrusted by Parliament with the examination of the departmental accounts, but, without some such safeguard as that to which I am referring, it might happen under the Bill that the auditing of half the accounts would be dispensed with by the Treasurer.

Sir JOHN FORREST.—We can recommit.

Mr. WILKINSON (Moreton) [10.28].—In Queensland, the Auditor-General is placed in a stronger position than that officer seems to occupy under the Bill. I do not think that an Auditor-General should be subservient to the will of a Minister. He should be able to carry out his duties without fear of political interference, and should be given virtually as much freedom of action as is enjoyed by a Supreme Court Judge. The Commonwealth reposes confidence in its Auditor-General in relation to the just and honest auditing of accounts. I shall be prepared to vote against the clause. The Auditor-General should be in a position to audit the accounts in accordance with his own views as to the proper practice to be followed in the public interest.

Clause agreed to.

Clause 12 agreed to.

Progress reported.

ADJOURNMENT.

FINANCIAL POLICY OF THE GOVERNMENT:
OLD-AGE PENSIONS COMMISSION:
TARIFF COMMISSION'S REPORTS.

Mr. DEAKIN (Ballarat — Minister of External Affairs) [10.31].—In moving—

That the House do now adjourn,

I may intimate that we propose to-morrow to proceed with the Audit Bill, the Meteorology Bill, and the Designs Bill.

Mr. KENNEDY (Moir) [10.32].—In view of the proposals put forward by the Treasurer which involve an increased expenditure of something like £500,000, and a loss of revenue estimated roughly at

£250,000, and of the recommendations of the Old-age Pensions Commission, I should like to know what are the intentions of the Government with reference to dealing with the report of the Old-age Pensions Commission, and whether before the Budget is taken into serious consideration the Prime Minister will be able to indicate when the reports of the Tariff Commission are likely to be dealt with. Until that information is available honorable members will find themselves awkwardly placed in considering the Treasurer's proposals. I am sure that honorable members will be delighted to receive such information as the Prime Minister is able to afford with regard to the matters to which I have referred.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [10.34].—The questions which the honorable member has asked are very serious, and relate to very important matters; but as they arise naturally out of the Budget, the honorable member is entitled to ask them. The only reply I can make to-night is that I have not yet been definitely informed when we are to receive the further reports from the Tariff Commission, which, it has been intimated, are likely to be presented this week. If they are presented this week, they will be taken into consideration by the Government at once, and within the shortest time possible consistent with proper attention to other business, we shall submit proposals in regard to them for the consideration of honorable members. No delay will be permitted, owing to the necessity for disposing of the financial debate before the House. The Treasurer's statement dealt only with the estimated revenue and expenditure for the current year, and therefore honorable members will have noticed that no provision has been made in these for carrying out an old-age pensions scheme. But, as was implied in the Governor-General's speech, serious consideration has been given by the Government to the recommendations of the Commission, and since that time they have received our further attention. I think that I may now go so far as to say that the Government have in draft a proposal which, with little, if any, amendment, they hope to be able to submit to Parliament as a contribution towards a solution of the very vexed and difficult question of providing for old-age pensions.

Question resolved in the affirmative.

House adjourned at 10.36 p.m.

[73]—2

Senate.

Wednesday, 1 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

CANTEEN BILL.

Senator MILLEN.—I desire to ask the Minister of Defence, without notice, whether he will take steps to ascertain, as far as possible, the views of the officers and men in the Military Forces in regard to the provisions of the Canteen Bill, and lay them upon the table of the Senate before the discussion on the second reading of that measure is resumed?

Senator PLAYFORD.—I have taken the necessary steps, and when all the information is obtained, I shall lay it before the Senate. I have already obtained the information from the officers and men in New South Wales and Victoria, and if the honorable senator should care to see it, he may.

Senator MILLEN.—The main thing is to have the views of the officers and men available to honorable senators before the discussion on the second reading of the Bill is resumed.

Senator PLAYFORD.—I shall have all the information ready by that time.

TELEGRAPHIC CHESS MATCH.

Senator PULSFORD asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it true that in connexion with the recent telegraphic chess match between New South Wales and Victoria the New South Wales Association was charged full rates, amounting to about £8, whilst Victoria was only charged press rates, amounting to about £2?

2. If it is true that the New South Wales Association was charged four times the amount charged to the Victorian Association, will the Minister order the excess to be refunded?

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

1. It is true that on the occasion referred to, full rates were charged in Sydney and press rates in Melbourne. The Acting Deputy Postmaster-General, Sydney, reports that full rates were charged there, because the messages containing the moves of the game were held not to be *bond fide* press telegrams.

2. The Postmaster-General is making full inquiry into the circumstances of this case, and the rates charged.

TARIFF COMMISSION'S REPORTS.

Senator CLEMONS asked the Minister of Defence, *upon notice*—

1. By what date must reports of the Tariff Commission be presented in order that the Government may submit them to Parliament for consideration this session?

2. Will the Government undertake to submit to the consideration of Parliament all reports received by such date?

Senator PLAYFORD.—The answer to the honorable senator's questions is as follows:—

As stated by the Treasurer last night, the Government will submit to Parliament any report whenever presented, provided proper time be afforded them to properly consider the recommendations made. In view, however, of the fact that submission to Parliament is only the first step in dealing with the reports, and it being necessary, if possible, both in the interests of the Commonwealth and of private traders, that any items of the Tariff once entered on should be completed, the Government urge that the reports be presented at the earliest possible moment, especially having regard to the advisableness of completing the work of the session by the end of September.

Senator CLEMONS.—Arising out of that reply, I desire to ask the Minister of Defence if he can more closely define his use of the term "proper" in the answer to the first part of my question?

Senator PLAYFORD.—"Proper" means sufficient, I should imagine.

Senator CLEMONS.—Has the Minister no further answer to give?

Senator PLAYFORD.—That is my interpretation of the meaning of the word.

MAIL SERVICE TO EUROPE.

Senator GUTHRIE asked the Minister representing the Postmaster-General, *upon notice*—

Referring to the mail contract now before Parliament—

1. Does the signature of Mr. W. H. Croker, as agent for a company not yet in existence, bind the proposed company?
2. If not, is Mr. W. H. Croker personally liable for any breach of the contract which he has signed?
3. Why is the contract signed "W. H. Croker, *pro* the contractors."?
4. Is the Minister aware whether any written authority has been produced authorizing signing of the written contract by the agent?
5. If any action were taken against Sir James Laing and Sons Ltd., seeing it is a limited company, can they not successfully defend such action that being a limited company the company is not bound by the act of a so-called agent?

6. When a limited company contracts through an agent must there not be a resolution of the company or of the directors authorizing the signature of the contract before the company can be bound; could the shareholders not successfully defend the action on the contract now alleged to be signed on the ground that there was no authority given by the company for the agent to sign such contract?

7. In the event of the contract being assigned to the "permitted assigns" mentioned in the contract, how are they bound to the Commonwealth Government by the signature of the agent who did not pretend to act on their behalf?

8. Is there therefore any possible way in which penalties could be enforced against such "permitted assigns"?

9. Does not the contract on the face of it offer a mere excuse for trading off the contract with "permitted assigns" without any corresponding liability on them under the contract?

10. Why was not the provision inserted in the tenders that appeared in the contract, viz., that should any Commonwealth laws be passed causing additional expenses to the shipping company, the additional cost should be paid by way of compensation to the shipping company?

11. Was it not misleading to the other tenderers, and does it not permit an unlimited sum to be paid hereafter to the shipping company by the Commonwealth?

12. Why was not such a provision limited purely to "shipping" laws, and not to any general laws of the Commonwealth; can the shipping company claim in the future that ANY new law of the Commonwealth is a cause of increased expense?

13. Has the Commonwealth taken any advice as to Mr. Croker's financial position should any action be brought against him for breach of warranty of authority?

14. Is there any other remedy open to the Commonwealth should the mail company fail to carry out its contract?

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

1. The company, as agent for which Mr. Croker has signed the contract, is in existence, and the contract binds the company.

2. Mr. Croker would be personally liable if the company were not in existence.

3. The contract is signed "Sir James Laing and Sons Limited, by their agent, W. H. Croker." The conditions are signed, "W. H. Croker, for the contractors," but this is immaterial.

4. No written authority executed by the company has been produced by Mr. Croker, but he has given a warranty of his authority, and the Government has been advised by cable directly by Mr. Lloyd, Secretary to Sir James Laing and Sons Limited, that Mr. Croker is duly authorized to sign the contract on their behalf.

5. If any action were taken against Sir James Laing and Sons Limited, they could not successfully defend it on the ground that they were not bound by the contract.

6. Not necessarily. In the circumstances of this contract the Government is entitled by law to assume that all formalities have been complied with, and in the opinion of the Government the contract will be binding on the company.

7. Any assignment must be authorized by the Postmaster-General before it can take effect, and the Government would require the permitted assigns to personally undertake to carry out the contract. They would therefore be bound by their own act.

8. Yes. See answer No. 7.

9. No; on the contrary, the contract on the face of it does not permit assignment without the written consent of the Postmaster-General. See also answers 7 and 8.

10. The provision intended to be referred to was one for which it was unnecessary for the Commonwealth to stipulate, but which having been inserted in the agreement with the Orient Company was stipulated for by the contractors and agreed to by the Government. The provision referred to is more accurately stated in answer No. 12.

11. No. The sum, if any, to be paid, is not unlimited; it is to be fixed by mutual agreement, and is subject to the approval of Parliament.

12. The provision originally inserted was one limited to "legislation relating to shipping." That meant directly relating to shipping, and by mutual agreement the word "directly" has now been inserted, so that the provision now expressly refers to "legislation directly relating to shipping."

13 and 14. The Government is satisfied with its position with respect to the contract as regards both the principals and Mr. Croker, and is of opinion that its remedies for any failure to carry out the contract would be ample.

Senator GUTHRIE.—Arising out of the answers, I desire to ask the Minister if he will lay upon the table of the Senate the authority given by Sir James Laing and Sons Limited to Mr. Croker to sign the agreement?

Senator KEATING.—I have not seen the communication, and I do not know whether it contains anything which is of a confidential character.

Senator GUTHRIE.—There should be nothing confidential in a communication to the Government.

Senator KEATING.—If it does not, I feel sure that there will be no objection to the document being laid upon the table of the Senate. I shall communicate with my honorable colleagues, with a view to having that done.

Senator GUTHRIE.—Arising out of that answer, I desire to ask the Minister if we shall have an opportunity of getting a

definite reply to my question before we are called upon to deal with the motion for the ratification of the mail contract?

Senator KEATING.—I shall endeavour to afford it during the debate.

KALGOORLIE TO FORT AUGUSTA RAILWAY SURVEY BILL.

Bill received from the House of Representatives.

Motion (by Senator PLAYFORD) proposed—

That the Bill be now read a first time.

Senator Col. NEILD.—On a point of order, sir, I submit that, by resolution, the Senate has already decided not to proceed with a Bill identical with the present one.

The PRESIDENT.—That was during last session.

Senator Col. NEILD.—Yes; but I take it that a resolution binds the Senate until it is rescinded.

The PRESIDENT.—A resolution only binds the Senate for the current session.

Question resolved in the affirmative.

Bill read a first time.

MAIL SERVICE TO EUROPE.

The PRESIDENT reported the receipt of a message from the House of Representatives, asking the concurrence of the Senate in a resolution approving of an agreement, with certain modifications, between the Postmaster-General and Sir James Laing and Sons Limited, for the carriage of mails between Adelaide and Brindisi.

Senator KEATING (Tasmania.—Honorary Minister) [2.41].—I move—

That the Senate approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons Limited, for the carriage of mails between Adelaide and Brindisi, with the following modifications:—

Proviso to clause 3—

Provided that, in the event of the Postmaster-General requiring the "period of transit" on the voyage from Brindisi to Adelaide to be reduced to 612 hours, the period of 612 hours shall thenceforth be deemed to be the "period of transit" for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period.

Proviso to clause 15—

After the word "legislation" insert "directly"; after the words "with the consent of" insert "or subject to approval by," and after "Parliament" insert "by resolution."

Honorable senators will, no doubt, recollect a somewhat lengthy debate that we had during last session on a motion for the ratification of the contract for the mail service between Europe and Australia, which is now in existence. In moving that motion, I took the opportunity of making reference to the provisions which had been in existence for a considerable period of years in connexion with the communication between Australia and Great Britain. It is, therefore, absolutely unnecessary for me, at this stage, to enter into a consideration of those provisions. It will be remembered that at that time neither I nor any other honorable senator who addressed himself to the motion, or any of the amendments thereto, was able to give an unqualified approval of the terms of the existing contract. I think it was recognised on all sides that it had been entered into under conditions which were very highly favorable to the contracting company, and somewhat disadvantageous to the Government of the day. We recognised that that Government was in the grip of unfortunate circumstances. We found that, in response to the invitation for tenders, only one tender had been received; that the amount then asked for carrying out the service was £170,000 per annum, and that in the course of negotiations it was reduced, first, to £150,000, then to £140,000, and, finally, to £120,000. It was mentioned at that time that in the course of protracted negotiations, the contracting company endeavoured to force other concessions which the Government could not see its way to make. And, realizing, as we all did, the difficult circumstances in which the Government was placed in carrying out the negotiations, an opinion was freely expressed all round this Chamber that, though we were ratifying the provisional contract, it was desirable that, before the end of January last, we should exercise our right to give the necessary notice of our intention to terminate the agreement. A further expression of opinion was given to the effect that a mistake had been made in connexion with that contract in not making it purely postal. The Queensland Government, recognising the fact that the contract, if it did not expressly provide for something more than a postal service, at any rate contemplated such, claimed that Queensland should receive certain consideration. Otherwise it was urged the Commonwealth Government would be dealing unconstitutionally with certain States—

Senator Keating.

that is to say, it would be discriminating in regard to one State disadvantageously in comparison with other States. In pursuance of that intimation, and in conformity with the wishes expressed both in the Senate and in another place, information was conveyed to the Orient Company of the desire of the Government to terminate the existing contract on the 31st January, 1908. As soon as possible general conditions of tender were drawn up and published, and tenders were invited for a new contract, which was to commence at the termination of the existing contract with the Orient Company, namely, at the end of January, 1908. Honorable senators have had an opportunity—and doubtless they have availed themselves of it—of perusing in detail those general conditions. The efforts to secure a contract that would be advantageous to the Commonwealth both from a postal and a general point of view, have on this occasion, I think it will be admitted, been attended with considerably more success than were the efforts made a few years ago. We have not had one tenderer only. We have had five tenderers. It will be seen from the papers presented that the tender which has been accepted is for a sum of £125,000 per annum. The tender next above that was one for £150,000 per annum; and the next in order was a tender for £185,000 per annum for the same services.

Senator GUTHRIE.—Under different conditions.

Senator KEATING.—Under the general conditions of tender which were notified.

Senator GUTHRIE.—The conditions were altered afterwards.

Senator DOBSON.—What was the amount of the tender that was received too late?

Senator KEATING.—That has not been stated, and I do not know personally.

Senator MILLEN.—Did the Orient Company tender?

Senator KEATING.—It did, but was hopelessly "out of it."

Senator DOBSON.—That was the "too late" tender, I suppose?

Senator KEATING.—The existing contract with the Orient Company imposes upon us the necessity of paying a subsidy of £120,000 a year. The contract is for the carriage of our mails fortnightly by the Orient Company from Australia to Europe, certain provisions being made for the disembarkation of a portion of the mail matter at Naples, and the carriage of the re-

mainder by steamer from Naples to Great Britain. The Orient Company also carries mails from Great Britain to Australia at poundage rates. Its service dovetails in with a fortnightly service of the Peninsular and Oriental Company that is conducted under contract with the British Post Office for the conveyance of English mails to Australia; and the ships of the Peninsular and Oriental Company on their return voyage from Australia carry mail matter from this country to Europe at poundage rates. When we were dealing with the existing mail contract last year I pointed out what were the contract times in the case of the Peninsular and Oriental Company with Great Britain, and in the case of the Orient Company with Australia. We saw then that the Orient Company's contract allowed a period of transit some hours longer than did the contract with the Peninsular and Orient Company.

Senator DRAKE.—What was the period?

Senator KEATING.—The period in the contract with the Peninsular and Oriental Company was 662 hours, and the contract time with the Orient Company was 686 or 696 hours; but, although those were the specific periods of transit, in every instance the companies ran their boats in less time. I think that in the case of the Orient Company the average extending over ten or eleven voyages was shorter than the contract time by something like eleven hours.

Senator DRAKE.—Sometimes the Orient Company's boats were late.

Senator KEATING.—That may have been the case a year or two ago, but the *Cusco* and some of the older vessels have since been replaced. As against the existing contract, that which the Senate is now asked to confirm, provides, not for a period of three years, but for a period of ten years, for the duration of the contract. The reason why ten years has been adopted instead of the shorter term is because it was only by offering to the tenderers a period of at least the duration mentioned that they could be induced to embark their capital in the construction of the vessels that will be necessary for carrying out this enterprise. The amount of annual subsidy which we shall have to pay is very little in excess of the subsidy which we are at present paying to the Orient Company. It will be £125,000 per annum. The Mediterranean port and Adelaide will, for all purposes, be the terminal mail ports, because the port of Brindisi will be that at which the

letter portion of the Australian mail will be landed, and Adelaide will be the terminal port at which the English mail will be landed, the period of transit between the two ports will be 636 hours—a considerable reduction upon the present contract time of 696 hours. In regard to that reduction in the period of transit alone, I think we are making a very excellent bargain when we recognise that we have to increase our subsidy only by £5,000. Not only shall we be assured an accelerated mail service, but the contract gives to the Postmaster-General power to require the company during the term of the contract still further to accelerate the speed of its vessels, and to establish a transit period of 612 hours instead of 636. As the existing contract stood, some doubt was expressed a little time ago as to whether, when the Postmaster-General tendered a request like that, there would be any obligation upon the Orient Company to comply with it; but one of the amendments added to the contract now under discussion will, at any rate, make it sufficiently clear that if the Postmaster-General does request a reduction in the period of transit to 612 hours, the tenderers will be under an obligation to comply. Of course, provision is made for increasing the £125,000 subsidy in such cases by the actual extra cost entailed upon the company by the increased consumption of coal and in other directions. The extra cost having been ascertained, it will be added to the subsidy paid by the Postmaster-General to the company. That extra cost, whatever it may be, over and above the £125,000, will not be fixed in an arbitrary manner, but will be ascertained by actual calculation. There is another provision which I may mention while I am referring to the period of transit, namely, that during a certain period of the year that is perhaps better known to the Western Australian senators than to others—the period of the south-west monsoon—the company shall be allowed an extra period of thirty-six hours.

Senator DOBSON.—How long does that period last?

Senator KEATING.—I am not sufficiently familiar with the facts to know.

Senator DE LARGIE.—Three or four months.

Senator KEATING.—Of course, it will be remembered that the vessels of the contracting company are to carry our mails once every fortnight; and during the period

of the south-west monsoon, they are to be allowed some latitude in respect of the time of transit. One of the conditions which the Orient Company endeavoured to have inserted in the existing contract was that all payments should be made in London, and that any further transactions that might from time to time take place between the Commonwealth and the company should be conducted in London. As compared with that request preferred by the Orient Company—which, of course, was not granted—the contracting company with which we are now dealing, has preferred to establish conditions in connexion with its business in Australia. It will contract that the vessels that are to be built—which, I may mention, are not to be of less than 11,000 tons registered tonnage—

Senator MILLEN.—Has the Government yet made up its mind as to what that means?

Senator KEATING.—I will come to that point directly. The vessels are to be registered in Australia.

Senator WALKER.—In Adelaide, I suppose?

Senator KEATING.—That is a point which, so far as I know, has not been definitely determined.

Senator GUTHRIE.—It does not matter twopence!

Senator KEATING.—It may not matter to the honorable senator, but at any rate it indicates a desire on the part of the company to make itself a real Australian Royal Mail Company. It will also, in its voyages between Australia and Great Britain fly the Commonwealth flag. Its ships will be constructed as soon as possible after the contract has been ratified by Parliament.

Senator DOBSON.—Are all the ships to be constructed or are some of them in existence now?

Senator KEATING.—They are all to be constructed. The plans will be submitted to the representative of the Commonwealth in London.

Senator COL. NEILD.—Who is that mysterious person?

Senator KEATING.—The present representative of the Commonwealth in London is Captain Collins.

Senator COL. NEILD.—Is he the representative named in the contract?

Senator KEATING.—No person is actually named. The representative of the Commonwealth in London is mentioned.

Senator COL. NEILD.—Is Captain Collins that mythical personage?

Senator KEATING.—Certainly not.

Senator MILLEN.—Is Captain Collins' decision to determine the matter?

Senator KEATING.—Senator Neild asked me who is the present representative of the Commonwealth in London. I have replied that he is Captain Collins. But that does not mean that Captain Collins will necessarily be the person delegated by the Government to act as its representative in this matter. The Government may delegate any individual whom it chooses to act as its representative for this purpose; and I presume that the Government will be seized of the importance of selecting some fit and proper person, who will be capable of giving it sound advice in regard to the plans. Captain Collins, if I remember rightly, was an officer in the Royal Navy. But it is not necessary to discuss any individual in connexion with this matter.

Senator COL. NEILD.—Is he the individual who holds the £25,000 deposited by the company.

Senator KEATING.—That bond, I understand, is held in London by one of the banks on behalf of the Commonwealth. I will obtain for the honorable senator all the information which he desires.

Senator MILLEN.—After the vote?

Senator KEATING.—No, before the vote.

Senator COL. NEILD.—Has the honorable senator a copy of the bond?

Senator KEATING.—No.

Senator COL. NEILD.—Is there a copy in the Commonwealth?

Senator KEATING.—I cannot say that there is.

Senator MILLEN.—It would meet all purposes if the honorable senator could lay the deposit upon the table of the Senate.

Senator KEATING.—No doubt it might simplify matters in more senses than one. I have indicated already that the ships to be built will be each of 11,000 tons registered tonnage. Some question has been asked by an honorable senator opposite as to what is exactly meant by "registered tonnage."

Senator MULCAHY.—We all know; it has been explained.

Senator KEATING.—I understand that "registered tonnage" has been explained. I see that Mr. Paxton, who is a representative of the Chamber of Commerce in

Sydney, has indicated the three different kinds of tonnage that are recognised; and I presume that honorable senators, who have a closer, and, certainly, a longer, acquaintance with shipping than I have, will take the opportunity afforded them in the discussion to enlighten the Chamber in this regard. All I know is that registered tonnage is the term that is used, and 11,000 is the figure that is fixed in respect of each vessel. I am given to understand, and I am prepared to believe, that, as a result of this stipulation, a larger and better class of vessels will necessarily have to be built under this agreement than are at present engaged in the mail service between here and Great Britain, either under the contract with this Government, or the contract with the British Government. There is a proviso in the contract that, with regard to the first six months, at any rate, the company shall have the right to use vessels of the Orient class so far as tonnage is concerned, always, however, being liable, even while they are employing such vessels, to comply with the conditions as to the transit period.

Senator MULCAHY.—What does the Minister mean by "Orient class"?

Senator KEATING.—I mean vessels of the tonnage of those employed under the existing contract. There is another very important provision to which, I think, I should direct attention. In case there is any loss of earnings, or any increase of expenditure, which either of them, or both taken conjointly, lessens the revenue of the company by £5,000 at least, and the loss is occasioned directly by the legislation of the Commonwealth in regard to shipping—directly in regard to shipping—it shall be competent for the Postmaster-General to increase the subsidy by that amount.

Senator MULCAHY.—Not exceeding £5,000.

Senator KEATING.—Not less than £5,000.

Senator MILLEN.—That is, if the damage is not less, the company have a claim, but, I understand, there is no limit to the amount of the claim.

Senator KEATING.—That is so, though, of course, the Postmaster-General is not absolutely bound to recoup the company to that extent, he having the option, subject, again, of course, to the consent or authority of Parliament, to determine the contract entirely.

Senator GUTHRIE.—On what notice may the Postmaster-General determine the contract?

Senator KEATING.—The honorable senator will see that set out in the agreement.

Senator MILLEN.—The notice is six months, I think.

Senator GUTHRIE.—But the original agreement has been altered in another place.

Senator KEATING.—The agreement has only been altered in this connexion by a provision that the determination shall be subject to ratification by Parliament. The provision is contained in the two paragraphs of clause 15; and the alterations made in another place are that after the word "legislation" the word "directly" has been inserted; that after the words "with the consent of" the words "or subject to approval by" have been inserted; and, after the word "Parliament" there has been inserted "by resolution." This clause indicates the form in which the consent of Parliament shall be obtained to the determination of the contract.

Senator MULCAHY.—But has the company any option, supposing Parliament will not consent to increase the amount?

Senator KEATING.—Yes, according to clause 15, the contractor shall be at liberty at any time to determine the agreement on giving six months' notice in writing. There is an option given to either the contractors or the Postmaster-General, under defined circumstances, to determine the contract. I think I have drawn attention to what may be called the salient features of the contract.

Senator MULCAHY.—The provision to which the Minister has just been referring is very important.

Senator KEATING.—It is; and honorable senators will recognise that in many respects the present agreement is an advance on the existing contract, and that the differences are manifestly to the advantage of the Commonwealth. When the general conditions of tender were issued some time ago, the Government had the benefit of the advice of a large number of people in Australia. That advice, which, I may say, was altogether unsolicited and gratuitous, was to the effect that it was hopeless to consider that there would be any tenders under such conditions. But we find that not only this company, but four other companies have tendered. The conditions have been

complied with, and they are conditions which, I venture to suggest, no one in this or the other Chamber last year, when the existing contract was under consideration, would have dreamt of so soon obtaining. We all expressed the belief that better terms could be arranged than were then under our notice.

Senator MACFARLANE.—This is a longer period of contract.

Senator KEATING.—Quite so; we must give something if we are to get increased advantages. As I say, we all expressed the hope that a strong effort would be put forward to obtain better terms. The Government have endeavoured, so far as they could, in the interests of the Commonwealth, to secure the best terms in connexion with the conveyance of our mails to Europe. As Senator Macfarlane reminds me, the term in this particular instance has been extended to ten years; and by that extension, the Government are enabled to obtain advantages which no company would be able to afford if the period were three years, or much shorter than that of ten years. Reference has been made to the question of guarantees. On referring to the general conditions of tender, which are contained in the latter pages of the papers that have been circulated, honorable senators will find, according to condition No. 38, that the successful contractor is to be bound in a sum equal to one-fifth of the annual subsidy. As the annual subsidy is £125,000, one-fifth is £25,000, and the Government have an approved guarantee to that amount in London, and, further, a deposit of £2,500 in Australia. Honorable senators will see from the subsequent condition, No. 39, that the prospect of a company tendering which had no vessels, but would have to build them, was in contemplation. To provide for such a contingency, it was set forth that if the successful tenderer happened to be a person who would require to build the necessary ships, the Postmaster-General would have every opportunity to inspect the vessels while they were building, and that, if the Postmaster-General, at any time during the building, was not satisfied with the progress made, or with the *bona fides* of the attempts to provide necessary and properly equipped ships, he would be empowered to ask for another £25,000 guarantee. That is to say, the Postmaster-General could raise the general guarantee from £25,000 to £50,000 if he saw fit.

Then honorable senators are well aware that in all such contracts, penalties are provided for the non-fulfilment of certain conditions. A few moments ago, I said that the contract time for the conveyance of mails from Naples to Adelaide by the Orient Steam Navigation Company is 696 hours. We propose in this agreement to fix a period of transit which shall be at most 636 hours for each trip, with a power to the Postmaster-General at any time, should he so desire, to request the company to reduce the time of transit to 612 hours.

Senator DOBSON.—With an extension for the monsoons.

Senator KEATING.—Always subject to the exception for the south-west monsoonal period. If we get the term reduced to 612 hours, we shall make the necessary allowance of 36 hours for the monsoonal period.

Senator MACFARLANE.—On the voyage home?

Senator KEATING.—Our contract is only for the conveyance of mails from Australia to Europe. I was pointing out that in regard to the period of transit, penalties are always attached for the non-fulfilment of the conditions. In this connexion, we are in a most curious position at the present time. If the Orient Steam Navigation Company happens to be one hour, two hours, or twelve hours late, there is no penalty; it is absolutely necessary at present, before penalties attach, that the vessels on the particular trip shall be at least twenty-four hours late; in other words, penalties are provided for the number of days the vessels are late. In the general conditions of tender for the agreement under discussion, we seek to remove that disadvantage. I shall now indicate to honorable senators the provisions which deal with this point. The provisions do not appear in the terms of the contract itself, but in the general conditions of tender. At the same time, these conditions are part and parcel of the contract, because the first part of the first article of the contract indicates that the general conditions of tender, except as modified by the specific provisions of the contract itself, shall be deemed to be part of the contract. In other words, these conditions are not repeated in the contract; and I deem it my duty, therefore, to draw the attention of honorable senators to the fact. If honorable senators look at general condition No. 25, they will see the penalties to which

the contractors may be liable under certain circumstances. Should the company, after the completion of the contract, fail to commence to carry out the provisions of it, they will be liable to a penalty of £500 for each day of such failure; but they are not to be liable for any greater sum under such a heading than £20,000 in the aggregate. Our existing contract terminates on the 31st January, 1908; and the company, under this agreement, will, on a certain date in February, have to commence operations in pursuance of the obligations imposed by the agreement. If it is a day late in commencing its operations under the contract the company is to be liable to a penalty of £500, and a further penalty of £500 for every succeeding day during which the delay continues.

Senator GUTHRIE.—No; the penalty is only £100 for every succeeding day.

Senator KEATING.—Clause 25 of the general conditions of tender says—

If the contractors shall fail to commence the performance of the services on the day of February, 1908, from Adelaide, and on the day of February, 1908, from Naples, or other approved port, the contractors shall forfeit and pay the sum of £500 for every complete period of 24 hours which shall elapse before the contractor shall commence the performance of such services.

But, in the whole, the contractor is not to be liable to a penalty amounting to more than £20,000 in respect of default in this particular.

Senator GUTHRIE.—The penalty is to be only £100 if the boats do not put to sea on the proper day.

Senator KEATING.—That is another matter. I am dealing now with the penalty imposed for delay in commencing the services under the contract. As honorable senators are aware, in order that this contract shall be properly fulfilled, it will be necessary, not only in the interests of the contractors themselves, but also in the interests of the general public of the Commonwealth, that a schedule of times for the departure of the steamers shall be fixed. Such a schedule will be arranged, and in the event of the contracting company failing to provide a boat to sail from Adelaide or Naples, in accordance with the scheduled time, they will be liable to a penalty of £500, and a further penalty of £100 per day for every day during which such failure shall continue, but the aggregate penalty imposed for such a breach of the contract is not to exceed the subsidy

applicable to that particular voyage by more than £1,000. That provision is limited to some extent. It does not apply in the case referred to in clause 20 of the general conditions of tender. That clause contains a provision to which I have not yet referred, and enables the Postmaster-General in certain circumstances, if he should deem it desirable in the public interest to do so, to vary the route. In addition to the penalties to which I have already referred, the general conditions of the tender provide for a penalty in the case of boats being late. I have just indicated that before we can impose a penalty against the Orient Steam Navigation Company under the existing contract, it is absolutely necessary that a boat shall be late to the extent of twenty-four hours. We have altered that condition in the general conditions of tender governing this contract, and we propose the imposition of a penalty regulated by the hour. We propose here the imposition of a penalty of £5 for every hour occupied by a vessel in excess of the aggregate period of transit which the contract entitles the company to take in the voyage from Adelaide to Brindisi.

Senator GUTHRIE.—Are these penalties ever enforced now?

Senator KEATING.—I think they are. I think that Senator Drake, when acting as Postmaster-General, imposed a penalty sufficiently severe in the case of the *Cusco* to cause the company to withdraw that boat from the service.

Senator DRAKE.—I think that the penalty was imposed only once.

Senator KEATING.—I do not think that the company used the *Cusco* after that.

Senator DRAKE.—No, I think not.

Senator KEATING.—I believe that the penalty imposed in that case was sufficient to induce the company to replace the *Cusco* by a vessel that could be depended on to run to the schedule time. We make provision that where the cause of delay is beyond the control of the contractor—the act of God, the King's enemies, and so on, in accordance with the usual provisions to be found in bills of lading and marine contracts—the contractor shall not be liable to the penalty. Although we make these very stringent provisions with regard to penalties, it is also provided that they shall be liquidated damages, and recoverable as such by the Postmaster-General. It is

further provided that, even although the penalties are enforced, the Postmaster-General shall not be deprived of his right to void the contract for a breach of its provisions on the part of the company. I do not think that there are any other matters of importance contained in the general conditions of tender to which I need direct the attention of honorable senators.

Senator MULCAHY.—Referring to clause 15 of the general conditions of tender, will the Minister inform the Senate what authority is to decide whether the earnings of the mail-ships have been diminished through the action of the Commonwealth in passing laws relating to shipping?

Senator KEATING.—I am not certain for the moment whether that is specifically provided for. There is a provision by which, in the event of disputes under the contract not being determined by mutual agreement, recourse shall be had to arbitration. That is dealt with in clause 41 of the general conditions of tender, which provides—

When any dispute or other matter authorized or directed by the contract to be settled by arbitration shall have arisen, then unless both parties shall concur in the appointment of a single arbitrator, each party, on the request of the other party, shall nominate and appoint an arbitrator, to whom such dispute or other matter shall be referred.

That clause indicates the proceedings in connexion with arbitration, where that form for the settlement of the matter in dispute is authorized under the contract. I am unable at the moment to say whether the matter dealt with in clause 15 is specifically provided for.

Senator DOBSON.—If such a claim were made, the contractors would have to produce their books.

Senator KEATING.—Under any circumstances, it would be necessary for them to satisfy the Postmaster-General before he would agree to their claim.

Senator MULCAHY.—Suppose they make the statement that, by reason of our legislation, the earnings of their vessels have been decreased?

Senator MILLEN.—Is not the contract ample to cover that? If people put in a claim under this or any other agreement, they must prove their claim.

Senator KEATING.—They would have to prove their claim. To give an instance, I will assume that the contract has been in force for three or four years. Some legislation is passed by the Commonwealth

Parliament in relation to shipping. The contractors come to the Post and Telegraph Department of the Commonwealth and say, "In consequence of your legislation of last session we have had to increase our expenditure," or, "Our earnings have been diminished," or "As the result of increased expenditure and diminished earnings our revenue is now less than it was by £8,000." If the Postmaster-General were not satisfied with that, the resort of the company would be to take the matter to Court, where they would claim that the Postmaster-General had broken his contract, and was bound to pay the £8,000. They would then have to prove that the loss of £8,000 had actually occurred as the result of additional expense and diminished earnings, and they would further have to prove to the satisfaction of the Court that that was due directly to the legislation of the Commonwealth in relation to shipping. There are one or two other matters in connexion with the general conditions of tender to which honorable senators might direct their attention. One is that contained in clause 30. in which there is a provision which is commonly found in contracts, and particularly in contracts involving a lease. It is provided in this clause that the contractor shall not assign or sublet the contract without the consent in writing of the Postmaster-General. As honorable senators will see, that is a very important provision. When, as I said before, the Government some little time ago received from all sides gratuitous and unsolicited advice to the effect that these general conditions were such that there would be no tenders at all, they very soon found after the result of the tender had been disclosed, and the terms of this contract had been made public, that information was forthcoming, in many instances from the same quarters, to the effect that it was not likely that the contractors would be able to carry out the contract.

Senator PULSFORD.—I presume that, as a matter of fact, there were no other tenders at a price which the Government would have been prepared to accept?

Senator KEATING.—I have already referred to the other tenders.

Senator PULSFORD.—They were at a price which the Government would not accept.

Senator KEATING.—Quite so.

Senator PULSFORD.—Then the fact that there were a number of tenders really amounts to nothing.

Senator KEATING.—We have here a tender for £125,000, with all these advantages over the existing contract.

Senator MILLEN.—Does the honorable and learned senator refer to the ten years' period as an advantage?

Senator KEATING.—Yes.

Senator MILLEN.—To whom?

Senator KEATING.—I suppose that the balance of that advantage lies with the contractors, but, as I have already said, we cannot expect to get everything and give nothing.

Senator MILLEN.—I agree with the Minister as to that.

Senator KEATING.—We cannot expect to be provided with a service of 11,000-ton ships without an extended contract.

Senator GUTHRIE.—The honorable senator has not yet told us what an 11,000-ton ship is.

Senator KEATING.—The honorable senator knows. There is no member of the Senate who is in a better position to give information on that question than is the honorable senator. I believe that Mr. Paxton has intimated publicly that the Government have the choice of three classes of tonnage.

Senator MILLEN.—And that we are at liberty to choose our own.

Senator BEST.—Surely that is not so?

Senator KEATING.—I do not know. There are members of the Senate who have had long experience and close association with shipping.

Senator MILLEN.—We are at liberty to interpret the contract as we like.

Senator KEATING.—For the purposes of our own interpretation. There are members of the Senate who are much better able than I am to inform honorable senators what is meant by "11,000 tons registered tonnage." I was pointing out that we have reserved to ourselves the right to consent to any assignment of the contract.

Senator MILLEN.—Will not the Government state definitely which registered tonnage they understand the contract to mean?

Senator Col. NEILD.—No, which does Mr. Croker believe in?

Senator KEATING.—I am pointing out in answer to the criticism that the contract is one which the contractors will be able to hawk about, that we have reserved to ourselves the absolute right to refuse to consent to any assignment. That is provided for in the general conditions of tender, clause 30.

Senator GUTHRIE.—The Minister agrees that the contractors can assign the contract.

Senator KEATING.—With the consent of the Postmaster-General. I have already suggested that the Postmaster-General has power in certain circumstances to alter the route. When the general conditions of tender were first drawn up, Naples was fixed upon as the particular Mediterranean port at which the letter portion of the mail matter should be landed and embarked. At the same time, it is stated that any other approved port might be substituted. As the contract is now drawn up, it is decided that the terminal port in the Mediterranean, so far as the letter portion of the mails is concerned, shall be Brindisi. In other respects, the general conditions of the tender, so far as I can see, have been adhered to; but the Postmaster-General has power, under clauses 19 and 20, to alter the terminal port on three months' notice, and also to alter the route on notice. It might be necessary in certain circumstances, in the public interest, that the route should be altered. It might be on account of complications caused by war, or on account of danger to the travelling public, or to the Commonwealth from the importation of any disease prevailing at a port of call. It would be necessary, in such circumstances, that there should be power to deviate from the route, and provision is made to enable the Postmaster-General in such cases to alter the route, and to make the necessary adjustments of payment which are to be settled by mutual agreement, and failing that, by arbitration.

Senator DOBSON.—Has the Minister said what is to happen in the sixth year of the contract?

Senator KEATING.—I have not said anything as to what is to happen in the sixth year. The provision with respect to that is of considerable importance. In order that we shall not, at this juncture, absolutely tie ourselves to certain conditions in the face of the fact that improvements may take place during the period of ten years, we provide for fixing the sixth year as a determinant year, and that, if other companies have established communication between Europe and Australia by a better class of ships than those which are contemplated by this contract, we may take certain action.

Senator MILLEN.—To obtain a better class of ships.

Senator KEATING.—No, the words "better class" are not used. We can call upon this company to provide similarly good means of communication. Perhaps if I read the words of the clause it may meet the convenience of honorable senators. It is as follows:—

That if during the sixth year of the fixed period of ten years mentioned in clause 2 hereof any competing line of mail ships shall then provide an improved and accelerated service from Europe to Australia, the contractor shall, if so required by the Postmaster-General, provide a service equivalent to such improved and accelerated service upon the following conditions:—

The general conditions of tender are in some respects similar to those which have been issued on former occasions. They have been improved, notably in the particular instances to which I have referred. The improvements have been effected by reason of past experience. I think that if honorable senators will give to the motion and to the contract their fullest consideration, they will realize that we are about to secure those better terms for which we all expressed a wish when we were dealing, last year, with the provisional contract with the Orient Steam Navigation Company. I think it will be admitted that the Commonwealth is to be congratulated upon securing such advantageous terms, even though, in order to attain that end, it has been necessary to extend the period of the contract from three to ten years. The contract into which we entered in conjunction with the British authorities for a mail service to and from the United Kingdom was for a period of seven years, so that, after all, this period of ten years is not a very great departure from the terms of pre-existing contracts. I think, too, that honorable senators will recognise that we have followed the right course in providing that, from the Commonwealth point of view, this shall be a mail contract and nothing else. We provide for the subsidy, or subvention, to be charged against the Department of the Postmaster-General. It is only right and fair that it should be charged with nothing further than the obligation of transmitting, as speedily as possible, mail matter from Australia to Europe.

Senator GUTHRIE.—We do not want 11,000-ton ships to carry mail matter.

Senator KEATING.—It is obvious that any company which enters into a contract

for such a period may at the same time take advantage of its means of communication to supplement the subsidy it receives solely for carrying mail matter by the freights it may receive for the carriage of produce and other articles to Europe.

Senator STEWART.—That is a matter for the company itself.

Senator KEATING.—Yes, as the contract recognises.

Senator MILLEN.—If this is only a mail contract, why does the Commonwealth stipulate for 11,000-ton boats?

Senator KEATING.—Because we get the advantage of the boats.

Senator MILLEN.—But the Commonwealth is called upon to pay for the service more than it would otherwise do.

Senator KEATING.—I do not know that the Commonwealth will pay more for the service. If we were to get boats of half that size, but which had not carrying capacity to enable the contractors to supplement the mail subsidy by the freights they would receive, probably they would want a heavier subsidy.

Senator MILLEN.—Then why stipulate for 11,000-ton boats?

Senator KEATING.—Because we can get the boats at the present time.

Senator MILLEN.—Why did not the Government leave it open to the tenderers to say what size of boats they would provide?

Senator KEATING.—So we did. If the honorable senator will look through the general conditions of tender he will see that there is no provision requiring the tenderer to supply boats of 11,000 tons.

Senator FRASER.—Is there no tonnage provided for?

Senator KEATING.—When, under the contract, the contractors are prepared to provide boats of that class, are we going to say that we do not want them? Under the present contract we have no provision as to the tonnage of the vessels, and the contractors are charging us £120,000 a year for the carriage of the mails. But here we are to get the service for £125,000 a year.

Senator MULCAHY.—Are the contractors really offering these big boats as an inducement to the Commonwealth to deal with them?

Senator KEATING.—I presume that the reason why the contractors are putting on the big boats is because, by providing increased space, they hope to be able to take a considerable amount of freight from Australia to Great Britain.

Senator MULCAHY.—The Commonwealth did not stipulate that, but the contractors offered it.

Senator KEATING.—Yes. We stipulated only for a mail service by a specified route from Europe to Adelaide.

Senator DOBSON.—The States asked the Commonwealth not to stipulate about cold chambers.

Senator KEATING.—So far back as the 20th April last the Prime Minister communicated with the different States on that subject. Perhaps if I read this letter honorable senators will see the exact position which the Commonwealth Government is taking up as to its responsibility in connexion with anything beyond the question of transmitting the mails.

Senator GUTHRIE.—Yes; but can the Minister explain why the Government put in clause 11 the provision that each of the mail-ships to be employed under the provisions of the agreement shall be at least 11,000 tons registered tonnage?

Senator BEST.—Because that is the stipulation of the tender.

Senator GUTHRIE.—No, that is a provision in the contract. If the contractors do not send out such ships, they will break the agreement.

Senator KEATING.—Senator Guthrie will see that the stipulation to which he refers is part of the contract. When we asked the world to tender for a contract we had no stipulation or condition as to the tonnage of the vessels to be employed. This particular company offers to carry our mails, in ships of 11,000 tons. Are we going to be so blind to the interests of the States that compose the Commonwealth as to say that we do not want them?

Senator GUTHRIE.—Why put it in the contract then?

Senator KEATING.—The contractors offered the boats, and we decided to take them.

Senator GUTHRIE.—Suppose that they could render the service in the same time with other ships?

Senator KEATING.—If we could get ships of 20,000 tons at the same price we would take them.

Senator GUTHRIE.—Suppose that the contractors could carry the mails with 5,000-ton boats?

Senator KEATING.—If it were to cost the Commonwealth the same price for using 20,000-ton boats, as for using 11,000-ton boats, we would take the former every time.

Senator GUTHRIE.—Then this is not a mail contract?

Senator KEATING.—In the contract there is nothing with regard to anything but the transmitting of mails. We carefully refrained from introducing any provision of that kind. But so far back as the 20th April last, the Prime Minister addressed the following circular letter to the Premiers of the different States—

I have the honour to invite your attention to the proposal put forward by me at the recent meeting of the Conference of State Premiers to the effect that the Agricultural Department of the States should be urged to immediately communicate with the exporters of perishable products, or others interested in them, in order that we might arrange to guarantee either the whole or a certain proportion of the cold storage accommodation which will be provided by the steamers to be employed in the mail service between Australia and Great Britain.

2. The matter is one of considerable urgency, as the Postmaster-General expects to receive the tenders for the mail service next month. Unless some early intimation is received through the State Governments of the wishes of the producers, it will not be possible to make this a condition of the contract with the successful tenderers, and an unique opportunity may be lost for making most favorable conditions for an Australian export trade of products for which the quickest possible transport is desired.

3. Under the circumstances, may I ask that you will give instructions for the matter to be considered at the earliest possible date, both as to the quantity to be shipped, and the rates to be obtained?

Senator FRASER. — It would be very difficult to get them to come into line?

Senator KEATING.—It was difficult, as the honorable senator will see when I read the replies. The first reply was received from Tasmania. It conveyed from the Premier of that State to the Prime Minister a resolution from the Derwent Valley Fruit-growers' Association to the effect that it—

views with great concern the proposal of the Federal Government to arrange for the freight of fruit to England, and desires to strongly deprecate such proposed action.

A similar resolution was passed at Hobart, and the Premier of Tasmania said that it was undesirable to disturb the satisfactory arrangements which existed as far as its producers were concerned, and he regretted that his Government could not co-operate. The reply from the Premier of South Australia was that it was impossible to estimate the requirements, as so much depended upon how the season might turn out. From Queensland came a resolution of exporters to the effect that the mail service should provide refrigerating space

available for each State of the Commonwealth. The Premier of New South Wales forwarded the report of an officer in charge of the Agricultural Department, which is summarized in these words—

The conditions in this State do not seem to be favorable to the taking up of freezing space on steamers by Government authority.

The Premier of Western Australia replied that Western Australia was not in a position at the present time to make any reliable estimate of cold storage which would be required. The Premier of Victoria replied—

This Government regrets it does not see its way to fill a certain quantity of space.

He suggested that they would favour a line giving special facilities at a slightly higher freight than that ruling under the existing contract.

Senator DOBSON.—Practically, they all said leave us alone.

Senator KEATING.—Exactly. In the case of Victoria the Government added to the reply that—

It is felt that nothing can really be done in the matter until a definite offer has been received.

With reference to cargo steamers, apart from mail steamers, on the 30th April the Prime Minister forwarded to the Premiers of the States the following letter:—

In connexion with my communication of the 20th inst., I have the honour to invoke your attention to the further suggestion made by me at the recent Conference of State Premiers with reference to the export of produce generally, and particularly of produce requiring cold storage.

2. My previous letter dealt only with the mail steamers, but there is another class of vessels in respect of which it may be possible for the Commonwealth to make arrangements which will offer better facilities to producers at lower rates than those to which they have been accustomed. Vessels of the type to which I allude would be capable of carrying far larger cargoes than can find space in the mail steamers, though their route will be longer. They have, or could provide, passenger accommodation, suitable for the conveyance of immigrants to Australia on favorable terms.

3. It is possible, if the companies concerned can be assured of sufficient business, that they will provide steamers larger and of a higher class than have hitherto been employed in the Australian trade.

4. What is asked by our exporters, both those who require the use of freezing chambers, and those who do not, is a reduction of freights, and this, I have reason to believe, may be secured if shipping proprietors can be supplied with some assurance that a certain amount of space will be regularly taken. This assurance need not necessarily be in the form of a binding guarantee, but might be rather of the nature of

an undertaking to supply cargo filling a specified space for either a certain number of months or the whole of the year, on the voyage from Australia to England.

5. The difference in the climatic conditions of the States, and the fact that unfavorable seasons rarely affect more than a part of the Continent, would enable the undertaking to be fulfilled much more easily and regularly if all the States were acting together. Arrangements could be made for the distribution among the shippers of whatever space is allotted; which arrangements could be altered from time to time, according as the quantity of goods available for export increased or diminished in any particular locality.

6. It would be an additional inducement if an approximation could be made of the number of immigrants who would be passengers on the return voyage.

7. No definite suggestions can be made until I have further information from you, but I shall be glad if you will consider the matter, and favour me with your views, together with those of the producing and exporting classes or their associations, with whom your Agricultural Department may be in touch, in order that if possible proposals of a Federal character can be prepared for submission to ship-owners.

8. Even if no agreement be attained at once, an endeavour to induce the exporters of Australian produce to act conjointly for the furtherance of their common interests must have useful results in the future.

8. The advantages of united action in this matter are so great that this Government cordially relies on the co-operation of all the States in the effort to secure them.

That letter was written ten days after the previous letter, and it refers purely to cargo steamers. The replies received with regard to the suggestions in that letter were similar to those which I have already read in connexion with the proposals as to mail steamers, with the addition of an intimation from the Premier of Victoria that "it is felt that nothing can be done in the matter until a definite offer has been received." Honorable senators will, therefore, see that the Government has been mindful throughout these negotiations of the necessity of entering into what is wholly and solely a postal contract; but, at the same time, it has recognised that it is at any rate possible, when arrangements are being made for a postal contract, to be able to assure to the contractors certain other possibilities, or certain conditions, which will enable them to provide a better class of vessel at much more reasonable cost to the Postal Department than if they had not those other sources of income to look to. I think it will be admitted that the Government was perfectly right in following that course. Now we are about to enter into this purely postal contract; and, although we stipulate for nothing further than that the voyage shall be

from Adelaide in South Australia to Brindisi in the Mediterranean, we know, as a matter of fact, that, for its own convenience and profit, the company's vessels employed in fulfilling the terms of the contract, will go further east than Adelaide.

Senator COL NEILD.—Query!

Senator KEATING.—Of course, merely from the business point of view, it is not to be supposed that these vessels will depend upon the income of £125,000 which they are going to receive from the Post and Telegraph Department. For that reason alone, it is evident that they will visit Melbourne and Sydney. Honorable senators will recollect, however, that the Premier of Queensland last year put forward a claim that the Commonwealth was discriminating as against his State, and it was urged that the Queensland people were entitled to have the mail boats calling at Brisbane fortnightly at the cost of the whole Federation. We have been mindful of our experience in this regard, and have, therefore, made the contract under consideration a purely postal contract. I think that honorable senators who have perused the papers will recognise that, although the amount of the subsidy is larger than that we are at present paying, we are securing terms and conditions that are distinctly superior, not only to those in the existing contract, but to anything that twelve months ago, it was considered that we could hope so soon to obtain.

Senator DOBSON.—Can the honorable senator tell us what is paid under the poundage system to the Peninsular and Oriental Steam Navigation Company?

Senator KEATING.—Speaking from recollection, we get poundage credit from the United Kingdom for mail matter coming to Australia for something like £25,000, whilst we pay in respect of the contract vessels of the British Government, namely, the Peninsular and Oriental Steam Navigation Company's vessels, something like £15,000. The net balance in our favour comes to about £10,000.

Senator BEST.—Those were the figures quoted in another place. I think.

Senator KEATING.—I am speaking from recollection of the information supplied to me last year. In the course of the negotiations with the Orient Steam Navigation Company, which resulted in the existing contract, one of the conditions which the company wanted to claim from the Commonwealth Government was that it should receive the benefit of the poundage paid,

and not the Government; in other words, in addition to the £120,000 paid in subsidy, it was claimed that the company was entitled to get the benefit of the poundage paid to the Government. But the Government of the day would not agree to that, and, as I said before, the net result, if my memory serves me rightly, is that there is a balance of £10,000 per annum in our favour.

Senator DOBSON.—In view of the fact that the bond can be increased from £25,000 to £50,000, have steps been taken to see that each surety is a substantial man?

Senator KEATING.—We have taken care of that. The sureties have been approved after the most careful inquiry.

Senator DOBSON.—Having in view the fact that the amount of the bond can be raised to £50,000?

Senator KEATING.—Quite so.

Senator CLEMONS.—Does the honorable senator know the distance from Adelaide to Brindisi that governs this contract?

Senator KEATING.—I can furnish the honorable senator with that information in the course of the debate. I fancy it was stated last year, when we were discussing the mileage rate, and I can easily turn it up.

Senator CLEMONS.—The contract indicates certain hours, but does not mention the rate of speed.

Senator KEATING.—I think the rate of speed is 15 or 16 knots; but, so far as we have provided with regard to the time, it is the transit period that is mentioned. With these remarks—which have been to some extent disconnected, mainly by reason of the fact that many honorable senators have wished for different information at the same time—I think that I can safely commend to the kindly reception of the Senate the contract, the terms of which are now before it; and I shall now content myself with moving, in accordance with the notice on the paper, the motion standing in my name.

Senator MACFARLANE (Tasmania) [3.57].—I beg to second the motion. I am in general agreement with those who have urged that this contract is very advantageous to the Commonwealth. Whether it will be very advantageous to the contractors is quite another matter, though it is certainly one of the points which we ought to consider, inasmuch as sureties are provided for. There are, however, one or

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two points which I should like the Senate to consider, and which appear to me to be important.

The PRESIDENT. — The honorable senator cannot second the motion and afterwards move an amendment.

Senator MACFARLANE.—I am aware of that, sir. I do not intend to move an amendment, but I wish to suggest certain improvements, leaving it for the Government to make amendments if they choose. One of the points which I wish to raise is with regard to clause 6 of the agreement. I do not think that the Minister gave quite so clear an explanation of what is meant by the clause as honorable senators would have liked. It provides that the Commonwealth may increase the subsidy to the contractors for providing an accelerated service, upon the conditions that—

- (b) The amount of the additional annual subsidy to be paid to the contractors for providing such improved and accelerated service; and
- (c) The extended period for which such improved and accelerated service shall continue.

shall be determined by arbitration in the event of the parties failing to agree. That provision means, if it means anything at all, that this alteration of the contract can be made by the Postmaster-General, and that the extended period is not limited in any way whatever. It can go beyond the term mentioned in the contract.

Senator KEATING.—I think it would be subject to the term mentioned in the contract.

Senator MACFARLANE.—In case of a disagreement, the matter is to go to arbitration, and the arbitrators are to be the final court of appeal, because their decision can be made a rule of the High Court. So that we might very easily be landed on the horns of a dilemma, and our contract might be found to be for a very much extended period. There is another point which I suggest for the consideration of the Minister. In clause 11 of the agreement, it is provided that the steamers of the contracting company "shall be of at least 11,000 tons registered tonnage." The Minister this afternoon, like the Prime Minister in another place, was very cautious in his explanation of what "registered tonnage" meant.

Senator MILLEN.—There was no caution about Mr. Deakin. He said that it meant what it meant.

Senator GUTHRIE.—It means what is put on the hulls of ships by the Board of Trade after deduction of space for boilers, bunkers, and crew.

Senator MACFARLANE.—The Merchant Shipping Act, section 7, requires that the registered tonnage shall be cut into the beams of the vessel. That condition is carried out in the case of the vessels owned by the Peninsular and Oriental Steam Navigation Company by the registered tonnage being cut and painted on the beams in indelible letters; and that is the only register officially recognised. It is the tonnage on which the vessels pay their dues. Section 77 of the Merchant Shipping Act mentions how that register tonnage is to be arrived at. The matter is also dealt with in section 79. It is provided that to ascertain the registered tonnage certain deductions shall be made from the space included in the measurement tonnage. Other sections dealing with the matter follow, leading to the natural assumption that there is only one "registered tonnage," and that is the net registered tonnage of a vessel.

Senator CLEMONS.—"Registered tonnage" equals net tonnage, and it never means anything else.

Senator MACFARLANE.—Yes. Therefore, when this contract says that the registered tonnage of the vessels shall be 11,000 tons, it means, if it means anything, net tonnage; that is to say, vessels about twice the size of the Peninsular and Oriental Steam Navigation Company's steamers which visit our ports. If we are going to leave this provision as it stands, it will be open to any one to commence legal proceedings against the contractors if these steamers are not up to the registered tonnage specified. I have no wish to see this contract made null and void. Therefore, I shall not move the insertion of either the word "net" or the word "gross"; but I suggest that some alteration in this direction is necessary. Some years ago, under the States laws, Chinese Immigration Acts were passed limiting the number of Chinamen introduced to one for every 500 tons register of the vessels which brought them. In South Australia, some of the steam-ship owners held that they were entitled, in this connexion, to have regard to the gross tonnage; but that was objected to by the South Australian Government, and it was held in law that it should apply to the net registered tonnage. I am aware that in former years, in Victoria,

some Chinamen were admitted on the gross tonnage; but we need not go into these matters, because the Commonwealth now prevents Chinese immigration under different conditions. When the Prime Minister says that the vessels under the agreement are to be much larger and better than any which now visit Australia, he evidently has it in his mind that the term "registered tonnage" means the net registered tonnage.

Senator BEST.—They will be very fine vessels if that is what is meant.

Senator DE LARGIE.—Does the Prime Minister say that the net registered tonnage is meant?

Senator MACFARLANE.—No; and I fancy that the Prime Minister does not know what is meant.

Senator BEST.—It is a pity that the Senate does not know what agreement it is entering into.

Senator KEATING.—Under the agreement the contracting company will provide three times the refrigerating space now provided by the Orient and Pacific Steam Navigation Company.

Senator MACFARLANE.—I have here the British Merchant Shipping Act, which is very clear in its directions as to how the tonnage of vessels is to be arrived at.

Senator FRASER.—The shape of a vessel has a lot to do with the matter.

Senator MULCAHY.—Yes; but "registered tonnage" is a well-known term to nautical men.

Senator FRASER.—Two vessels may be of the same registered tonnage, but their carrying capacities may be very different.

Senator MACFARLANE.—Section 7 of the Merchant Shipping Act provides—

Every British ship shall before registry be marked permanently and conspicuously to the satisfaction of the Board of Trade as follows:—
The section then sets out how vessels are to be marked, and goes on—

The Board of Trade may exempt any class of ships from all or any of the requirements of this section.

Then section 77 of the Merchant Shipping Act provides—

The tonnage of every ship to be registered, with the exceptions hereinafter mentioned, shall, previously to her being registered, be ascertained by Rule 1 in the Second Schedule to this Act, and the tonnage of every ship to which that Rule 1 can be applied, whether she is about to be registered or not, shall be ascertained by the same rule.

The rule in the section sets out how the measurements are to be taken; and it is made very clear how the registered tonnage

is to be arrived at. I suggest to the Government the advisability of consulting some of their legal friends.

Senator COL. NEILD.—Let us make it clear now by providing that "registered tonnage" shall be as defined by the British Merchant Shipping Act.

Senator MACFARLANE.—I have no desire to endanger a good contract by an amendment of the kind. I should like a little more information about those who are associated with Sir James Laing and Sons. Some very influential names have been mentioned.

Senator BEST.—But these firms are not bound by the agreement.

Senator MACFARLANE.—That is so. I understand that most of those other firms are not ship-builders, but engine-builders; and, no doubt, they would be only too glad to get contracts on condition of taking a few shares in the mail company. That, I take it, is the reason for their association with Sir James Laing and Sons. These associated firms are not directors in the contracting company, which, so far as we know, have no ships of their own at the present time.

Senator MILLEN (New South Wales) [4.7].—As previous speakers have pointed out, there seems to be a general consensus of opinion that the agreement is one on which the Commonwealth is entitled to congratulate itself. I am not going to dispute that opinion at present, because it seems to me that, in connexion with the agreement, there are certain matters on which we have not been enlightened, and that we shall have to leave to time the determination of whether we are entitled to self-congratulation. Certainly, if the agreement is carried out in the way presented to us, the Commonwealth may conclude that it has made an excellent bargain. But, having one or two doubts in my mind, I am compelled to suspend my judgment until we see the contract fairly at work. At the same time, I think the Government may say that they have done the only thing possible under the circumstances. The Government appear to have sought all the information available, and, believing that information to be reliable, they have made what they no doubt regard as an excellent bargain. I have mentioned that there are certain matters which I shall not say make me suspicious, but which raise in my mind some measure of doubt. For instance, the Government are unable to tell us what is

meant by "registered tonnage." When the Prime Minister was asked a question on the matter, he replied, "It means what it means." It hardly requires the Prime Minister of a country, where education is free, and supposed to be compulsory, to tell us that. But the reply did not help the debate forward, while it showed that even the Government responsible for the agreement are unable to say exactly what they think they are getting under its terms. Senator Keating is evidently under the influence of the same doubt. When he was asked a similar question by interjection, all he could say was—I cannot pretend to repeat his words, but they were to this effect—"I am not going to determine the agreement, but a Mr. Paxton has written to the newspapers, and told us that there are three definitions of registered tonnage, and practically you are at liberty to interpret the term for yourselves."

Senator KEATING.—I think I said that the vessels under the agreement will be considerably larger than those of the Peninsular and Oriental Steam Navigation Company, or the Orient and Pacific Steam Navigation Company, and will provide three times the refrigerating space.

Senator MILLEN.—That does not affect the matter at all. The Minister's interjection actually shows that he is not prepared to say whether the registered tonnage is to be gross or net, or whether it refers to the space available for cargo under the deck—to which of three classes referred to by Mr. Paxton it belongs. I mention Mr. Paxton because he was the authority mentioned by the Minister. If the tonnage is to be that set out in the British Merchant Shipping Act, as referred to by Senator Macfarlane, it means that the new vessels will have to be between 15,000 and 16,000 tons gross.

Senator Col. NEILD.—Rather from 19,000 to 20,000 tons gross.

Senator MILLEN.—For the purpose of my argument, it will be sufficient to say that under such conditions the new vessels will have to be from 15,000 to 16,000 tons gross, which will make them, on an average, twice the size of the boats of the Peninsular and Oriental Steam Navigation Company, which are from 6,000 and 7,000 to 10,000 tons.

Senator TURLEY.—That is the registered tonnage.

Senator MILLEN.—No; that is the gross tonnage; the registered tonnage that the present shipping companies advertise is the gross tonnage. I should be delighted if I could think for a moment that we were going to get a service of vessels of the kind I have indicated, but I very much doubt whether that will prove to be the case. I am inclined to think that what is meant in the agreement is the second class of tonnage to which Mr. Paxton refers. But whether I be right or wrong, to whatever class of tonnage it is intended the agreement shall apply, it is clearly the duty of the Government to know what is meant, and the Government ought to be in a position to give the Senate the benefit of the information. To come here and ask us to accept an agreement, without being able to tell us what is meant by one of the simple terms employed, appears to me to be the reverse of business-like. If the Senate feels any doubt in the matter, it is not too late to make the meaning abundantly clear by the insertion of a word. I should have no hesitation in submitting an amendment, but for the fact that a number of honorable senators will follow me, who may take that step, if, in the meanwhile, the Government are not prepared to enlighten us on the point. I refrain from submitting an amendment in the hope, and with the request that the Government will, before the debate terminates, make such a statement as will set the matter entirely at rest. If not, I trust that some honorable senator who follows me will endeavour to do what the Government have failed to do. When the representative of the Postmaster-General referred to that portion of the agreement which stipulates that the vessels shall carry white crews. I could not help thinking of the measure of hypocrisy which underlies all that is supposed to be embodied in the clause. In accord with the Post and Telegraph Act, we have, in this agreement, determined that we shall make a contract only with a company which employs white crews. Immediately after having told us of that stipulation, Senator Keating informed us that the proposed service will alternate with one supplied by the Peninsular and Oriental Steam Navigation Company, who will carry our intermediate mails to Europe on poundage rates. I can see very little on which we may plume ourselves. If we are setting out to make the ocean white, and we have a contract one week with a company—

Senator GUTHRIE.—No; we have not.

Senator MILLEN.—Why, we are being asked to indorse an agreement with a company which, I am pleased to see, undertakes to employ white labour. What I say is that we are not entitled to take any credit to ourselves, seeing that we have no hesitation in sending our mails under the poundage system by the boats of a company which employs black labour.

Senator GUTHRIE.—We have no control over that company.

Senator MILLEN.—If our virtue in this regard is so high—if we determine that nothing shall be done for Australia by any but those who have white skins—why send our mails on poundage rates?

Senator TURLEY.—Does the honorable senator advocate our sending no mails by the Peninsular and Oriental Steam Navigation Company?

Senator MILLEN.—No; I would take advantage of every opportunity to send our communications abroad to the world.

Senator Col. NEILD.—We have just made a contract for the carriage of our mails to New Guinea on vessels worked with coloured labour.

Senator O'KEEFE.—Does Senator Millen object to the white labour stipulation?

Senator MILLEN.—Certainly not; but I object to the Government attempting to take credit for the stipulation, and, at the same time, sanctioning payment to the owners of vessels on which black labour is employed.

Senator O'KEEFE.—There is no other option.

Senator MILLEN.—There is no other option but not to send our mails by that line. Is the morality of the honorable senator of the kind that is only maintained in the absence of opportunity for immorality? The honorable senator appears only to require temptation to evil. I pass on to another matter. The member of the Government who introduced the motion referred to the fact that this is simply a mail contract, and I rather gathered from the honorable and learned senator's remarks, that he took some credit to the Government for the fact that it is a mail contract only. I can hardly see how the Government can take any such credit, seeing that they made strenuous efforts to make the contract something more. They communicated with the Governments of the States, asking them to take joint action which would enable them to make this a mail contract

plus a contract for the carriage of refrigerated cargo. It was desirable that arrangements should be made with this company for the supply of refrigerated space for the carriage of produce, it cannot be equally desirable that the contract should be limited solely to the conveyance of mails. One or the other course was certainly the better, and for the Government to say that it is beneficial that this should be limited solely to a mail contract, after they have done everything in their power to make it something more, seems to me to be a little inconsistent. Personally, I see no reason why the Government should not have made a contract which would be more than a mail contract, if they thought fit to do so, nor do I see any reason why they should not have limited themselves to a mail contract. The whole question was, what was the best arrangement they could make? If they could have secured an equally good mail contract with other advantages by the payment of a merely nominal sum in addition, the Government would have been very foolish if they had not taken advantage of the opportunity to do so. On the other hand, they would have been equally foolish if they had hampered a good mail contract by the addition of provisions of an undesirable character for the transport of frozen produce.

Senator MCGREGOR.—They did not wish to interfere with private enterprise.

Senator MILLEN.—They did all they could. The Prime Minister wrote not one, but two letters to the Governments of the States, and it is quite clear that if the Government could have arrived at an arrangement with the States, they would have endeavoured to enter into a contract which would have included the carriage of produce.

Senator PLAYFORD.—They could have got better terms, if they had been in a position to agree to send a certain quantity of produce by every ship.

Senator MILLEN.—I am not finding fault with them on that account, but it seems somewhat inconsistent that after trying to do this, one of the members of the Government should stand up here, and, with a certain measure of pride and glorification, refer to the agreement before us as only a mail contract, and, as though it were an achievement for the Government to have secured such a contract. We are not now called upon to consider whether a contract solely

for the conveyance of mails is necessarily better than a contract with something else added to it. This contract must stand on its merits, and, assuming that it will be carried out, I think that the Government have made an excellent bargain. The only point about which I feel some doubt is that in spite of the fact that the names of some reputable persons have been mentioned in connexion with the matter, the weakness of the position has been indicated by an interjection that there does not appear to be any measure of responsibility attaching to those persons. So far as the deposit is concerned, I ask any honorable senator who has any knowledge of big commercial transactions, and particularly of mining transactions, to compare the deposit which has to be paid for mining options, where a much smaller amount of capital is involved, with that which is demanded in this case. The sum of £27,000 is somewhere about $\frac{1}{2}$ per cent., of what is stated to be the capital required to place this service under steam. I ask honorable senators to refer to their own knowledge of what takes place every day in the mining world, and to mention if they can any big mining proposition the option of which has ever been placed under offer on so small a deposit as that provided for in this contract. Ten per cent. would represent much more nearly the average deposit asked for in transactions of the kind.

Senator GUTHRIE.—And even in ordinary Government contracts for the building of a school.

Senator MILLEN.—Yes; in connexion with contracts for Government works, involving an expenditure of a few hundred pounds, deposits of 5 and 10 per cent. of the contract price are required. I do not wish to impugn in any way the *bona fides* of those who are said to be behind this contract. Their names stand for themselves; but I must say that negotiations appear to have been carried on, not with a number of responsible firms, but with one gentleman here, and, in view of the smallness of the deposit, and the fact that the contract does appear to be an excellent one from our point of view, I shall watch the progress of events for the next few months with a considerable amount of expectation, to put it in a mild way, but certainly with a firm hope that the contract will be carried out. If it is carried out it will be the best contract that Australia could hope for in the circumstances.

Senator FRASER (Victoria) [4.20].—I have carefully examined this contract, and, if everything connected with it transpires as we hope it will, I do not know that we shall have a great deal to complain of. However, had I been the adviser of the Government in any way in this matter, I should have insisted upon the ships going on from Adelaide to Melbourne and Sydney, as the Orient Steam Navigation Company's boats are bound to do under the existing contract, and possibly to Brisbane also. I believe that it would not have cost the Commonwealth a farthing more to have made this important stipulation. It seems to me that that would have been a wise thing to have done. As matters stand, there is no power on earth that can compel the new mail company to bring their ships beyond Adelaide.

Senator DE LARGIE.—And there is no power on earth that will keep them at Adelaide, either.

Senator BEST.—They could not carry on the contract unless they did so.

Senator FRASER.—I wish to believe, and I do believe, that the boats of this company must come on from Adelaide to Melbourne and Sydney, but they are not bound under this contract to do so. If they could be so bound, without any further expense, surely it would have been a prudent thing, in the interests of the Commonwealth, to have them bound in that way. Now that they are not bound, the company may make excuses, and there is a remote possibility that the boats will slip across to New Zealand, and it may be contended that they will earn as much money in that way as they would earn by coming on from Adelaide to Melbourne and Sydney. New Zealand is only three or four days' sail from Adelaide. If what I suggest had been provided for the producers of Victoria, New South Wales, and Queensland could have made better conditions with the company for carrying on their export trade than they will be able to do under this contract.

Senator GUTHRIE.—As Queensland did with the Orient Steam Navigation Company.

Senator FRASER.—I should have been delighted if, under this contract, the new company had been compelled to bring their boats on to Melbourne, Sydney, and Brisbane, because it would have been of immense advantage to the producers of Victoria, New South Wales, and Queensland

to know that they would be able to take advantage of a ship leaving every fortnight from Brisbane for the home land. Under the existing contract with the Orient Steam Navigation Company, that company is not only obliged to bring the boats on from Adelaide to Melbourne and Sydney, but to provide freezing chambers of a certain capacity, and self-registering thermometers in those chambers to insure the carriage of perishable produce under proper conditions. There are no such conditions provided for under this contract. Even though the boats of the new company should come on to Melbourne, Sydney, and Brisbane, without provision for the facilities I have referred to, the producers of the Commonwealth may suffer great loss. The danger is that the new company may take advantage of the looseness of this contract to squeeze from Australian producers better terms than they could otherwise get.

Senator DE LARGIE.—Is the honorable senator quite sure of his ground when he says that self-registering thermometers have to be provided on the Orient Steam Navigation Company's boats?

Senator FRASER.—I am perfectly sure of it. I do not state what I am not sure of.

Senator GUTHRIE.—Is that provided for in the agreement with the Orient Steam Navigation Company for the carriage of mails, or in that company's agreement with Victoria for the carriage of produce?

Senator FRASER.—It is provided for in the Commonwealth agreement with the Orient Steam Navigation Company, of the date of 5th September, 1905, if I recollect it rightly. Honorable senators will remember that the subsidy was raised in the last contract to £120,000, and under that contract the Orient Steam Navigation Company are obliged to carry frozen produce subject to the conditions to which I have referred. We are now about to sanction a contract involving the payment of a subsidy of £125,000 per annum for ten years, with a possible extension of ten years more without parliamentary sanction, though I am not quite sure that I am right as to that.

Senator PLAYFORD.—The honorable senator is wrong.

Senator BEST.—Where is that provided for?

Senator FRASER.—I refer honorable senators to clause 6 of the contract, which provides—

That if during the sixth year of the fixed period of ten years mentioned in clause 2 hereof any competing line of mail ships shall then provide an improved and accelerated service from Europe to Australia, the contractors shall, if so required by the Postmaster-General, provide a service equivalent to such improved and accelerated service upon the following conditions:—

- (a) The notice to be given by the Postmaster-General to the contractors requiring such improved and accelerated service and the date such service is to commence from; and
- (b) The amount of the additional annual subsidy to be paid to the contractors for providing such improved and accelerated service; and
- (c) The extended period for which such improved and accelerated service shall continue

shall, failing mutual agreement, be determined by arbitration in the manner provided in the said "General Conditions of Tender."

Notwithstanding the Minister's contradiction, I think that clause enables the company to secure an extended service for a further period of ten years.

Senator BEST.—It is ambiguous, but I think that the contract is limited to ten years.

Senator FRASER.—If it is so limited, then paragraphs *b* and *c* of this clause are very loosely worded, and if I were drawing up such an agreement, I should tell my solicitor that I would not have it expressed in that fashion.

Senator BEST.—I quite admit that it should not be ambiguous.

Senator FRASER.—I submit to expert opinion in that regard. The Orient Steam Navigation Company are now carrying on a very satisfactory service for a subsidy of £120,000 per annum, and are complying with the conditions to which I have referred in supplying frozen space and self-registering thermometers in their freezing chambers. This company is to get a subsidy of £125,000 per annum for a period of ten years. That is certainly a very great advantage. The Orient Company is carrying out a very successful service for a subsidy of £120,000. But the boats of the new company need not go to Melbourne or Sydney, and it is not bound to provide any freezing space or registering instruments. It is just possible that it may arrange with the Government of New Zealand to carry all its frozen produce, and pick up the Australian mails at Adelaide. Moreover, its

boats would not be obliged to go to London. If they get cargo, it could be transhipped at Brindisi. It would not be possible, however, to tranship frozen butter.

Senator STEWART.—The boats must go on to the United Kingdom.

Senator FRASER.—I believe I am right in stating that the company need not send its boats beyond Brindisi. Certainly they should go to an English port. With regard to the term "registered tonnage," whether it be net or gross tonnage which is meant, I am quite satisfied that there is not much in the objection made. It might, however, be cleared up. The new boats of the present mail companies from England are supposed to be 10,000 tons each. If we get what the ordinary layman understands to be ships of 10,000 or 11,000 tons, I think that there will be nothing to cavil about.

Senator GUTHRIE.—But the ordinary understanding is the registered tonnage.

Senator FRASER.—A layman recognises other tonnage besides registered tonnage. A ship of the Orient Steam Navigation Company which is 10,000 tons nominal register, may be only 7,000 tons net register. One ship which has been built to steam 20 knots may be very narrow, and yet may be registered as 6,000 tons; whereas another ship may be built like a tub, with the same tonnage, but with twice or three times her carrying capacity. So that the term "registered tonnage" does not tell us very much. Can the Minister say whether Sir James Laing and Sons will be bound by the agreement?

Senator PLAYFORD.—Yes.

Senator FRASER.—It was not prudent on the part of the Government to take the signature of an attorney when it was possible to get a cablegram or an assurance from the actual contractor. I should say that the firm ought to be bound by the agreement, and that no attorney should have been allowed to sign it when a message by cablegram could have been obtained. I have some doubt as to whether the firm will be bound by the contract.

Senator PLAYFORD.—We have received a cablegram to that effect from the firm.

Senator FRASER.—That is satisfactory. I do not propose to move any amendment. I believe that the Government are anxious to do the best they can, but I am very sorry that the States did not see their way to meet its view, because, after all, it is the producers upon whom

the mail contractors will have to depend for their reward. In view of the occurrence of droughts and other difficulties, it is very easy to understand the attitude of the States Premiers. For instance, in Tasmania, last year, there was a very small apple crop, and naturally the Government did not like to be bound by any agreement as to the amount of freight to be contributed.

Senator Col. NEILD (New South Wales) [4.36].—I am very much more than dubious about the advantages to be derived from this service. To begin with, I am very dubious as to whether there is any contract worthy of the name, or any contract in law. It is well known that in important matters an incorporated company, as we are told the firm of Sir James Laing and Sons is, cannot delegate its authority except under seal. What proof have we that any resolution of the shareholders of this firm, or of its board of directors has ever authorized any of the proceedings connected with the proposed transaction? What knowledge have we that its seal has been attached to any document authorizing the carrying on of these negotiations, let alone their completion? It is well known to every experienced man that a resolution of an incorporated company under seal is absolutely essential to give validity to any proceedings of great moment. If we look into this document, we find that it really is not a contract beyond that a sum of £2,000 has been paid by some one to somebody somewhere. When I pressed the Minister this afternoon he could not say who had paid or received that sum. It is said by some persons that it was deposited by Mr. Croker, and by others that it was deposited by Sir James Laing and Sons, but practically no one knows who made the deposit, or where the money is. When the Government propose to let a contract for the erection of a weather-board post office in the back blocks it requires a hard cash deposit of about 10 per cent. of the value of the building. What have we in this case? We have an allegation of a deposit of £2,000 somewhere and a bond. When I asked the Minister this afternoon if he had seen the bond, he said "No." He does not know what it contains. What is taking a bond by way of security? It may be the best possible method of buying a law suit if the contractors fail to carry out the obligations of this option. I wish

particularly to emphasize the fact that this is not a contract for a mail service, but merely an option to enable somebody at the other end of the world, but not very clearly defined, to traffic for eighteen months on the Stock Exchange to see whether he, having risked a couple of thousand pounds, can form a company to carry on this work. Senator Millen has pointed out how utterly insignificant is the security. I forget now whether he was referring to the deposit or to the bond.

Senator MILLEN.—To the whole lot.

Senator Col. NEILD.—My honorable friend will see that if he was referring to the bond he was referring to that which, after all, might simply become the subject of an expensive law suit at the other end of the world.

Senator MILLEN.—Taking the very best which can be urged on its behalf, it only represents a miserable percentage.

Senator Col. NEILD.—It represents only three-quarters per cent. of the value. The Ministry do not know what the bond contains. Apparently they cannot tell us who gave it. We cannot get any information except that, possibly, it may be held by a bank in London for the Commonwealth. It cannot be a document made wholly on one side. I suppose that the Commonwealth was a party to the acceptance of the bond. How did it give its assent in order to give validity to the transaction? Was it given by Captain Collins, who, after all is said and done, seems to be a kind of superfluous officer of the Commonwealth? He is superfluous as a Secretary for Defence, if he can be in London for years. We did not know that he was going to London in any capacity other than to deal with war stores. I think that the members of the Senate had no idea that he was to be a kind of general representative of the Commonwealth.

The PRESIDENT.—I do not think that the honorable senator ought to discuss Captain Collins.

Senator Col. NEILD.—I only desire, sir, to discuss the matter to a certain extent, and I think you will see that I am strictly in order.

The PRESIDENT.—The honorable senator is only supposing that Captain Collins has had anything to do with the bond.

Senator Col. NEILD.—That is the only supposition which is possible. This afternoon he was named by the Minister as being concerned in the matter. When our

assent was given to Captain Collins going to England, we had no idea that he was to be concerned in the manipulation of important Commonwealth matters. There are several points about this business which I think are very unsatisfactory. For instance, there is no agreement for cold storage. Why did the Commonwealth require the use of steam-ships of 11,000 tons net register to carry mails? Why, sir, an ordinary despatch boat would be sufficient to carry all the mails, and might have been obtained at a third of the price.

Senator PLAYFORD.—We never specified the exact tonnage of any boat to carry the mails. It was the tenderer who had to say that.

Senator Col. NEILD.—Why did not the Government stipulate for at least a maximum rate of freight for cold storage? It is of the greatest consequence to the butter-producing interest in Australia that the date of the arrival of shipments in England should be known with certainty. The date is known in connexion with the mail steamers now employed in the service between Australia and the old country, but the date is not known in connexion with steamers of the tramp class, nor even in connexion with so important a service as the White Star Line. The date of arrival in London of shipments of butter is a matter of very grave consequence to the trade. We know perfectly well that the arrival of a shipment a day late makes a very important alteration in the price obtained. Accuracy of date in the delivery of a cargo so easily damaged as butter is of grave consequence; and I think that when the Government was providing for the construction of steamers which, I will show directly, are to be, under the law—not in accordance with the fanciful idea of any one, but under the law—11,000 tons net, meaning 15,000 tons gross—

Senator FRASER.—It does not mean that.

Senator Col. NEILD.—My honorable friend may say what he pleases, but I will read the law to him directly, and that will satisfy him that I know what I am talking about. The Government, in obtaining the service of vessels 15,000 tons burden gross, or 11,000 tons net, for the carriage of mails, leaves absolutely out of account the certainty that something else is intended in regard to the use of those vessels. It is evident that they are to be put to some other purpose than the carriage of mails; and my honorable friend, Senator Fraser,

hit it off very correctly when he said just now—giving expression to something which I have on my notes—that the probabilities are that the steamers will not only traverse the Australian coast; but after delivering their mails at Adelaide, there is a probability that they will go off to New Zealand. But Senator Fraser did not say what I am going to suggest, namely, that in all probability the New Zealand Government will pay a very handsome subsidy to get those steamers to cross over to New Zealand rather than that they shall traverse the southern and eastern shores of Australia. And these contractors—if the thing ever becomes a going concern—will, in pursuance of the subsidy granted by the New Zealand Government, cause their steamers to cross the ocean, and obtain the advantages of a satisfactory cargo, plus a Government subsidy which they cannot get by going along the south and east coast of Australia.

Senator FRASER.—That is quite possible.

Senator Col. NEILD.—Absolutely possible; and I think it is more than possible—it is highly probable.

Senator DE LARGIE.—Will it be possible for the steamers to obtain as profitable a trade by going to New Zealand as they would get by calling at Melbourne and Sydney?

Senator Col. NEILD.—I think that the possibilities are greater—there is less competition for the shipping trade of New Zealand than for that of Australia; but I am suggesting the likelihood of the New Zealand Government paying a subsidy as against the advantage to the steamers in going to Melbourne and Sydney without any subsidy. They will have earned their subsidy from the Federal Government when they have reached Adelaide.

Senator MCGREGOR.—Is the honorable senator advocating a Commonwealth-owned line?

Senator Col. NEILD.—I am not advocating anything of the kind, but I am pointing out that the Government has been hypnotized by a gentleman named Croker, who evidently does not know everything about steam-ship matters, but who, it is a matter of common talk in the city, is receiving £5,000 for working this option through. Any one can go on to the Stock Exchange and hear that. I am only relating what is ordinary talk in the city. The Government has been hypnotized by this very eloquent £4,000 gentleman.

Senator BEST.—£9,000?

Senator Col. NEILD.—£9,000? Good luck to him if he gets it.

Senator BEST.—The honorable senator mentioned £5,000 and £4,000—that makes £9,000.

Senator Col. NEILD.—The Government has been hypnotized by this gentleman, and has accepted and entered into an agreement, but the dear, good people thought that they were inaugurating a Commonwealth mail service, whilst they were doing nothing of the kind, but only granting an option. Reference has been made to the deposits required in connexion with Government contracts. Let me draw attention to what States Governments have required in connexion with carrying out public or semi-public works by private individuals. I might take a case such as the laying down of a few miles of railway in connexion with a coal mine.

Senator FRASER.—I think I had to deposit £10,000 in connexion with the building of a line from Bendigo to Echuca.

Senator Col. NEILD.—I think it is very probable. I might refer to a case where Parliament grants right by Statute to carry out some work of a semi-public character, such as the construction of a harbor or the carrying out of irrigation works or water-works. Let me instance one or two cases. A Bill was passed through the New South Wales Parliament—I had charge of it—for the purpose of supplying Broken Hill with water. It was necessary, under that Bill, for the promoters to pay to the Treasury of New South Wales—not a bond which could be litigated upon by-and-by, but hard cash, to the sum of £10,000, within, I think, three months of the Royal Assent being given to the Bill. The same thing happened in connexion with a Bill to enable a company to make a harbor. In that case the deposit was the same. The harbor was never made, and the Treasury Accounts were flushed by the £10,000 deposited. I need not occupy the time of the Senate by quoting other instances of the same kind. But surely, in the face of such instances, there is something to be said against the mere payment of £2,000 by somebody, to somebody, somewhere, particulars of which we have not been able to ascertain.

Senator KEATING.—The £2,500—not £2,000—is in Australia.

Senator Col. NEILD.—Has it been deposited here?

Senator KEATING.—Yes.

Senator Col. NEILD.—That is a little bit better.

Senator KEATING.—We also have a bank guarantee for £25,000 in London.

Senator Col. NEILD.—The honorable senator has not seen any document to that effect. He does not know of his own knowledge that the money has been guaranteed. He must, as a lawyer, have had before him in his professional capacity instances where guarantees have been made the subject of very extensive and expensive litigation. The honorable senator will not dare to tell the Senate, either as Minister or as lawyer, that a guarantee or bond is equal to hard cash. Never a law term passes but there are actions upon guarantees and bonds. Cases of that kind are amongst the commonest known to the law. We have had litigation in Australia extending over three, four, and five years, and eventually going to the Privy Council, in regard to guarantees and bonds. In this case, the bond is one which, if it ever has to be enforced, is held at the other end of the world. That bond ought to be here. It is a most unsatisfactory document, inasmuch as we know nothing about it, except that we have the bare assertion that it exists. We do not know anything about its terms. All that we are told is that a bond has been entered into by some one, and that the sum of £25,000 is mentioned. I say that such a deposit as £2,500, with a bond somewhere or other at the other end of the world, is a guarantee altogether at variance with the practice of the States Governments when they grant to private individuals or public companies, extensive public or semi-public rights. There is another feature of this matter that has not been mentioned, but is of some consequence. There is a condition in the contract that enables the Commonwealth to take over the line of steamers at any time it chooses. But we are told that Messrs Laing and Sons are to be the builders of these ships. Clearly there is no obligation upon them to build the ships except in their own way, on their own terms, and at their own price. They can value them at whatever figure they like.

Senator GUTHRIE.—Plans must be submitted.

Senator Col. NEILD.—What is to prevent the nominal value of those ships being swollen by well known methods, so that if ever the Commonwealth desires to take

them over the owners will be able to set up a claim for a much higher price than they were actually worth? If they were to be built by contract, we should know what the real value was. But they are to be built by the contractors, who are to place their own price upon their own work. What is to prevent a sum of as many thousands of pounds a year as you like to name being debited to these ships by way of management, or on account of chairman of directors, president of the board of management, or whatever you please to call it. Charges can be made to the extent of many thousands of pounds a year for fictitious or semi-fictitious services. The nominal cost of the ships may be piled up in that manner, in a way that would be eminently disadvantageous to the Commonwealth if it desired to purchase them. I do not think that I quite finished—by reason of interjections—saying all that I desired with reference to the failure of the Government to fix a maximum charge for the carriage of refrigerated cargo. The butter trade has grown to such an extent that while the freight some years ago was no less than 3d. per lb., it is now down as low as ½d. or ¾d. per lb. That fact shows how immensely important the trade is. I may state, with all humility, but at the same time with a degree of certainty concerning the truth of my utterance, that the Government has lamentably failed in protecting one of the primary industries of Australia, in not fixing in this agreement or option a reference to the rate of freight which this company—if it ever commences operations—will be entitled to charge. We know that the Peninsular and Oriental Steam Navigation and the Orient Steam Navigation Companies have been working on the same rates of freight. But if this new company comes into being, the Orient Steam Navigation Company will probably be out of the way; and there will be nothing to prevent a new arrangement being entered into between the new company and the Peninsular and Oriental Steam Navigation Company, under which the only two companies with a regular delivery in London will be able to charge whatever rates of freight they please for the benefit of their shareholders, but to the detriment of the producers of Australia. It is all very well to say that it is only a question of ¾d. a lb., or something of that sort. But by the time the butter is delivered on the London market, it may mean much

more than $\frac{1}{4}$ d. a lb. A difference of $\frac{1}{4}$ d. per lb. freight may make a material difference in the price which the farmer gets for his goods. I desire now to clear away from the mind of Senator Fraser, or any other honorable senator any doubts there may be as to the meaning of "registered tonnage."

Senator FRASER.—We all know what the meaning is, but the working out is very difficult.

Senator Col. NEILD.—The working out is provided for in every detail in the British Merchant Shipping Act, from which I shall read a few passages of importance in this connexion. Let me say, in passing, that many years ago there was a great controversy as to the fixing of registered tonnage for the purpose of levying dues on vessels which passed through the Suez Canal: and after the point had been settled by, I think, an international tribunal, the method of measurement set forth in the Act I have just mentioned was agreed to, and has been acted on ever since. Section 78 of the Act dealing with screw steamers provides—

In the case of any ship propelled by steam or other power requiring engine room, an allowance shall be made for the space occupied by the propelling power, and the amount so allowed shall be deducted from the gross tonnage of the ship ascertained as in the last preceding section mentioned, and the remainder shall (subject to any deductions hereinafter mentioned) be deemed to be the register tonnage of the ship, and that deduction shall be estimated as follows; (that is to say)

... and in ships propelled by screws, in which the tonnage of such space is above 13 per cent., and under 20 per cent., of the gross tonnage, the deduction shall be thirty-two one-hundredths of the gross tonnage.

Paragraph *b* provides—

and in the case of ships propelled by screws, the contents of the shaft trunk shall be added to and deemed to form part of the space; and the measurement of the space shall be governed by Rule 111 in the second schedule of this Act.

I shall read as little as possible, but I must draw attention to a portion of section 79, as follows:—

In measuring or re-measuring a ship for the purpose of ascertaining her register tonnage, the following deductions shall be made from the space included in the measurement of the tonnage, namely:—

(a) In the case of any ship—

(i.) any space used exclusively for the accommodation of the master; and any space occupied by seamen or apprentices and appropriated to their use, which is certified under the regulations scheduled to this Act with regard thereto;

(ii.) any space used exclusively for the working of the helm, the capstan, and the anchor gear, or for keeping the charts, signals, and other instruments of navigation, and boatswains stores; and

(iii.) the space occupied by the donkey engine and boiler, if connected with the main pumps of the ship.

I could elaborate by reading more, but I think I have read amply sufficient to make the point clear to honorable senators. These sections show most conclusively that in the case of screw steamers—and no doubt the vessels proposed in the agreement will be propelled by screws—all the space required for engine-room, boilers, screw shaft, accommodation for captain and crew, stores of all kinds connected with the working of the ship, and, as provided later on, also the space between double bottoms, if any, is to be deducted from the gross measurement of the ship before the registered tonnage is arrived at. It will be seen that materially more than one-third of a vessel's gross tonnage has to be deducted in this way; and therefore, if, for the sake of dealing with round figures, we suppose a vessel to be 15,000 tons gross, some 5,000 tons must be allowed for, leaving only 10,000 tons as the "registered tonnage."

Senator DE LARGIE.—Does that system of measurement obtain in Australia under our Navigation Act?

Senator GUTHRIE.—We have no Navigation Act.

Senator Col. NEILD. — There can be no doubt that any legal proceedings in connexion with the proposed option agreement—I decline to call it a mail contract—would be taken in England, and that the British Merchant Shipping Act would necessarily be the authority on which the Court, or, it might be, the Privy Council, would rely. Apparently there is no one in Australia to act for the company, because Mr. Croker would disappear from the scene quickly enough, unless he remained in a professional capacity, as he very likely might do. Clearly there is no probability of litigation at this end of the world.

Senator BEST.—The British Merchant Shipping Act applies in Australia.

Senator Col. NEILD.—No doubt it does. Not possessing the legal knowledge of Senator Best, I was merely pointing out that, as a matter of fact, any suit connected with this option would have to be tried in England, and that the Merchant Shipping Act would be the authority relied on.

Senator GUTHRIE.—In case of a contract made in Australia?

Senator Col. NEILD.—I do not know where it has been made.

Senator GUTHRIE.—It has been made here.

Senator Col. NEILD.—I do not think so.

Senator GUTHRIE.—It is signed by the Postmaster-General. Where did he sign it—in Rome?

Senator Col. NEILD.—I do not know, though we have had an allegation about a cablegram. A cablegram, however, is not good in law unless it be proved who is the sender; just as a bank will not pay money on a telegram, unless there be some proof as to the sender of the message. A cablegram will not bind anybody at the other end of the world, unless there be satisfactory proof, not only as to who sent it, but also as to the authority for sending it.

Senator FRASER. — If the parties themselves send the telegram and get a reply, they are bound.

Senator Col. NEILD.—The honorable senator is surely forgetting the many vicissitudes that have overtaken people who have innocently entered into contracts they believed to be good and sound, but which have produced an aftermath of litigation—such litigation as that in which the legal gentleman concerned in this option would shine, as he did before the Butler Commission. I have pointed out what I conceive to be serious objections to a contract, which, if it be given vitality in the future, will possess some elements of possible advantage. At present, however, the agreement is surrounded with much uncertainty, and there is a lack of, I shall not say legal proof, but common-sense business proof, as to the *bona fides* of those concerned. After all, what we have before us is merely an agreement for an eighteen months' option in favour of certain people at the other end of the world, to whom a well-known firm may possibly have allowed the use of its name, in prospect of getting a glorious job in the construction of vessels—a finer prospect, seeing that the vessels are apparently to be all on the same model, than, perhaps, exists in the minds of any other ship-builders in the United Kingdom. Mr. Croker, or somebody else, has deposited a very small sum of money in Australia, but we have no other proof of *bona fides* beyond a statement that somebody has given to somebody

else, somewhere, an alleged bond, and that somebody has despatched a cable from England to the Commonwealth Postmaster-General. Yet we are trading away, with all the solemnity of parliamentary sanction, an eighteen months' option to enable the persons who are manipulating this business to see how much money they can make out of it in financial circles in London. There is the prospect that if the option does eventuate, the steamers may never call at any Australian port after Adelaide, but may, under a subsidy from New Zealand, proceed to that important Colony—a prospect that we may see no more of the steamers than their arrival in and departure from Spencer's Gulf. I do not think that this contract, or, rather, this option arrangement, furnishes the Commonwealth with any material basis for jubilation. On the contrary, I am afraid that it is an option agreement, which, in the first instance, is very likely to come to nothing. I see that this transaction is being boomed in the newspapers at Home for flotation purposes. Every one with any knowledge or experience of financial methods, is aware that it only requires a certain price to create a boom in certain monetary journals in the city of London. We have all heard of the thousands of pounds which had to be disgorged not long ago by certain newspaper writers in England in connexion with a scandalous flotation. The new mail arrangement is now being hailed as a great success; and if the booming is only done industriously enough, some capital will be raised, and, probably, a company formed. But there is another drawback, which, I am sorry I did not mention before. Under the agreement, it is open to the Postmaster-General to permit the assignment of this option to anybody.

Senator FRASER.—That ought not to be allowed.

Senator Col. NEILD.—That ought not to be allowed; it should be subject to the approval of Parliament. I make no suggestion of impropriety, either at present or in the future, but I do say that the transfer of a great contract like the one proposed is too great a responsibility and power to be exercised by the gentleman, whoever he may be, who, for the time being, occupies the position of Postmaster-General. Indeed, I think it is too great a responsibility to be exercised by even the Ministry of the day. If the Government may not enter

into an option bargain of this kind without the sanction of Parliament, why should the greater power I have indicated be given to a future Ministry, or even the present Ministry, if the latter last long enough, which I do not think likely? I cannot be accused of saying anything personal, because I cannot form any opinion as to who may be the successors of the present Government. If the present Government feel that this agreement option for eighteen months is a matter of such importance that they cannot deal with it, and must seek parliamentary sanction for it, that is proof enough that any succeeding Ministry should be required to come to Parliament for the sanction of any transfer of the bargain to any one else. If this is James Laing and Sons' contract or option, they are, we understand, responsible parties, but while there is nothing in this agreement to prevent such a thing, there is, on the other hand, every provision in it to enable the Postmaster-General of the day to consent to the transfer of the contract or option to anybody—to any parcel of monetary sharks or adventurers calling themselves a company with capital, actual or alleged, and probably alleged more than actual. I think there should be a clause in this contract to provide that it shall not be transferred or assigned to any person, body, or company, except with the approval of Parliament. I have said what I have, because it seems to me that the matters I have mentioned are of paramount importance, and I have not taken up the time of the Senate for a moment longer than I have thought necessary in the discharge of my public duties.

Senator STEWART (Queensland) [5.18].—I think that it is a very great calamity indeed that some understanding with regard to this contract was not arrived at between the States and the Commonwealth. The result of their failure to come to any agreement on the subject is before us in this contract, which is of a hybrid character. It is neither fish, fowl, nor good red herring. The representative in the Senate of the Postmaster-General told us, in moving the motion, that this is a mail contract pure and simple. Looking at the contract purely from the Commonwealth point of view, I should say that the Commonwealth ought not to trouble itself with anything other than the conveyance of mails. But when we come to consider it with reference to the large producing interests of Australia, we are bound to come to the con-

clusion that a mail contract ought to be combined with a contract for the carriage of produce, and that, from my point of view, can only be done with the consent, concurrence, and co-operation of the States.

Senator DRAKE.—Did not the honorable senator express the opposite opinion during the last discussion of a mail contract in the Senate?

Senator STEWART.—What I said was this, and I stick to it: I said that the Commonwealth as a Commonwealth should not concern itself with anything but the carriage of mails. I hold to that opinion now. I say that if any subsidy is to be given to a shipping company for the carriage of produce, that subsidy should be paid by the States interested, as States, and not by the Commonwealth. But while holding that view, I never expressed the opinion that the Commonwealth should charter ships only for the purpose of carrying mails, because that, in our present stage of development, would not be satisfactory in the interests of the Commonwealth. I held before, and I hold now, that a contract for the carriage of our mails ought to be combined with a contract for the carriage of produce, but that while the Commonwealth should be solely responsible for the carriage of the mails, the States should pay for the other services rendered under the contract.

Senator MULCAHY.—So they do.

Senator STEWART.—My objection to the present contract is that it is a compromise contract. It is an attempt, and a very ineffective one, to provide at once for a mail and a produce service. Senator Keating, as I have already said, has declared that this is a mail contract and nothing else. If it is, why have we this provision for vessels of 11,000 tons register?

Senator MULCAHY.—That is not a provision.

Senator STEWART.—It is inserted in the contract.

Senator MULCAHY.—It is an offer which we have accepted.

Senator BEST.—It is a term of the contract.

Senator STEWART.—It is part of the contract. The contractors must provide, not one vessel of 11,000 tons, but a fleet of vessels of that tonnage, and they must be new vessels, to be built within a certain period. Senator Keating has told us that they will contain three times the refrigerated space provided by the ships of the

Peninsular and Orient Steam Navigation Company. I have no objection whatever to that. I have no objection to the size proposed for these vessels. I say the bigger the vessels the better. What I object to is that we are subsidizing a cargo service in this contract, in addition to a mail service. The Commonwealth is being placed in this very peculiar position: That, because the Government would not insist on the vessels going to Brisbane, in addition to Melbourne and Sydney, the vessels, under the contract, cannot be compelled to go past the port of Adelaide. My objection to the whole thing is that we are actually subsidizing a cargo service while professing that it is purely a mail service. The members of the Government have, I suppose, come to the conclusion that, in any case, these vessels will call at the ports of Melbourne and Sydney, and that there is, therefore, no need to mention those ports in the contract. They naturally came to the conclusion that if they had included those two ports in the contract, the representatives of Queensland would insist on Brisbane being added. They think that they have provided "under the rose" for Melbourne and Sydney being served by these vessels, but have we any guarantee of that? Several honorable senators have already pointed out that these vessels might proceed to New Zealand for cargo instead of going to Melbourne and Sydney.

Senator MULCAHY.—They will surely call at Melbourne and Sydney.

Senator Col. NEILD.—They will do whatever will pay them best.

Senator STEWART.—There is no compulsion under this contract on the company to take their vessels to either Melbourne or Sydney. If they can get cargo in New Zealand that will pay them better, they may go there; and, if there is the development in the meat and butter trade within the next ten years that I think every one of us expects there will be, the new company may actually be placed by this contract in a position to extort unfair freights from the ports east of Adelaide. I think that is quite on the cards under this contract. This is my objection: We are paying for something under this contract which the contractors are not bound to give us. If it is purely a mail contract, why this provision that the vessels must proceed to a port in the United Kingdom? The mails may be sent on by smaller boats to Naples and Brindisi, whilst the mail-ships proceed

to a port in the United Kingdom. If this is a mail contract pure and simple, why should not the voyage of these ships begin at Naples and end at Adelaide?

Senator STANIFORTH SMITH.—Newspapers and packages must be sent round by the mail vessel.

Senator STEWART.—Surely it would be cheaper to send the mails and packages overland than to incur the expense of sending these ships right round from Naples to London, or whatever port in the United Kingdom may be decided on? All that I have mentioned goes to prove that this is something more than a mail contract. That being the case, I am decidedly of opinion that it will be to the advantage of Victoria, New South Wales, and Queensland if the new company is compelled to carry out the work it is going to be paid for under this contract.

Senator STANIFORTH SMITH.—What about Tasmania. Is she to be the only State left out?

Senator STEWART.—The representatives of Tasmania are here in full force, and can speak for themselves.

Senator MULCAHY.—The honorable senator's troubles about them!

Senator STEWART.—I am, of course, troubled about Tasmania, as I am troubled about every other portion of the Commonwealth.

Senator KEATING.—But the honorable senator does not desire to usurp the functions of the Tasmanian representatives.

Senator STEWART.—I have no intention to usurp their functions. If in order, I propose to move—

That in clause 2 of the Articles of Agreement, after the word "between," where it occurs for the second time in line 7, the following words be inserted, "the ports of Melbourne, Sydney, and Brisbane."

Senator DOBSON.—What about Hobart?

Senator STEWART.—Senator Dobson can move the insertion of the word "Hobart," and I assure him beforehand that if he does so I shall vote for his amendment.

Senator MULCAHY.—The honorable senator had better include it now in his amendment, and make one job of it.

Senator STEWART.—I prefer to leave that to a representative of Tasmania.

The PRESIDENT.—I think that the honorable senator had better move his amendment in the form of a proviso, as an

addition to the motion. I shall then be able to put the question—"That the words proposed to be added, be added."

Senator STEWART.—I accept the suggestion, and move—

That the following words be added:—

Proviso to clause 2—

In line 7, after "between," where it occurs a second time, to insert, "the ports of Melbourne, Sydney, and Brisbane, and."

It is of the greatest importance to our producing interests, not only that we should have regular communication with the markets of the old world, but that the space in the vessels should be ample for all necessary purposes. An attempt has been made by the Government to combine in the contract a mail service with a cargo service. But it is a very ineffective one. The ships might or might not proceed to Melbourne and Sydney.

Senator GUTHRIE.—Or Brisbane.

Senator STEWART.—If it be not set down in the contract that they must do so, there will not be much probability of the ships going to Brisbane, unless development should proceed there rapidly during the next few years. I do not see why Queensland should be left out in the cold in this fashion. I dare say that within very few years she will be a larger primary producer than any other State.

Senator MULCAHY.—Then she will get plenty of steamers to call at her ports.

Senator STEWART.—The steamers will want some encouragement.

Senator MULCAHY.—Not at the Commonwealth expense.

Senator STEWART.—Queensland will pay her share of this subsidy, and yet get no benefit therefrom.

Senator MULCAHY.—She will get her letters carried by the boats.

Senator STEWART.—It is very easy for the honorable senator who represents Tasmania, which is in a direct line between New Zealand and the old country, to talk in that way. During the apple season, the mail ships call at Hobart.

Senator MULCAHY.—And it does not cost the Commonwealth anything.

Senator STEWART.—No, simply because Tasmania is right on the track between New Zealand and Europe. If it were in the same position as Queensland, we should have the honorable senator and his colleagues endeavouring to forward the interests of their State in every way they could.

Senator MULCAHY.—We are not quite so selfish as that.

Senator STEWART.—In Queensland, we are not selfish. We want to develop the resources of the Commonwealth, and if development in one part of the Commonwealth were promoted, that would help every other part.

Senator PEARCE.—Hear, hear. I hope that the honorable senator will think in that way when the Kalgoorlie to Port Augusta Railway Survey Bill is submitted.

Senator STEWART.—We are discussing a question of very much greater importance, I think, to Australia than that survey. Somehow or other we ought to combine an efficient mail service with an efficient cargo service. I have always held, as I hold now, that the mere carriage of mails between Australia and Europe is of comparatively little consequence. What

does it matter to the average citizen whether he gets his mail from Europe one day or two days, or three days, or even a week late? What really does matter to the great mass of the people is that our produce should be carried regularly, and in the best possible condition, to the London market.

Senator FRASER.—And that the correspondence shall be delivered promptly, too.

Senator STEWART.—No doubt we want both if it can be accomplished. I have no doubt that as population increases and production advances we shall be able to get both, but in the meanwhile let us pay most attention to that which I think affects us in the greatest degree.

Senator FINDLEY.—The honorable senator is on very bad ground when he says that a week's delay in regard to correspondence would not be material.

Senator STEWART.—It would not be very material.

Senator FINDLEY.—On that line of reasoning it would not matter whether the Sydney express train took one day or three days to make the journey to Melbourne.

Senator STEWART.—It would; but the difference of a day or a couple of days on a journey of four or five weeks is of no great consequence.

Senator STANFORTH SMITH.—Why do we not pay poundage rates then, and save £100,000 a year?

Senator STEWART.—Exactly. My contention is that we ought to try to get the very best possible cargo and mail service. The attempt made in the contract to combine the two services is a most ineffective

one, because it does not give us a cargo service while agreeing to pay for it. The vessels might not go beyond Adelaide; on the contrary, they might go from Adelaide to New Zealand, get loading there, and even hold up the Commonwealth during a time of stress, when probably there was a very large quantity of frozen meat and butter to be sent to European markets. By the mere threat of not going to Sydney and Melbourne they might be able to enforce increased rates. I think it would be much better for the Commonwealth to pay the company an increased subsidy, and to compel them to send the boats to Sydney, Melbourne, and Brisbane.

Senator BEST (Victoria) [5.40].—The reason which induces me to formally second the amendment is that I am desirous of impressing upon the Government the necessity of securing for the Senate more definite information than has been supplied. It has a right to be supplied with exact information before it is called upon to give a vote. The agreement in its present form is lax and defective in many serious particulars. As the parties are here, it is quite competent for the Government to secure an addendum which would enable the two Houses to know definitely the terms of the contract. In regard to the subject-matter of the amendment, it has been urged by several honorable senators that there is no possibility of doubt that the intention of the company is to send its boats to Melbourne and Sydney. If that is the understanding between the parties, is it not most desirable, in view of contingencies which might happen, that it should be included in the terms of the agreement? So far as New Zealand shipping is concerned, some extraordinary things have taken place, particularly in the matter of freights. At the present moment there is going on in that Colony a warfare in which the Government is to some extent interested, because it is assisting one large company as against certain other shipping companies which have hitherto traded there. In view of the freights which might be picked up in New Zealand, there is a reasonable possibility that Sir James Laing and Sons might find it most advantageous to send their boats to New Zealand. The only consideration with the company would be which trade was the more likely to yield a profit. If the advantages of trade with New Zealand surpass those offered by the Commonwealth, in whose interest this contract is

being actually entered into, we may take it that New Zealand will be selected in preference. I am, therefore, urging that there should be greater certainty in regard to the terms of the contract. My honorable friend, the Minister, may say in answer to the amendment which has been submitted, that if we attempt to alter this agreement, it may be put an end to altogether.

Senator KEATING.—Hear, hear!

Senator PLAYFORD.—There is no doubt about that.

Senator BEST.—My answer to that is what was urged by myself in connexion with the Eastern Extension Company's agreement—and it appears to have been somewhat prophetically urged in that case. It is acknowledged that once an agreement has been entered into, although it is subject to ratification by Parliament, no alteration of it can be made without the consent of the other party.

Senator MILLEN.—What is the use of making it subject to ratification of Parliament if Parliament is not to have a voice as to its terms?

Senator BEST.—When Parliament ratifies, it does so, of course, subject to its own views, but if the other sides did not choose to fall in with the terms of Parliament, undoubtedly, the result would be that the agreement would be at an end. The agreement is, no doubt, so far as its fundamental principles are concerned, satisfactory, and desirable. We should desire to see it consummated. But serious objections to it have been raised. There is, for instance, the question of tonnage. On the face of this agreement, we understand it to mean that the net tonnage of the vessels is to be 11,000 tons. The Minister says that there is no doubt that that is the intention. Surely, if that be so, it might as well be stated so that there may be left no room for doubt. This Parliament should definitely know what the contract actually is, and it should firmly and definitely set out the wishes and desires of Parliament. I am urging these matters as points in which the contract might be amended for this reason. First of all, the Government itself has to go to the other side, that is, to the representative of Messrs. Laing and Sons, in order to secure the confirmation by him of its own proposed amendments. What I urge is that when the Government goes to the representative of the contractors, with its own amendments,

it shall at the same time ask him to agree to certain amendments which, so far as I understand the representations and arguments used in the Senate, ought to be made before this agreement is actually confirmed. If, having done so, the Government comes back to Parliament and says that the other side is not prepared to consent to the amendments asked for, it will be for us to reconsider the matter. I for one will give the Government every assistance in order that a satisfactory arrangement may be made, and that the contract may be carried out. Perhaps the most important objection to the contract in its present form has yet to be referred to by me. It has already been mentioned by Senator Fraser, Senator Macfarlane and one or two other honorable senators. I refer to the ambiguity of the clause having reference to the extension of the term. On glancing through the contract hastily, as I came into the chamber, I thought that what was meant by clause 6 was that the extended term referred to was to be a term within the fixed period of ten years. But, on closely reading the clause, I do not think it means anything of the kind. I think, moreover, that it would be quite competent for the Postmaster-General to give notice extending the contract for twenty years, and Parliament would not have a word to say. Parliament is not empowered to say a word—either yea or nay—to an arrangement of that kind, because automatically the matter is fixed by the tribunal mentioned in the general conditions of tender.

Senator MILLEN.—Failing a mutual arrangement.

Senator BEST.—Of course, the Government and the contractors can mutually arrange the matter, but if they cannot definitely agree a tribunal is constituted for the purpose of securing certainty and fixity.

Senator PULSFORD.—There is no doubt that the words mean an extended period.

Senator BEST.—Clause 6 says—

That if during the sixth year of the fixed period of ten years mentioned in clause 2 hereof any competing line of mail-ships shall then provide an improved and accelerated service from Europe to Australia, the contractors shall, if so required by the Postmaster-General—

That is to say, he is to give notice—

provide a service equivalent to such improved and accelerated service upon the following conditions:—

Before I proceed to paragraphs *a*, *b*, and *c*, I point out that a person reading this contract through for the first time would conclude that it meant that if, during the

sixth year, it was thought desirable to get an accelerated service, the Postmaster-General would simply have to give notice that, during the balance of the term, the service should be accelerated. But then we read—

- (a) The notice to be given by the Postmaster-General to the contractors requiring such improved and accelerated service and the date such service is to commence from; and
- (b) The amount of the additional annual subsidy to be paid to the contractors for providing such improved and accelerated service; and
- (c) The extended period for which such improved and accelerated service shall continue

shall failing mutual agreement be determined by arbitration in the manner provided in the said "General Conditions of Tender."

This means, so far as I can understand it, that notice has to be given by the Postmaster-General that he wants an accelerated service to commence at a particular time, and he has to offer an additional annual subsidy. That extended service might last for twenty years. If there is any disagreement between the parties, the whole question is to be determined by arbitration, under a provision of the general conditions of tender. So that the result would be that, if a twenty-knot boat was required, and an extended period of twenty years, in the opinion of the Postmaster-General, should be given, he might, in the most irresponsible way—I say irresponsible advisedly—give this particular notice; and, if once that notice was given, Parliament would have no say in the matter whatever, because a tribunal is fixed for the purpose of ascertaining definitely the terms and fixing the subsidy. It will be observed that, according to clause 1, the general conditions of tender are incorporated in the articles of agreement. Of course, my honorable friend the Minister might refer me to clause 27 in reply to my argument. Clause 27 of the general conditions of tender says—

The contract shall come into operation on the of February, 1908, and shall continue in force until the inclusive, and shall then determine if notice in writing to that effect shall have been given twenty-four calendar months previously to the said last-mentioned date, either to the contractor by the Postmaster-General, or to the Postmaster-General by the contractor, and if not so determined the contract shall continue in force after such last-mentioned date until the expiration of a notice of a like duration given by either party at any time.

My honorable friend may urge that this would enable us definitely to terminate the contract upon giving twenty-four months' notice. But I do not think that that is

so, because it will be observed that clause 1 of the agreement provides that the general conditions of tender—

shall be deemed to be part of this agreement, and that the Postmaster-General and the contractors shall respectively perform and observe each and every of the conditions, covenants, stipulations, agreements, and provisos on his and their part to be performed and observed, as the same are set forth in the "General Conditions of Tender," except where such conditions, covenants, stipulations, agreements, and provisos, or any of them, shall be inconsistent with or modified by the special covenants and the provisions hereinafter set forth.

One of the special provisions of the articles of agreement is that this contract may be indefinitely extended without the consent of Parliament. Parliament, of course, in sanctioning the contract, would sanction the provisions in it which enabled the extension to be made; and if Parliament does that with its eyes open, it must expect to be bound thereby. What I am urging is that if the Government does not understand what I have stated to be the proper interpretation of the articles—

Senator MILLEN.—Has the Government said that?

Senator BEST.—I understand the Government to say that the extended period is to be within the period of ten years. If the Government understands that the extended period is to be the limit of ten years, and if the contract obviously says the contrary—or if there is such ambiguity about it that honorable senators and the Government are not at one as to what the true interpretation is—it is clear that we should endeavour to ascertain what it really does mean. Under these circumstances, I urge my honorable friend to adjourn this debate, with the object of seeing if it is not possible to get an addendum signed, first of all, definitely dealing with the question of the extended term—as to whether it is to be within ten years, or whether some limit is not to be placed upon the term. Whether it be ten years or fifteen, let it be firm and definite. Do not let us be in the position in which we were in regard to the Eastern Extension Company's contract, which nobody understood, and the ambiguity of which caused an indefinite amount of heart-burning.

Senator MILLEN.—If there is to be a fresh agreement, it also should be subject to the ratification of Parliament.

Senator BEST.—I was going to suggest ratification by Parliament, but I see an objection to that. The agreement, in its

present form, would have to be altered, because it says that the term and the amount of subsidy are to be fixed by arbitration. If they are to be fixed by arbitration, the determination could hardly afterwards be a matter for ratification by Parliament. There is a little difficulty in that regard. I had jotted down on my notes "Consent of Parliament should be sought."

Senator MILLEN.—The arbitration might go.

Senator BEST.—The arbitration might go; and that would mean the re-casting of the clause. It would be infinitely more satisfactory if, instead of appealing to arbitration, the Government of the day were to make this a matter of mutual arrangement, and come to Parliament and say, "It is desirable that we should have an accelerated service, and we can get that service on terms that are embodied in an agreement, which we submit for sanction."

Senator KEATING.—That would be the course followed, undoubtedly. There was no obligation on the Postmaster-General to submit this contract to Parliament. The Postmaster-General inserted the condition when he drew up the general conditions of tender.

Senator BEST.—There is no obligation, but Parliament would undoubtedly insist on such a condition.

Senator KEATING.—That would apply in the other case.

Senator BEST.—But it does not apply here.

Senator MILLEN.—It is expressly excluded, because of the arbitration.

Senator KEATING.—There is no obligation, other than that provided by the Postmaster-General in the general conditions of tender, requiring ratification by Parliament. What other obligation is there?

Senator BEST.—Undoubtedly the Postmaster-General was not obliged to put such a provision in the original conditions of tender. Such strong interest was taken in this subject, as honorable senators are aware, that not only was this matter made the subject of question, but it was clear that Parliament would have insisted on having the right of ratification.

Senator KEATING.—So it would in the other case.

Senator BEST.—The Minister cannot see the difference.

Senator KEATING.—I must confess I cannot.

Senator BEST.—The answer would be that in the agreement itself there was a provision that the Postmaster-General was to be at liberty, on his own responsibility, to enter into an arrangement to extend the term. I admit that the Postmaster-General had the right to insert such a provision. If there is no objection to an arrangement of the kind being ratified by Parliament, all I ask is that the ratification be provided for in the agreement.

Senator KEATING.—I am sure that the Postmaster-General would not exercise such a power without reference to Parliament.

Senator BEST.—That might or might not be so.

Senator MILLEN.—May I ask Senator Best a question? The honorable senator, I gather, understands the Government to have affirmed that it was intended under this clause to provide for an extended period, and now the Minister is evidently arguing that the Postmaster-General would come to Parliament for ratification.

Senator KEATING.—I made no such statement to the Senate. I was asked casually, and I answered without even looking at the clause.

Senator MILLEN.—I do not say that the Minister did make such a statement; I merely ask Senator Best whether he understood the statement to have been made.

Senator FRASER.—The statement was made to me.

Senator KEATING.—I was not in the Chamber when Senator Fraser was speaking.

Senator FRASER.—It was said to me by Senator Playford.

Senator BEST.—Senator Fraser says that this statement was made to him. I have no desire to go behind public utterances in any way, because what is said to the Senate is what Ministers are responsible for. The only point I make is that I was justified in concluding that the Government were under the impression—and I hope I may be forgiven if I in any way misconstrue the intentions of the Government—that the extended term was to come within the period of ten years. If I am wrong, I, of course, will accept correction at once.

Senator FRASER.—The Minister replied to me that that was so.

Senator KEATING.—I was not in the Chamber when Senator Fraser was speaking, and, so far as the Minister of De-

fence is concerned, he assures me that he has not made a statement.

Senator MILLEN.—What view do the Government take?

Senator KEATING.—I place the same construction as Senator Best is placing on the condition at present.

Senator FRASER.—And that is the interpretation I place on the condition.

Senator BEST.—I freely admit that the clause, with other clauses, is most ambiguous; and I am glad that the Minister now accepts the view that has been urged. If that be so, is it unreasonable to ask that some further negotiations shall take place with the representatives of the contractors, so that we may definitely know the exact terms of the contract into which we are entering? If after further negotiations the Government come to this and another Chamber and say that the terms are the very best they are able to secure, it will then be for Parliament to say definitely whether or not we shall enter into the contract. What I am urging is that we have a right to know the exact terms before we ratify the agreement. Ministers must recognise that the Senate is sympathetic, and desirous to help them in every way. The criticism that is being offered could not be objected to, because its purpose is to assist the Government; and when we are told definitely what the contract is. I am sure it will receive the most generous consideration. Again urging that the debate should be adjourned, with a view to obtaining a supplementary arrangement, I ask that that arrangement should definitely deal with the matter of the extended term, with the question whether the contractors are prepared to make any stipulation as to the boats proceeding to Melbourne, Sydney, and Brisbane, or as to which other ports they are willing to bind themselves to call at, with the questions whether "registered tonnage" means the net registered tonnage, and whether Parliament should not have a right to sanction any assignment that may be made. These are the points in regard to which I see serious objections, and on which I, along with others, desire to be enlightened before we are called upon to ratify this agreement.

Senator DE LARGIE (Western Australia) [6.10].—Senator Best has, in my opinion, put his finger on a very important objection to the contract in its present form. Apart from the period fixed, the contract,

so far as I am able to understand it, represents a very satisfactory arrangement. My only objection is to so long a period as ten years, and that objection will be considerably strengthened if it be open to the Postmaster to hereafter extend the term indefinitely. Ministers ought to make themselves clear on this point. With the constant improvements in steam navigation, it is impossible to foresee what the conditions of transit may be ten years hence.

Senator GUTHRIE.—We have only to cast back our eyes for ten years in order to realize that.

Senator DE LARGIE.—Quite so. I remember, many years ago, one of the principal engineers on the Clyde, in delivering a lecture, being asked when we were likely to see an end to the improvements in steam navigation, and he replied that he could not imagine any limit. On that I agree with the engineer; and, if there is any limit, it will not be in regard to speed, and so forth. There may be a limit as to the size of the boats that our harbors and ports will accommodate, but it is not possible to forecast what improvements may take place in other directions. I do not think there is really so much as is imagined in the stipulation as to the tonnage of the vessels to be used under this contract. Senator Guthrie has given shipping matters a closer study than, I suppose, has any other honorable senator; and I know that he will not agree with me when I express the opinion that the stipulation in the agreement as to the registered tonnage may refer to the net tonnage of the boats, the gross tonnage, or both. As a matter of fact, both tonnages of Australian shipping are registered under our present law.

Senator GUTHRIE.—No.

Senator DE LARGIE. — The *Register of Australian and New Zealand Shipping* supports my contention.

Senator GUTHRIE.—That is issued by the Underwriters' Association; it is not an authoritative publication.

Senator DE LARGIE.—It is as authoritative in regard to Australian shipping as *Lloyds' Register* is in the old country and in other parts of the world.

Senator GUTHRIE.—We cannot get behind the Merchant Shipping Act, which deals with the question of registration, and applies to the whole of the British Possessions.

Senator DE LARGIE.—I will not contend that the system of registration in Australia is quite as authoritative as the registration at Lloyds', but it is our Australian system of registration.

Senator GUTHRIE — No; it is only the underwriters' system

Senator DE LARGIE — In Australia both the gross and the net tonnages are registered.

Senator GUTHRIE.—No.

Senator MACFARLANE.—That register is merely made for the information of the insurance companies.

Senator DE LARGIE.—According to the Australian register, both gross and net tonnage are registered.

Senator GUTHRIE. — It is printed, not registered.

Senator DE LARGIE.—Take the *Kanowna*, for instance, which is the largest steamer on the Australian coast. It is stated in the Australian register that the gross tonnage of that vessel is 6,942 tons, and the net tonnage 4,376 tons.

Senator GUTHRIE. — The latter is her registered tonnage.

Senator DE LARGIE.—The gross and net tonnages are in the same column, and so I take it that ships may register under either one or the other, or both.

Senator GUTHRIE. — Ask the Australian United Steam Navigation Company to pay harbor dues on the gross tonnage, and see how they will object! They pay on the registered tonnage.

Senator DE LARGIE.—I agree with the honorable senator that the company may pay on the net tonnage.

Senator GUTHRIE.—On the registered tonnage, not the net tonnage.

Senator DE LARGIE.—But we see that the shipping companies always advertise the gross tonnage of their vessels. What is the reason?

Senator FRASER. — To catch the public eye.

Senator DE LARGIE.—And I suppose that, in a sense, that is what the contracting company under this agreement are doing when they place this clause in the contract. I feel quite sure that there is no likelihood of the contracting company ever giving us vessels with a net registered tonnage of 11,000 tons. There are very few ships afloat of such a tonnage, and certainly no boats of the kind are coming to Australia. Even the *Grosser Kurfurst*, which is the largest vessel trading to this country, falls short of that in her registered tonnage. If

we get vessels of a gross tonnage of 11,000 tons, I hold that we shall get a much better class of vessels than are at present carrying our mails to the old country, and that seems to be admitted by all honorable senators who have spoken. I do not see why we should raise so much objection to a better class of boats, because there is some indefiniteness as to the meaning of "registered tonnage."

Senator GUTHRIE.—There is no indefiniteness.

Senator DE LARGIE.—Until I have some better proof to the contrary than I have yet heard from the honorable senator, I shall continue to hold the opinion that there is.

Senator GUTHRIE.—No one ever saw a ship marked with her gross register.

Senator DE LARGIE.—I cannot say that I have; but, according to this publication, both gross and net tonnage are given. In any case, some more important objections can be raised to the contract than that which is raised with respect to the tonnage of the vessels to be supplied. After all is said and done, there is only a little indefiniteness in that respect.

Senator GUTHRIE.—It is a matter of importance whether we get a vessel of 11,000, or 15,000, or 16,000 tons.

Senator DE LARGIE.—I do not believe that our harbors in Australia would accommodate a vessel of 16,000 tons.

Senator GUTHRIE.—Yes; Adelaide can.

Senator DE LARGIE.—I have yet to learn that Adelaide has a harbor of any kind. I hold that the question raised with regard to the control of freights is of very much more importance than the question of the exact tonnage of these vessels. The Government might contend that in making a contract purely for the carriage of mails it would not do to include any provision regarding the regulation of freights, but it should be borne in mind that, in common with other parts of the world, Australia has suffered more or less from the operations of shipping combines in the control of over-sea, as well as of Inter-State, freights. There have been continuous complaints against the exorbitant freights charged by shipping companies in the combine. We know that the shipping combine in the old country, which is known as the Shipping Conference, has controlled freights to such an extent that the people of Fremantle have had grave cause of complaint in the high freights charged to that port.

Senator GUTHRIE.—The merchants of Fremantle are members of the combine, and draw dividends from it.

Senator DE LARGIE.—No doubt the merchants of Fremantle are as keen in business matters as are the merchants of Adelaide, but that does not justify a continuance of inordinately high freights. We are now concerned in securing for Australia as good a steam-ship service as we can possibly get. If the tender received from the new company is a genuine one—and I think it is—under this contract the company will be free to join the shipping combine, and to raise freights to the extortionate rates we have heard so much about in the past. The action of the Government in the matter would have been more consistent if legislation in the direction I have indicated, and which is proposed in a Bill under consideration by this Parliament, had been taken advantage of in this contract. We have anti-trust legislation now before Parliament, and why the principle of that legislation should have been lost sight of when this contract was being drawn up I am unable to understand. Australian industries have suffered in the past from the combination of shipping companies to raise freights above a reasonable rate, and I am therefore very sorry that there is no clause in this contract for the regulation of the rates of freight to be charged by the vessels engaged in this service.

Senator CLEMONS. — Surely the honorable senator is not satisfied with the Inter-State freights.

Senator DE LARGIE. — Far from it. There is much graver cause of complaint against the Inter-State freights than there is against the oversea freights. The action in this respect of the oversea shipping companies is extremely fair when compared with the action of our own Inter-State companies. When the last mail contract was under consideration in the Senate, Senator Pearce directed attention to the labour to be employed upon the boats engaged in the service. I am not now referring to the colour of the labour, but to the question whether it should or should not be union labour. At the time the honorable senator proved that the action taken by the Orient Steam Navigation Company was undoubtedly hostile to union labour. They were taking advantage of the operations of a shipping federation in the old country,

which is an employers' association, that practically led to the boycotting of members of the seamen's unions of the old country. It is an important omission from this contract that no provision is included to deal with that kind of thing. Seeing that the matter was discussed in connexion with the last contract, and that the complaint made was justified, the Government might very well have borne it in mind in making this contract. They should have seen to it that the British sailors who are members of the seamen's unions, comprising the best seamen leaving the old country, would be given a fair deal so far as employment on the boats to be run under this contract is concerned. It has been said that the new company may hawk this contract about with the object of assigning it to some one else—that, in fact, the contract is not a genuine one on their part. I do not think there is much danger of that, because I do not see that the company would have very much to gain from trickery of that kind. Believing that the contract is a desirable one, I do not think we should be justified in deliberately refusing to take advantage of all the good which may follow from it, simply on the ground that some one believes that some trickery on the part of the new company is intended. I do not agree with those who say that the proposed contract is too good to be true. I believe that it is a desirable contract, and I believe also that the persons who are parties to it will be honest enough to carry it out. The suggestion that they are not likely to carry it out has probably originated with some disappointed tenderers. If the new company do not carry out the contract, their action will only afford a further argument in support of the contention that the only course which will go to the root of the trouble will be the establishment of a national line of ships, over which we should have full control. Senator Fraser, when referring to the terms of the present contract with the Orient Steam Navigation Company, stated that it provides for cool chambers and the supply of self-registering thermometers in those chambers. I asked the honorable senator at the time whether he was quite sure of his ground in making that statement. He said that he was; but I have since looked through the contract, and can find no such provision in it. The contract does make provision for cool storage, but there is no

reference in it to the supply of self-registering thermometers.

Senator TURLEY.—I think I remember seeing that in the contract.

Senator DE LARGIE.—I cannot find any reference to it. It must be borne in mind that in the contract before us we are not making provision for the carriage of any kind of cargo. This is a mail contract only, and in making such a contract I think that the Government have acted wisely. I have been sorry to find that some honorable senators, who, when we were dealing with the Orient Steam Navigation Company's contract, complained that it provided for more than the carriage of mails, now assert that this contract should be something more than a mail contract. That is an inconsistency which they will find it hard to explain. With respect to the term of the contract, I think very little objection can be taken to it. I intend to support the Government, but I hope they will take steps to make it clear that the term will not extend beyond ten years.

Sitting suspended from 6.30 to 7.45 p.m.

Senator DOBSON (Tasmania) [7.45].—The Senate would have done well, I think, if it had requested the Minister to move the motion in Committee, as we could then have criticised the contract more fully, and moved any amendments we might think necessary. I fear, however, that it is almost too late to take that course now, and that we must try to make such amendments as we can. Regarded as a postal contract alone, it offers many advantages to the Commonwealth, and I shall be very glad to see it ratified. I have been reminded of the very great facilities which now exist for sending our produce to the markets of the world by large cargo vessels. I admit at once that some of the large cargo boats take our products quite as quickly as do the mail-boats; but nevertheless I think that the Government would have done well had it put in some stipulations with regard to the space in the cold chambers, and to the boats calling at the various ports. I am inclined to think that we shall have no peace on this point until they do call at Brisbane. I am quite certain that the representatives of Queensland, headed by Senator Stewart, will not let the matter drop. But if the company are to be compelled to call at a port there ought to be in the contract a proviso to the effect that there shall be

enough freight forthcoming to pay the expenses of the journey to and fro. I do not think that the Government are called upon to compel the steamers to call at a port unless the shippers at that port undertake that there will be enough cargo to pay bare expenses. If Senator Stewart should carry his amendment, I propose to add to it the words "and at the port of Hobart during the season for shipping fruit to Great Britain." I am aware that the Prime Minister made every possible effort to get the States to take united action with regard to securing a certain amount of cold storage for their products, but they did not appear to fall in with his ideas. I am inclined to think that they gathered from the correspondence that they would have had to guarantee so much freight. In Tasmania, for instance, we would have had to guarantee so many thousand cases of apples, and Victoria would have had to give a guarantee in respect of fruit, butter, and rabbits. I suppose that the States shrank from giving a guarantee of that description, because they feared that circumstances might occur which would not enable them to fulfil the obligation. In Tasmania last year there was a very bad fruit season, partly owing to a frost, and partly owing to very dry weather. Instead of having a full crop of apples, we had only half a crop. I believe that two growers who had engaged space for 20,000 cases had to plead with the company to be let off with supplying 5,000 cases, and I understand that in some instances shippers in Hobart had to pay for space which they did not occupy. I imagine that had the Government called for alternative tenders they would have made slightly better terms. They might have called for tenders to provide cold storage at the present market rates, or at slightly above those rates. In Tasmania when the shippers commenced to ship apples they had to pay a freight of 4s. 6d. a case, but it is now down to 3s. 3d. Considering that fruit is constantly bought for the English market at 3s. 3d. and 3s. 6d. a case, it is very hard indeed upon the shippers that they should have to pay a freight of 3s. 3d. a case. When outside boats call freight is often quoted at 2s. 6d. a case.

Senator TURLEY.—Suppose that alternative tenders had been called, would the rates have been binding for the term of the contract?

Senator Dobson.

Senator DOBSON.—That would be as the tender set forth.

Senator TURLEY.—That is the question.

Senator DOBSON.—I admit that it might be a mistake for the Commonwealth to bind the shippers to pay 3s. a case for the carriage of apples, because they are now carried for 2s. 6d. a case, except on the mail-boats, which charge 3s. 3d. a case. A stipulation might just as easily have been put in the contract about the rates for cold storage, as about the ships themselves. If we had a right to demand that the company shall supply a new fleet in order to provide the accelerated and more advantageous service, surely we had an equal right to say that the freight should be reduced according to market rates. I believe that if the Postmaster-General had called for alternative tenders with regard to taking our produce home in cold chambers, at a rate not exceeding a certain sum, he would have got additional advantages for our producers. I have no particular liking for a mere postal contract, because it does not give to the public the benefits which they have a right to expect. To scores of places in the Commonwealth a chaise cart or a boy and a pony would be able to carry the mails, but the Department provides that the contractor shall supply a waggonette or a coach in order that the public, quite apart from postal advantages, may derive a benefit from the contract. I do not see why that principle should not have been applied in the case of this ocean mail contract. I believe that clause 6 of the articles of agreement is so momentous that it will never be acted upon. It appears to me to be perfectly certain that if the extended period for which the improved and accelerated service is to continue be left to arbitration, without imposing any limit, it will rest with the arbitrators to fix upon any period which they may think fit. It might be argued that, as ten years is the period mentioned in the contract, they could not give a second term of ten years, but I do not believe that the Court would interpret the clause in that way, because it is absolutely unlimited. It appears to me that if an accelerated and better service than the one being provided should be given in the sixth year of the contract, it would be at an enormous additional cost to the contractors, and, naturally, they would require an enormous additional consideration. I do not think that any arbitrators

would think it fair to require the contractors to recast the whole of their arrangements and to build new ships capable of travelling at an increased speed unless they did get an additional term of ten years, though I quite admit that it is a very important matter to the Commonwealth. One can see that, in ratifying this contract, we might be binding the Commonwealth for a period of sixteen years, and that Parliament would have nothing more to say about it until the expiration of that period. Suppose, for instance, that in the sixth year we were to ask the contractors to give us an accelerated and better class of steamers, I take it that the arbitrators would probably give them an additional term of ten years.

Senator GUTHRIE.—As they are building ships now on a chance of getting only a six-years' contract, would they not give us new boats if they got another term of six years?

Senator DOBSON.—No; I think it is fair to say that the contractors are proposing to build the boats now on a ten-years' contract. In my opinion, the chances are as fifty to one that clause 6 will never be put in force, and that the contractors will have only a ten-years' term. But if six years hence we should ask them to provide a service equal to the best in the world, it would be imposing great additional responsibilities upon them, and any arbitrators would give them a greatly increased subsidy and advantages. That is one of the amendments which I should like to see made in the terms of the contract. I think that paragraph c of clause 6 ought to be altered to read as follows:—

The extended period for which such improved and accelerated service shall continue for a term not exceeding—

The term could be fixed at ten or six years. Suppose, for instance, that the contractors had to give this better service in the sixth year of the contract, there would be four years of the term left.

Senator MILLEN.—If they had to build new ships the new contract could not start to run until, say, two years from that time.

Senator DOBSON.—I quite admit that the contractors should be allowed a reasonable time in which to get ready for rendering the better service. If they required two years' notice, then there would be eight years of the contract gone. No arbitrators would compel them to make that provision without giving them an extended term of

eight or ten years. There is nothing, however, to prevent the arbitrators from giving the contractors a term of fifteen years. After the amendment of Senator Stewart is disposed of, I should like to move an addition to paragraph c of clause 6.

Senator MILLEN.—If the honorable senator concludes his speech without moving an amendment, I do not know that he can move an amendment later on.

Senator DOBSON.—Is it competent for me, sir, to move an addition to the amendment of Senator Stewart?

The PRESIDENT.—Yes.

Senator DOBSON.—I move—

That the amendment be amended by the addition of the words "at Hobart during the season for shipping fruit to England and."

Senator PEARCE.—That is too indefinite.

Senator MULCAHY.—It would be better to say "during the months from January to April."

Senator DOBSON.—In Tasmania we never ship fruit in January.

Senator MULCAHY.—Never mind about that; let the boats go to Hobart in January.

Senator DOBSON.—Can I move another amendment, sir?

The PRESIDENT.—Only one amendment can be moved at a time.

Senator DOBSON.—Is it too late for the Senate to go into Committee to consider this motion?

The PRESIDENT.—It has already been discussed in the Senate, and we cannot go into Committee now.

Senator DOBSON.—I shall ask Senator Clemons to move another amendment.

Senator CLEMONS (Tasmania) [8.0].—I can quite understand any member of the Senate who has glanced at this contract coming to the conclusion that it is, practically speaking, too good to be true. I have spent some time listening to the criticisms upon it, and I have come to the conclusion that there is much of it that requires very careful attention. I am going to point out some serious flaws in it. I will deal first, as the question has been very much debated, with what is meant by "registered tonnage." On that point I should like to offer this criticism: That it is the first and foremost duty of the Government clearly to understand what is intended by a contract that it puts before Parliament. To me it does not much matter whether the gross tonnage of the vessels to be built by the contractors is to be 11,000 tons, or whether, as seems more likely, it is to be something approximating

to 15,500 tons. But the Government should come here with a distinct and clear understanding of what the words in the contract mean. They would be able to state explicitly and directly that 11,000 tons registered tonnage means so much in terms that can be understood by every honorable senator. I listened carefully to Senator Keating, and I gathered that he does not know what is meant. I have not heard him indicate what is meant. We have listened to many arguments as to what the words are intended to convey. But it ought not to be necessary for any single member of the Senate to have anything to say on this point, which ought to be expressed in language so clear that we could understand it at once, without having to debate what the real meaning of the agreement is. I am inclined—and I am sure many honorable senators are—to think that there are many things in this contract which are to be viewed with suspicion. Whether I am right or wrong, it appears to me that what the contractors have probably had in their minds is the possibility—and I defer to Senator Guthrie in saying this—of a registration in Australia which does not conform to the registration at Lloyds in England or under the Merchant Shipping Act.

Senator GUTHRIE. — There can be no registration in Australia that does not conform with the Merchant Shipping Act.

Senator CLEMONS.—I am inclined to think that there is some method of registration in Australia which differs from registration in England, and which would enable these contractors to indicate by 11,000 tons registered tonnage 11,000 tons gross.

Senator GUTHRIE.—There is no registration in any part of the British Dominions except under the Merchant Shipping Act.

Senator CLEMONS. — Possibly I am wrong; but we know that this company will have to pay heavy dues and charges on its boats coming through the Suez Canal on their registered tonnage. Our ports also impose charges and dues in respect of registered tonnage. Consequently, it is practically certain that the company will make the registered tonnage of its vessels as low as possible. I have also secured this information during the adjournment—that the registered tonnage of the *Mooltan*, one of the Peninsular and Oriental Steam Navigation Company's vessels—which is advertised as being 10,500 tons—is about 4,900 tons. That means that the Peninsular and Oriental Steam Navigation

Company pays dues and charges on 4,900 tons, whether in Australian waters or in the Suez Canal. If the contractors in this case are adopting the same system of registration as the Peninsular and Oriental Steam Navigation Company does, honorable senators will see at once what it means.

Senator TURLEY.—What other system of registration can they adopt?

Senator CLEMONS.—I have a grave suspicion that if the company adopts the same system of registration as the Peninsular and Oriental Steam Navigation Company adopts—taking the *Mooltan* as a sample—its boats will be nearly 22,000 tons gross. I do not imagine that these contractors are less astute than are the managers of the Peninsular and Oriental Steam Navigation Company, and if that company can run a boat of 10,500 tons, and pay dues only on 4,900 tons registered tonnage, I think we may take it for granted that these contractors will do the same. If that be the case, the vessels are going to be of a gross tonnage of about 22,000 tons. I think I am justified, therefore, in suspecting something behind this description of 11,000 tons registered tonnage. I venture to think that we are all entitled to have suspicions about it. Coming to the contract itself, I do not think that clause 5 has been touched upon. It deals with the possibility of attaining increased speed by the payment of a further sum of £25,000 per annum. We have here—there is nothing in the contract to indicate it clearly, but I think it is apparent—the possibility that these boats may be turbine steamers. I wish to point out that the Government may have been caught napping with regard to this clause, if the vessels are to be turbine steamers. It is almost a matter of common knowledge that the economical rate of speed of turbine boats is very much higher than the economical rate of speed of steam-ships driven by any other method. I do not mean to say that this observation applies actually to the boats referred to in this contract. But let me give an instance. We have running in Australian waters the *Loongana*. The economical rate of speed of that boat is 16.6 knots per hour, which means that, if the *Loongana* is to be run at a payable rate to her owners, she must run at 16.6 knots per hour. The distance from Adelaide to Brindisi is, I have ascertained, 8,815 miles and the rate at which these boats are to run—allowing eighteen hours for stoppages — averages

a little over 14 miles an hour. I can conceive it to be quite possible, if they were turbine boats, that it would be just as cheap for the company to run them at the additional rate of speed provided for in clause 5, as it would be to run them at a lower rate.

Senator PEARCE.—The additional rate is only to be run when the Postmaster-General requires it.

Senator CLEMONS.—The company may say, "We are going to run these boats at a payable speed, and we ask you to give us so much more money for doing so," whereas the fact may be that the additional increased rate will involve no more cost. In other words, the Commonwealth will be paying £25,000 for nothing.

Senator GUTHRIE.—Any increase in speed will mean extra cost.

Senator CLEMONS.—If the boats are to be built with an economical rate of speed of 15½ knots per hour, it will be absurd to pay the company £25,000 more for running them at that economical rate. I have worked out the rate of speed at which they will have to run to reduce the journey to 612 hours, as provided in clause 5. The average will be under 15 miles an hour. I am allowing for all the stoppages.

Senator GUTHRIE.—They will not run at 15 miles an hour through the Suez Canal.

Senator CLEMONS.—I have made due allowance for that. The point may not be very important, but it is worth while to mention it.

Senator MULCAHY.—Is the honorable senator taking the *Loongana* as typical of all turbine boats?

Senator CLEMONS.—No; but the salient feature of all turbine boats is that they can run at a higher rate of speed than their economical rate. The turbine is only suitable when a high rate of speed is desired. That is the essence of it. Now I come to clause 6; and here I wish to give notice of an amendment that I think ought to be moved. My first criticism is that I am unable to ascertain for what reason the Government has hit upon the sixth year of the fixed period of ten years. For ascertaining whether there is a better line in competition with the mail steamers affected by this contract. Senator Keating gave no explanation, and on the face of it, one may well wonder why the sixth year has been chosen. Why not the fifth or the seventh? I see no reason to limit it to the

sixth. I see no reason, if we are going to get a better service, and if it is desirable that we should get a better service, why we should limit ourselves to a period, when the fifth year of the contract has gone by. This is one of those arbitrary selections which have to be made, but which nothing in particular can justify.

Senator KEATING.—I presume that the sixth year was chosen because then half the contract period will have elapsed.

Senator CLEMONS.—Possibly it has been chosen because it represents one-half of the contract period. Expressing purely my own opinion as to the construction of clause 6, I have not the slightest doubt whatever that the extended period referred to in paragraph c means a period beyond and over the fixed term of ten years. I have been informed that the Attorney-General in another place said distinctly, clearly, without any reservation whatever, that that extended period would not go beyond the original fixed term of ten years. But I have heard that Senator Keating now admits that it does. I have no doubt whatever that on a strict construction, this extended period could mean nothing, but some period of time over and above the fixed term of ten years. Unless we put that interpretation upon the clause, I fail to see how we could interpret the extended period, and what meaning we could possibly give to paragraph c.

Senator FRASER.—Is there any limit to the extended time?

Senator CLEMONS.—There is absolutely no limit. The question we have to consider is whether there ought to be an extended period over and above the ten years, or whether it is desirable that the period of the contract should be strictly limited to the ten years. As the clause reads, there is power to give the contractors a further period of ten years, or if you like, twenty years. That power is placed entirely in the hands of the Postmaster-General, acting on behalf of the Executive. The introduction of the power to arbitrate clearly indicates that it is to be placed altogether outside the province of this Parliament to say for what, if any, period the contract shall be extended. I do not think that it is the desire of this Senate that the contract shall be extended under any circumstances beyond the ten years, without the ratification and authority of Parliament. If that be so, and assuming that that is the intention of the Senate

—and I hope the intention of the Government—I propose to move an amendment to paragraph c.

The PRESIDENT.—The honorable senator cannot move any amendment while there are two amendments before the Chair.

Senator CLEMONS.—Does that mean that there is a limit?

The PRESIDENT.—An amendment has already been moved. The Standing Orders provide that there shall be only one amendment at a time before the Senate. There is an amendment on the amendment that has been moved. The original question is, therefore, for the time superseded, and the question under discussion is the amendment on the amendment.

Senator CLEMONS.—I know that there has been a ruling that there can only be one amendment at a time before the Chair.

The PRESIDENT.—That is fundamental. Taking the amendment for the time being to be the original question before the Senate, I shall put the question—“That the words proposed to be added be added.” After that is disposed of, any honorable senator who has not spoken may move another amendment.

Senator FRASER.—Cannot an honorable senator who has spoken move an amendment?

The PRESIDENT.—He cannot. We cannot have half-a-dozen amendments before the Senate at once.

Senator CLEMONS.—Perhaps, Mr. President, you would indicate to me the manner in which I may move an amendment?

The PRESIDENT.—I do not think the honorable senator can at present move an amendment.

Senator CLEMONS.—I do not mean at present; but when the other amendments are disposed of. Will it be competent for me then to submit another?

The PRESIDENT.—I do not think so. The Standing Orders provide that an amendment may be moved by an honorable senator, and that in moving that amendment, he may speak to the original question and to the amendment. When the amendment so moved has been disposed of, other honorable senators, who have not spoken, may move other amendments; but honorable senators who have spoken cannot move further amendments. Otherwise there would be no end; an honorable sena-

tor might speak, and afterwards continue moving amendments, and thus the discussion would never terminate. If Senator Clemons wished to move a further amendment after the amendment before us had been disposed of, he need not have spoken, but could have submitted his amendment by-and-by.

Senator O'KEEFE.—We ought to be in Committee.

The PRESIDENT.—We cannot go into Committee now, and those honorable senators who make the suggestion speak without knowledge of the Standing Orders. I admit that on one occasion a discussion was initiated in the Senate and finished in Committee. If that was a good practice, it would apply to every motion. Any motion might be half discussed in the Senate and then be taken into Committee. That is contrary to our Standing Orders; and if we initiate a discussion in the Senate we can not, in the middle of such discussion, go into Committee. I can see no reason why we should go into Committee on this motion. I quite admit that a great many amendments may be moved, and the motion may be discussed at great length, but I see no reason whatever to depart from the fundamental Standing Orders of the Senate in this connexion.

Senator CLEMONS.—While I do not in any way dispute your ruling, Mr. President, I should like to point out the position in which we find ourselves, for your ruling does not apply to me only. Because one or two honorable senators, who have already spoken to the motion, happen to have moved amendments, the limit apparently has been reached. I understand that our Standing Orders provide that there can be only one amendment on an amendment.

The PRESIDENT.—I do not say that.

Senator CLEMONS.—I thought that was how you had ruled.

The PRESIDENT.—I said that we could only have one amendment at a time before the Senate.

Senator CLEMONS.—Do I gather that if any honorable senator who has spoken wishes to move an amendment, he must wait until the two previous amendments have been disposed of.

The PRESIDENT.—If he has spoken to his original question, or to the original question, and an amendment, he can not afterwards move another amendment.

Senator CLEMONS.—That being your ruling, Mr. President, I suggest the desirability of postponing the discussion in order to consider some means of going into Committee. The proper consideration of the motion must necessarily be seriously hampered if we deal with amendments in the Senate only. Unless we go into Committee there will obviously be a restriction on the power of honorable senators to improve the contract as they think fit. I suggest to Senator Keating that he should consent to an adjournment of the debate, in order, as I say, that you, sir, may consider some means of permitting us to go into Committee. So far as I am concerned, I am willing to refrain from making any further remarks, and to regard myself as being cut off from submitting amendments which I think desirable. I may indicate, however, how, in my opinion, paragraph c ought to be amended. I should like honorable senators to understand that I make these suggestions on the assumption that they do not approve of an extended term being granted by the Executive, that is to say, by the Postmaster-General, as expressed in the clause. What I should like to move is that paragraph c should be amended to read as follows:—

The time within the fixed period for which such improved and accelerated service shall continue.

That would be a clear statement that any alteration of the service should be an alteration of the original fixed period of ten years.

Senator TURLEY.—We have an amendment on clause 2 before us.

Senator CLEMONS.—I am only indicating the amendment I should have liked to move in order to meet the question raised in clause 6.

Senator DOBSON.—Would such an amendment be fair to the contractors?

Senator CLEMONS.—Certainly. The position would be that if the contractors wanted to give an accelerated service they could do so at any time after six years, but they could not do so for a longer time than the ten years originally fixed without the sanction of Parliament. Whether honorable senators approve of such an amendment or not is for them to decide; but, as I say, I submit it on the assumption that we do not desire to extend the period for more than ten years without giving Parliament an opportunity to go into the question. That exhausts my criticism of clause

6; and I think I have already expressed my opinion as to clause 11, which deals with the registered tonnage. But I may indicate an amendment which, if we were in Committee, I should certainly submit in order to make that clause clearer. I should like to insert words providing that the ships to be employed in pursuance of this agreement "shall for the purposes of payment of dues and charges be of a registered tonnage of 11,000 tons." If we had such a provision we should know exactly what we are doing; but, again, I am debarred from submitting an amendment in that direction.

Senator DOBSON.—Is the honorable senator not content with a gross tonnage of 11,000 tons, and a net tonnage of 6,000 or 7,000 tons?

Senator CLEMONS.—The honorable senator misunderstands me. I am not quarrelling with the provision of 11,000 tons, but with the uncertainty on the part of the Government as to what their own contract means. I object to vote for an agreement the terms of which I do not understand. There has been much debate as to what "registered tonnage" means, and I venture to say that many honorable senators do not understand its meaning. If, however, we insert words to the effect I have suggested, the point will be made clear. If the contractors contended that such a tonnage was too much, they would be exposed as practically endeavouring to induce us to believe that the vessels to be employed would be of 20,000 tons. We certainly ought to have an opportunity to debate this matter in Committee. If it is worth discussing at all, the agreement is worth an honest attempt to improve it. There is another debatable clause, which has so far escaped much criticism, and to which I shall not devote much time. I entirely object to, dissent from, and dislike clause 36 of the general conditions of tender. As honorable senators will notice, that clause is not like a similar clause in the contract made by the Imperial authorities with the Peninsular and Oriental Steam Navigation Company, or in the contract with the Orient and Pacific Steam Navigation Company. If the power given were to purchase the vessels for defence purposes in time of emergency and stress I should have no objection. Whether I have to vote for the contract or not, I desire to say that

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I disagree with this clause. I object to the Postmaster-General having the right at any time to purchase the boats at a valuation, and also to his having the right at any time to charter them. This, again, is a power given to the Executive Government, without any provision for consideration by Parliament. I admit there is probably a safeguard in the fact that a sum for the purpose would have to appear on the Estimates; but I object to the principle.

Senator STANFORTH SMITH.—If the Postmaster-General agreed to purchase the boats, and Parliament did not vote the money, would the company have an action against the Government?

Senator CLEMONS.—I do not think so. I do not think there would be any chance of an action being brought because the Postmaster-General desired to purchase, and Parliament objected to the purchase, of the boats.

Senator WALKER.—Why not insert the words "subject to the sanction of Parliament"?

Senator CLEMONS.—I do not want to qualify the clause, which is obviously safeguarded, seeing that the Postmaster-General could not purchase the vessels without a sum appearing on the Estimates.

Senator MULCAHY. — Why should the Postmaster-General not have the option, if there was any advantage in securing the boats?

Senator CLEMONS.—If the honorable senator wants my reason, I say quite openly it is that I object to the Commonwealth owning these steamers. I do not want to in any way disguise my views; and I am entirely adverse to any proposal that the Commonwealth should own these boats.

Senator MULCAHY.—So am I.

Senator CLEMONS.—I do not propose to offer any further criticism of this contract. Reluctant as I am to oppose the agreement, I shall have to do so, unless some at least of the alterations I have indicated are made. I cannot consent, for instance, to agree to a contract the terms of which I have to pretend I understand, or on the terms of which I have to place my own interpretation, which may possibly differ from the Minister's interpretation. I decline to agree to even a resolution the terms of which the Ministers themselves openly admit they do not understand. Such a position would be derogatory to the dignity of this or

any other Chamber. In this connexion let me indicate what previously happened in the case of the proposed contract with the Eastern Extension Telegraph Company. Honorable senators, I have no doubt, remember that in that proposed contract there was a clause which induced some of us to believe—I merely quote this by way of illustration—that if the contract were agreed to, certain old contracts with the various States Governments would thereupon be annulled, and have no force or effect.

Senator PLAYFORD. — After a certain period.

Senator CLEMONS.—It was pointed out in the Senate that considerable doubt was created by the words of the agreement, as to whether those old contracts would be rendered null and void by the adoption of the new agreement. It was asserted that the Attorney-General, Mr. Isaacs, had stated that the operation of the words would be sufficient—that the old contracts would go. But the Senate, I think very wisely, decided to make the provision clear, and inserted words by which it was specifically stated, without equivocation or doubt, that if the agreement were ratified, the old contracts should expire, and have no further force or effect. We know the sequel. Whether for that reason or some other—

Senator KEATING. — There was another very important amendment as to the termination of the agreement itself.

Senator CLEMONS.—There was; but with deference to Senator Keating, I did subsequently attach very great importance to the fact that the Eastern Extension Telegraph Company refused to ratify that agreement. Rightly or wrongly, I thought their refusal was largely due to the fact that we had provided, in explicit terms, that the old contracts should be of no force if we adopted the new contract. The Eastern Extension Telegraph Company presented a clause which was vague and misleading, and we made it clear. That illustration applies with considerable force to the present agreement; and I urge honorable senators not to support too hastily an agreement which has much to recommend it, but to make certain that we clearly understand what the contract is we are allowing the Government to enter into.

The PRESIDENT.—With reference to the suggestion which has been made more than once as to the advisability of continuing the discussion of this matter in Committee, I should like to say that it is, of course, my duty, as far as possible, to

so rule as to permit the fullest and freest discussion of all matters submitted to the Senate. In the circumstances, I suggest that if it is considered by the Senate that it is advisable to discuss this matter in Committee, the present debate should be adjourned, and, before the time fixed for its resumption has arrived, a motion might be made, after notice, that the motion be referred to the Committee of the whole Senate. If that is done, the amendments of the motion now before the Senate will disappear, because they will not have been moved in the Committee, and the whole question will be considered afresh. If it is the wish of the Senate that that should be done, it can be done in accordance with our Standing Orders, but it will be necessary to get rid of the debate in the Senate first of all. If the debate is adjourned, the Minister in charge of the matter, or some other honorable senator, can give notice of a motion that the matter should be discussed in the Committee of the Whole.

Motion (by Senator GUTHRIE) proposed—
That the debate be now adjourned.

Senator KEATING (Tasmania—Honorary Minister) [8.32].—Before the question is put, I should like to point out to honorable senators the importance that attaches to the motion for the ratification of this contract. Notice was given on the last day of sitting that it would come up for consideration as the first matter to be dealt with this afternoon.

The PRESIDENT.—I do not think that the honorable senator is entitled to speak to the motion for the adjournment of the debate.

Senator KEATING.—By leave of the Senate, I should like to state that it is important that this matter should be dealt with at the earliest possible moment. For that reason it has been put in the forefront of the Government business on the notice-paper. I ask honorable senators to take this circumstance into consideration in connexion with the proposal for the adjournment of the debate.

Motion agreed to; debate adjourned.

The PRESIDENT.—Do I understand that Senator Keating accepts the suggestion that the discussion of the matter should be referred to the Committee of the Whole?

Senator KEATING.—I am not prepared to move that.

Senator CLEMONS (Tasmania) [8.34].—I ask the leave of the Senate to give notice of a motion that the Senate go into Committee to consider the proposed contract for a mail service to Europe.

Leave granted; notice given.

EMINENT DOMAIN BILL.

In Committee.—(Consideration resumed from 27th July, *vide* page 1965):

Clauses 30 and 31 agreed to.

Clause 32 (Compensation for entry on and occupation of land).

Senator MILLEN (New South Wales) [8.36].—I am a little doubtful as to whether, when we were considering sub-clause 3 of clause 25, some understanding was not arrived at with regard to this clause, and also as to whether sub-clause 3 of clause 25 was amended.

The CHAIRMAN.—Sub-clause 3 of clause 25 was not amended.

Senator MILLEN.—In view of the discussion which took place on clause 25, I ask the Minister whether he considers that clause 32 covers both Parts III. and IV. of the Bill?

Senator KEATING (Tasmania—Honorary Minister) [8.37].—We referred by way of anticipation to this clause when dealing with sub-clause 3 of clause 25. I then pointed out that this clause came within the division of the Bill headed "Compensation," which in itself is complete. Honorable senators are aware that under the Acts Interpretation Act the headings of divisions and sub-divisions form part of a Bill. It is for that reason that this clause 32, with all its particularity as indicated in paragraphs *a* and *b* of sub-clause 2, finds its place here rather than in Part III. of the Bill, although it refers to damage in every case where the owner or occupier is affected by acts done under the powers conferred by Part III. Sub-clause 2 specifically deals with cases where owners are damaged by reason, not of the acquisition of particular land, but of the temporary occupation of land in connexion with the acquisition of adjoining land. The clause applies wholly to the powers under Part III. of the Bill, and with special force to any damage which may be occasioned by the exercise of powers given under clauses 23 and 24. I think that it covers, so far as Part III. is concerned, all that is required, and, so far

as clauses 23 and 24 are concerned, all possible cases of damage that might arise under them.

Clause agreed to.

Clause 33 agreed to.

Clause 34 (Time for making claim for compensation).

Senator MILLEN (New South Wales) [8.40].—There is a slight alteration in this clause as compared with the existing Act. The Minister is substituted for a Justice of the High Court. Senator Keating can probably offer some reason for the alteration.

Senator KEATING (Tasmania—Honorary Minister) [8.41].—I think I indicated the reason for the alteration in moving the second reading of the Bill. In actual practice it has been found that in some instances claims for compensation have not been furnished within the time prescribed by the existing Act, and, owing to the hard-and-fast rule applied, it is now necessary for a claimant desiring an extension of time in a meritorious case to go to the High Court, and incur the costs and delay involved in making his application. The alteration referred to in this clause is to enable a claimant to secure assent to an application for an extension of time, without any necessity for recourse to that tribunal at all.

Senator MILLEN (New South Wales) [8.43].—The explanation given by Senator Keating is satisfactory from one point of view, but it is possible that, acting quite in a *bona fide* manner, the Minister might think the excuse offered by a claimant for not having lodged his claim in time insufficient to justify him in acceding to an application for an extension of the time. As the Minister would to some extent be a party in the case, I am not entirely convinced that the alteration is an improvement.

Senator KEATING (Tasmania—Honorary Minister) [8.44].—Might I point out to the honorable senator that the only thing that would follow in the case he supposes would be that the Minister would have to go through the procedure provided for in clause 40, as if no claim were made. It would cause him additional trouble if he refused the application for an extension of time, whilst the claimant's rights would still be conserved.

Senator MILLEN.—I see that that is so.

Clause agreed to.

Clauses 35 to 39 agreed to.

Clause 40—

1. Where any land has been acquired by compulsory process, and no claim for compensation has been made within six months after the right to make the claim arose, and no application to the Minister for further time to make a claim has been granted or is pending, or if, such an application having been granted, no claim has been made within the time limited by the Minister, the Minister may apply to a Court to determine the amount of compensation payable.

Senator MILLEN (New South Wales) [8.46].—When Senator Keating drew my attention to this clause as bearing upon clause 34, I assented to his statement that in the event of any claim being lodged within the time, the Minister would have to go through the procedure set out in clause 40, which provides that action cannot be taken when no claim has been lodged. It hardly seems to fit the case which we were discussing on clause 34.

Senator KEATING.—It applies to a case where no extension of application has been granted. That would be a case where an application for extension had been made, but refused.

Senator MILLEN.—If the Minister is clear on that point, I am quite satisfied to take his assurance.

Senator KEATING.—Otherwise, what could the Minister do? The man would have a claim for compensation, and, therefore, he would be in the position of a party who had not furnished his claim.

Senator MILLEN.—Suppose that it was a case in which a man had an interest in the land.

Senator KEATING.—He would have a claim for compensation, because every interest in the land, as soon as it is acquired, is converted by the measure into a claim for compensation.

Senator MILLEN.—The person might think that he had an interest in the land, but the Minister might think otherwise, and as the application had been lodged out of time, he might not be granted the extended time to which, under other conditions, he would be entitled.

Senator KEATING.—I do not think that there is any doubt. If a man has any title to compensation, it is preserved.

Senator MILLEN.—I shall accept the Minister's assurance on that point, because I am satisfied that he, like myself, does not wish to shut out any one.

Senator KEATING.—I am perfectly certain that the clause will cover a case of that kind.

Clause agreed to.

Clause 41—

Compensation shall bear interest at the rate of three per centum per annum from the date of the acquisition of the land, or the time when the right to compensation arose, until payment thereof is made to the claimant or until the amount thereof has been deposited in the Treasury.

Provided that, where the compensation awarded in an action for compensation, or determined in a judicial proceeding, is not more than the amount offered by the Minister in satisfaction of the claim for compensation, the compensation shall only bear interest to the date when the offer of the Minister is communicated to the claimant.

Senator MILLEN (New South Wales) [8.48].—I wish to draw attention to the fact that this clause makes an alteration in the existing law which is, I think, of some importance. In section 20 of the existing Act it is provided that in all cases where compensation is awarded, or costs are adjudged to be paid, the money shall be paid by the Commonwealth within one month from the determination. In this clause, however, there is no stipulation as to any period within which compensation shall be paid. The rate of interest to be allowed on the sum which has been awarded, or which is payable to the individual is limited to 3 per cent. That can hardly be called an adequate recompense for keeping a man out of his money. If the percentage were that which is ordinarily allowed in law courts, namely, 5 per cent., perhaps the proposed alteration of the existing law would not be of so much importance. But, seeing that we are asked to limit the rate to 3 per cent., which I admit is the same as the rate prescribed in the existing Act, I think that in the clause we ought to set out the period within which the Commonwealth shall pay the money. Bearing in mind that the interest allowed for neglecting to make prompt payment is so miserably inadequate, I ask the Minister if he will agree to the re-insertion of the provision making the amount payable within one month from the date of the determination?

Senator TRENWITH — Could not the period be extended to, say, three months, without doing injury to any one?

Senator MILLEN.—The honorable senator, of course, gauges my object, which is to have a reasonable limit fixed. I am not wedded to one month any more than to six weeks. It seems to be that where all the formalities have been complied with, and,

by the Court or some other machinery, a determination has been arrived at, a month from the date of the determination is a sufficiently reasonable period within which to ask the Commonwealth to make payment. It may be that the acquisition of the land has taken place many months previously, but the interest payable on the amount of the compensation is only to run from the date of the determination. I ask the Minister if he has any objection to insert sub-section 1 of section 20 of the existing Act, or any amendment which would achieve that end. That sub-section reads as follows:—

In all cases where compensation is awarded or costs are adjudged to be paid by the Commonwealth, the amount thereof shall be paid to the party entitled thereto, or to his agent duly authorized in that behalf, within one month after such amount has been determined.

Senator KEATING (Tasmania—Honorary Minister) [8.52].—I do not know that there is any particular reason why the provision in the existing Act should not find a place in this Bill. I would suggest to my honorable friend that possibly it would be better, if he desires a similar provision to be inserted, to have it inserted, not as an addendum to this clause, but as a new clause, either to precede or to follow clause 41. If he is prepared to follow that course, I shall offer no objection at the recommittal stage of the Bill to an opportunity being afforded for the consideration of a new clause to that effect.

Senator MILLEN.—But is it necessary to wait for the recommittal stage to be reached if it is to be inserted in the first part of clause 41 as it stands?

Senator KEATING.—With regard to the policy of the clause, I am not in a position at the present time to offer any information to the Committee. There may or may not be some information which would influence the judgment of honorable senators in deciding whether or not to reinstate the provision in the existing law. It is for that reason that I ask my honorable friend to abstain from pressing the matter now, and to take the course I have suggested.

Senator DOBSON (Tasmania) [8.53].—I thought that Senator Millen was going to call attention to the fact that 3 per cent. is a very low rate of interest for the Commonwealth to give. I ask the Minister whether he thinks it is fair to give only that rate? I find that in paragraph b of clause 42 $3\frac{1}{2}$ per cent. is mentioned as the basis of

the actuarial calculation to be made thereunder, and as no State can now borrow at less than that rate, it is rather unfair to the land-owner to make him take 3 per cent. Whether it is to be 3 per cent. or not, it should run from the date of the acquisition of the land, because the first thing that the Government do is to enter thereon. In Tasmania, for instance, some land was taken just below Hobart for the purpose of a fort. The land-owner came to me to complain that very nearly twelve months before that time the Commonwealth, by surveyors and others, had entered upon his land, and that he had heard no more about the matter. For nearly a year he was in a state of anxiety and uncertainty as to whether he was going to be the owner of the land or not.

Senator TRENWITH.—That would not hurt him much.

Senator KEATING.—I think that, as a rule, the land-owners get very liberal compensation.

Senator DOBSON.—That all depends upon the arbitrator. I do not think that the Commonwealth should enter upon a man's land to-day, and acquire it twelve months afterwards, thereby preventing him from cultivating it or, perhaps, raising a feeling of uncertainty in his mind as to his position. I am inclined to think that, from the day of entry, the Commonwealth ought to pay compensation. The Minister knows that, generally, a purchaser has to pay interest on his purchase.

Senator TRENWITH.—Suppose the Commonwealth did enter upon the land, and prevent the owner from putting in a crop. Would not that appear as a claim for compensation?

Senator DOBSON.—It would all depend upon the circumstances of the case.

Senator KEATING (Tasmania—Honorary Minister) [8.56].—If the proposal of Senator Dobson be given effect to, I think it would open the door to quite a large number of claims, many of which would probably not be at all reasonable.

Senator DOBSON.—But an amendment would open the door to make the Commonwealth act promptly.

Senator KEATING.—In what way?

Senator DOBSON.—If, after going upon a man's land, the Commonwealth do not want it, it should give him notice to that effect.

Senator KEATING.—Quite so; but my honorable friend will observe that the Bill already provides that the person shall be compensated, not only for the land actually acquired from him, but for any damage which may be occasioned to him by virtue of the exercise of any of the powers conferred by Part III. If, therefore, the officers of the Commonwealth enter upon any land for the purpose of viewing it and considering whether it is desirable to acquire that particular piece or any adjoining land for a public purpose, and if, by reason of their entry, which possibly may precede by a lengthy period the actual acquisition of the land, the owner is in any way endangered, he will recover compensation for the land. This, however, is a provision as to the rate of interest. We have decided that in cases where the land is actually acquired the compensation shall bear interest as from the date of its acquisition or from the time when the right to compensation arose. If it be a question of entering upon the land for the purpose of viewing it the right to compensation will arise from the time of incurring the actual damage. So that there is no necessity to specify that in every instance it shall arise from the entry upon the land. The actual damage occasioned by the entry will ground a claim to compensation, altogether apart from the compensation for any land which might be acquired, and the interest on that portion of the compensation would run from the date when the right thereto arose. I think that my honorable friend will see that it is far better to leave the provision as it is. If the person whose case he cited did suffer any damage his right to compensation would arise at the time when it was suffered, and the interest would run from that date as regards that portion of his claim.

Senator DOBSON.—What about providing for $3\frac{1}{2}$ per cent. interest in clause 41 and only 3 per cent. interest in this clause?

Senator KEATING.—That is entirely a matter for Parliament to determine. Three per cent. is, I think, a very reasonable rate. It is the rate at present being paid in respect of compensation that may become payable to claimants under the existing Act.

Senator MILLEN.—Does the Minister know any money which is available outside that Act at 3 per cent. to private people?

Senator KEATING.—Possibly not.

Senator DOBSON.—No State can borrow money now at 3 per cent.

Senator KEATING.—I do not know that that is a very solid reason to advance for fixing permanently and definitely $3\frac{1}{2}$ or 4 per cent. as the interest payable on amounts to be paid for compensation. As a matter of fact, the object of this Bill is to enable the Department to get rid of these claims as quickly as possible. In all the circumstances I think that 3 per cent. is a very fair amount to pay.

Senator MILLEN.—Suppose that the Minister was acting for a client in a case where a claim to interest was involved, what would he put in as a fair rate of interest—3 per cent.?

Senator KEATING.—That would depend entirely upon the nature of the claim and the amount involved.

Senator DOBSON.—I think that the Government should allow interest at the rate at which they could borrow.

Senator KEATING.—That is entirely a matter for the determination of Parliament.

Senator MILLEN (New South Wales) [8.59].—With regard to fixing a time limit, I am quite content to adopt the Minister's suggestion to allow the matter to stand over until the recommittal stage is reached. But as he has already undertaken to get certain amendments drafted in respect of clauses which he has agreed to recommit, I would ask him if he will get the draftsman to draft an amendment to carry out my suggestion. I am entirely with Senator Dobson with regard to the rate of interest. It is an anomaly to say that we will resume the lands of a State and pay it $3\frac{1}{2}$ per cent. interest on its money from the time when payment is due, whilst, when we resume the property of an individual, we will allow him only 3 per cent. The rates of interest should be uniform. In cases which come before the Courts, I have never heard any one object to 5 per cent. being allowed in commercial transactions. The whole of a private individual's capital may be involved. The Commonwealth Government looks it up and pays him only 3 per cent. upon it. It seems to me that if the Commonwealth Government, for the purposes of a post-office, takes a portion of a man's land, and perhaps a little shop which he has upon it, representing his sole wealth, it should at least treat him as liberally as it treats a State. It is not even logical to

allow 3 per cent. to an individual and $3\frac{1}{2}$ per cent. to a State. I move—

That after the word "three," line 2, the words "and one half," be inserted.

Senator PEARCE (Western Australia) [9.4].—I hope that the Minister will not accept the amendment. There is a good reason why a distinction should be made between an individual and a State. If the individual were to sell his land, it is not probable that he would get an immediate investment. He would probably put his money in the bank. If he deposited it on current account he would get no interest. If he put it in the Savings Bank, he would get only 3 per cent.

Senator MILLEN.—In the Savings Bank in New South Wales interest up to 4 per cent. is paid on amounts up to £200.

Senator PEARCE.—In Victoria, where the largest Savings Bank business is done, the interest allowed is not more than 3 per cent. The Government is not likely to hold the money of an individual when it has to pay 3 per cent. interest on it. The Commonwealth Government is not in the same position as a State Government, which runs payable enterprises like railways. The Commonwealth Government runs unpayable enterprises, and, until such time as we have a Commonwealth Bank, it would be unprofitable for the Government to retain a man's money and pay 3 per cent. interest on it. If there were a high rate of interest, it would be an inducement to the individual to leave his money with the Government until he could find a better investment.

Senator MILLEN.—That is not so, because, under clause 45, as soon as the money is taken to the Treasury, interest on it ceases.

Senator PEARCE.—Even if that be so, it does not justify a higher percentage than 3 per cent., which is sufficient to induce the Government to pay the money into the Treasury as soon as possible. As to the payment of $3\frac{1}{2}$ per cent. interest to the States, it has to be remembered that the States are, on an average, paying more than $3\frac{1}{2}$ per cent. on the properties transferred.

Senator TRENWITH.—On an average, they pay over 4 per cent.

Senator MILLEN.—We in New South Wales pay on our railways approximately $3\frac{1}{2}$ per cent.

Senator PEARCE.—Even in Western Australia the average rate is 3.57.

Senator TRENWITH (Victoria) [9.10].—There is a great deal in the argument of

Senator Millen that there appears to be an inequality in our dealing with an individual and with the States. But one of the objects of this Bill is to facilitate prompt payment, and to induce prompt acceptance of payment. A low rate of interest would be one means of facilitating prompt acceptance of payment. I look upon it as extremely undesirable that when money is made available, it should be left in the hands of the Commonwealth officers. It would be useless for investment purposes. If the Commonwealth must have the money available at any time when the claimant likes to come for it, it is not of any advantage to the Government to retain it. Very little injury can accrue to the person to whom the money is due. I am inclined to favour a low rate of interest, for the reason that the Commonwealth Government cannot have any use for the money. It will be an encumbrance rather than an advantage to retain it in the possession of the Government, when the person to whom it is due can claim it at any moment.

Question—That the words proposed to be inserted be inserted—put. The Committee divided.

Ayes	...	...	...	9
Noes	...	...	...	14
Majority				5

AYES.

Clemons, J. S.
Dobson, H.
Macfarlane, J.
Mulcahy, E.
Neild, J. C.

Pulsford, E.
Smith, M. S. C.
Walker, J. T.
Teller:
Millen, E. D.

NOES.

Best, R. W.
Croft, J. W.
Drake, J. G.
Findley, E.
Guthrie, R. S.
Higgs, W. G.
Keating, J. H.
McGregor, G.

O'Keefe, D. J.
Playford, T.
Stewart, J. C.
Styles, J.
Trenwith, W. A.
Teller:
Pearce, G. F.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 42—

The compensation payable to a State in respect of any land acquired under this Act may . . . be paid . . .

(b) by the Commonwealth becoming responsible to the State for its liability for principal and interest in respect of such a part of the public debt of the State as is the actuarial equivalent of a three and one-half per cent. loan of the same currency and of the amount of the compensation.

Senator Trenwith.

Senator MILLEN (New South Wales) [9.17].—As the Committee has decided that 3 per cent. is a fair amount of interest to pay when the Government has impounded money belonging to the individual, I now propose—

Senator KEATING.—The Government does not impound the money.

Senator MILLEN. — It refrains from paying it. When the Government withholds money due to an individual, it has been decided by the Senate that 3 per cent. is sufficient interest to allow. For the sake of uniformity, for which the Senate always contends, I move—

That the words "and one-half," line 0, be left out.

Senator KEATING (Tasmania — Honorary Minister) [9.19].—Most of the properties that will be acquired by the Commonwealth from the States, or that have been acquired, have been paid for by the States out of loans which are of different denomination, but which, it is estimated, average in interest about $3\frac{1}{2}$ per cent. Of course, in the case of the individual, if we said that the moment his compensation was determined it had to bear $3\frac{1}{2}$ per cent. interest we should undoubtedly offer to him an inducement to treat the Commonwealth as a banker to some extent.

Senator MILLEN.—He might be paying 5 per cent. to his own banker.

Senator KEATING.—But, in many instances, the individual would find it advantageous to leave the money with the Commonwealth at $3\frac{1}{2}$ per cent.

Senator DOBSON.—Not in one case in a dozen.

Senator KEATING.—In many cases that would be found to be so. What we desire is to expedite the lifting of the compensation.

Senator DOBSON.—And, therefore, it is proposed to pay an unfair rate of interest?

Senator KEATING.—Not at all; it is a very reasonable rate of interest. As I say, the average rate of interest paid in connexion with properties likely to be transferred, or which have already been transferred, is something like 3.5 or 3.6 per cent.

Senator DOBSON.—It is about 3.70 or 3.80 per cent.

Senator KEATING.—For the reason I have stated, it has been decided that the compensation to the States should be at the rate of $3\frac{1}{2}$ per cent.; that is the present law which the Bill does not propose to alter.

Amendment negatived.

Clause agreed to.

Clause 43 agreed to.

Clause 44 (Deposit of compensation in the Treasury).

Senator DOBSON (Tasmania) [9.20].—This clause seems to provide a back-handed way of arranging the matter. I do not think there is any necessity for clause 45, which provides for the investment of compensation deposited in the Treasury. Why cannot we, in the clause before us, provide that the Minister may deposit the money in the Treasury, the sum so deposited to bear interest at 3 per cent.? It appears to me that when money is kept in the Treasury, and an owner cannot be found for it, interest ought to be paid. I advise the Minister to simply provide, at the end of this clause, that interest shall be paid, and to strike out clause 45.

Senator KEATING (Tasmania—Honorary Minister) [9.21].—I think the arrangement of the provisions in the Bill is the better one. The clause under discussion provides when and under what circumstances the Minister may deposit the money in the Treasury, and, further, that he shall, at the same time, deposit a memorandum setting out the material facts relating to the matter. It would not be sufficient to make the amendment suggested by Senator Dobson. In clause 45 we propose to provide expressly that the Minister may, at the risk of the person, invest the compensation in the Government securities of either the Commonwealth or the States. These securities might bear interest either above or below 3 per cent.; and the interest that would accrue to the owner would be the actual interest earned by the investment. I think that is a more reasonable provision than to fix the interest at 3 per cent.

Senator DOBSON.—What inducement is there for the Treasurer to invest the money in Government securities if he can keep it for nothing?

Senator KEATING.—It is optional with the Treasurer whether he invests the money.

Senator MILLEN.—If it be desired that the money shall be taken away quickly, would it not be better to leave it uninvested?

Senator KEATING.—Quite so.

Senator MILLEN.—Then, why does the Minister now support a proposal which a

little while ago he said he did not approve?

Senator KEATING.—There might be cases in which it would be desirable to invest the money, and it is as well to give the Treasurer the power. In many cases, where compensation is not claimed, the Treasurer ought to have power to use the money, especially if it happens to be a large amount, the investment of which, in Government securities, would be of considerable advantage to a State or the Commonwealth, while not prejudicing the interests of the person entitled to the compensation and interest.

Clause agreed to.

Clause 45 agreed to.

Clause 46 (Payment out of compensation).

Senator DOBSON (Tasmania) [9.25].—Is there any authority for letting money be paid by direction of the Attorney-General? Is this a new provision?

Senator KEATING (Tasmania—Honorary Minister) [9.26].—The existing law is that the Treasurer shall, unless and until an order of the High Court, or of a Justice of the High Court, has been made, pay out any money so deposited to such person as the Attorney-General directs.

Clause agreed to.

Clause 47 agreed to.

Clause 48 (Payments to be a good discharge).

Senator STEWART (Queensland) [9.27].—Does this clause mean that when the Commonwealth Government have deposited the money in the Treasury, all responsibility to the owner of the compensation ceases—that the Commonwealth Government are not to be bound to see that the person entitled to the compensation gets it?

Senator KEATING.—It is left to the person entitled to take the compensation; the responsibility is thrown on him. That is the existing law.

Clause agreed to.

Clause 49—

1. If any land acquired under this Act by agreement is subject to a mortgage, the Minister may pay off the mortgage.

2. In order thereto the Minister shall give notice to the mortgagee that he intends at or before the expiration of six months from the date of the notice to pay off the mortgage, and to pay to the mortgagee the amount to which he is entitled under this section.

Senator WALKER (New South Wales) [9.28].—I am afraid that under this clause we may do great injuries to a mortgagee. A mortgage may have been a good investment for some years, and yet, apparently, the mortgagee would be obliged by this clause to accept six months' notice from the Minister or the Government.

Senator KEATING.—That is a usual provision in nearly all mortgages.

Senator WALKER.—There may be such a provision as to overdue mortgages, but not as to current mortgages.

Senator KEATING.—Such a provision is often inserted to operate even during the term of a mortgage.

Senator WALKER.—There ought to be some saving clause providing compensation for the mortgagee.

Senator KEATING.—The mortgagee will get compensation.

Senator MILLEN (New South Wales) [9.29].—Senator Walker seems somewhat disturbed about the treatment of the mortgagee under this clause. It seems to me, in reading the clause, and bearing in mind a recent discussion here, that the mortgagee is the one individual specially singled out for favorable treatment. I desire to direct attention to the extremely enviable position in which he is placed as compared with the unfortunate individual on whose behalf I ventured to say a few words some moments ago. Under this clause we do not merely tell the mortgagee that he shall get 3 per cent.; we provide that he shall have all he is legally entitled to, we give him six months' interest in advance, and then—and this is the point to which I specially direct attention—we go to the length of providing that if the interest to which he would be entitled if his mortgage continued in force is higher than the interest he could obtain by an ordinary investment at current rates of interest, the Commonwealth shall make good the difference.

Senator WALKER.—I am afraid I overlooked that part of the clause.

Senator MILLEN.—It seems to me that the mortgagee is placed in a particularly favorable position. I do not quarrel with that; but I draw attention to the fact that there is no corresponding clause for the unfortunate mortgagor, nor for the unfortunate individual who must be content to take payment when the Commonwealth chooses to make it, and be satis-

fied with 3 per cent. After the recent division I do not propose to press the matter. I find it idle to address arguments to honorable senators, who consistently abstain from listening to them.

Senator KEATING.—I am listening.

Senator MILLEN.—I am not referring to the Minister, who is a model as an auditor. I direct attention to the fact that there is the discrepancy to which I have referred. Whilst we are especially tender towards the mortgagee, we leave the unfortunate mortgagor, and the equally unfortunate owner of the land, to the tender mercies of clause 42.

Senator DOBSON (Tasmania) [9.31].—I still think there is something in what Senator Walker has said. I direct the attention of the Minister to what is probably a slip in sub-clause 2, in the use of the words "at or before." If these words are used the Minister may give six months' or six days' notice. We know that, according to law, an overdue mortgage cannot be paid off without six months' notice, and if the mortgage is not due it cannot be paid off until it is due. I move—

That the words "or before," lines 5 and 6, be left out.

Senator KEATING (Tasmania—Honorary Minister) [9.32].—It would not be advisable to leave out the words "or before." The object is to enable the Minister to give notice to the mortgagee that he intends to pay off the mortgage at any time.

Senator DOBSON.—Surely a man should have time to look about for a re-investment.

Senator KEATING.—The honorable and learned senator will notice that, under paragraph *b* of sub-clause 3, we provide that the amount to which a mortgagee is entitled under this clause shall be the principal secured by the mortgage, and—

the interest due at the date of the notice and six months additional interest.

Having assured the mortgagee that he will get six months' additional interest from the date of notice, provision is made to give him notice that the mortgage will be paid off at or before the expiration of six months.

Senator BEST.—That is whether the mortgage is due or not.

Senator KEATING.—Yes.

Senator BEST.—That is the full amount to which he would be legally entitled after the expiration of the mortgage.

Senator KEATING.—Yes. Senator Dobson must surely see that.

Senator DOBSON.—Yes. I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Senator MILLEN (New South Wales) [9.35].—This provision apparently limits the Minister to giving six months' notice, and, in view of what has been said as to the business aptitude of Ministers, is there any necessity to limit the Minister to giving six months' notice? I see no advantage in tying the Minister's hands. It might be desirable that he should be able to give nine months' notice. His Department might know that, in connexion with the carrying out of a public work, certain land would be required in nine months' time, and it might be desirable to give a more extended notice to the owner or mortgagee of the land.

Senator BEST.—The Minister in such a case could delay giving notice.

Senator MILLEN.—And in the meantime the mortgagor and mortgagee might agree to the erection of a building on the land. I am asking whether there is any advantage to be gained by limiting the notice which the Minister may give. If he knows that in nine months' time he will resume a piece of land, what earthly objection can there be to give him power to notify the parties concerned that it is his intention to do so? Why should he not do that, instead of keeping the secret to himself until three or four months before the time at which the resumption must take place. The Minister, or his Department, may foresee that in nine or twelve months' time it will be necessary, for the purpose of some public work, to acquire a certain portion of land, and I fail to see what objection there can be to giving the persons interested the longest possible notice. Under the clause, apparently, the Minister must wait until six months from the time the land is acquired before he can give notice of the intention to resume it.

Senator KEATING (Tasmania — Honorary Minister) [9.37]. — The honorable senator must have misread the provision. There is nothing to prevent the Minister giving notice of the intention to acquire land nine months before it is acquired. The provision now under consideration is an obligation cast upon the Minister, and not a power given to him.

Senator BEST.—To protect the mortgagee.

Senator KEATING.—Exactly. It is not a power given to the Minister, but a duty cast upon him. We provide, first of all, that if any land acquired under the Bill by agreement is subject to a mortgage, the Minister may pay off the mortgage. Then we prescribe how he shall do it, and, in order thereto, we provide that the Minister shall give notice to the mortgagee. If the Minister knows that the land will be required twelve months before it is necessary to acquire it, there is nothing to prevent him giving twelve months' notice of the intention to resume the land. But this provision imposes a duty upon the Minister to give a certain notice.

Clause agreed to.

Clauses 50 to 55 agreed to.

Clause 56—

If any land acquired under this Act, whether by agreement or by compulsory process, was, immediately prior to its acquisition, subject to any encumbrance jointly with any other land, and the land so acquired is released by virtue of this Act or any release or instrument from the encumbrance, then, subject to any agreement between the parties, the other land shall continue to be subject to the whole of the encumbrance or part thereof as the case requires, and the party entitled to the charge shall have the same rights and remedies in respect of the land continuing subject to the encumbrance or part thereof as the case requires as he previously had in respect of the whole of the land.

2. If any encumbrance is released in pursuance of this Act, the Attorney-General shall, upon the deed or instrument creating or transferring the encumbrance being tendered to him for the purpose, sign a memorandum indorsed on the deed or instrument specifying the part of the land originally subject to the encumbrance which has been acquired under this Act, and—

- (a) how much, if any, of the encumbrance which has been released and how much continues payable; or
- (b) that the remaining land is thenceforward to remain exclusively charged with the whole of the charge or encumbrance.

Senator KEATING (Tasmania — Honorary Minister) [9.40].—I move—

That the word "charge," line 11, be left out, with a view to insert in lieu thereof the word "encumbrance."

Honorable senators will see that the clause refers to the—

whole of the encumbrance or part thereof as the case requires, and the party entitled to the charge shall have the same rights and remedies, and so on. The word "charge" has been wrongly inserted, because the previous word used throughout the clause is the word "encumbrance."

Amendment agreed to.

Amendments (by Senator KEATING) agreed to—

That the words "as the case requires," line 14, be left out.

That the word "which," line 25, be left out.

That the words "charge or," line 29, be left out.

Clause, as amended, agreed to.

Clauses 57 to 60 agreed to.

Clause 61—

All persons claiming any purchase money or compensation shall, at their own expense, when required, produce to the Attorney-General all deeds and documents relating to or evidencing their title to the land in respect of which such purchase money or compensation is payable, and particulars of any damage claimed by them.

Senator DOBSON (Tasmania) [9.43].—I should like to know what is the precise meaning of this clause. We all know that where land is compulsorily taken the Government have to pay the whole of the expense, but under this clause it is provided that—

All persons claiming any purchase money or compensation shall, at their own expense, when required, produce to the Attorney-General all deeds and documents.

The Government might be about to take a piece of land which was subject to a mortgage, and the owner would be unable to produce the deeds of the land without paying a fee for their production.

Senator KEATING.—The Government would pay all the costs eventually.

Senator DOBSON. — The Government would pay the costs of the conveyance, and of furnishing abstracts, and so on; but under this clause it is provided that, if a person claims compensation or purchase money, he must produce his deeds at his own expense. They may not be in his possession, and he may have to pay a fee to get them. I do not think that the Committee should pass the clause.

Senator KEATING (Tasmania — Honorary Minister) [9.45].—Honorable senators will find that this clause has been taken bodily from the existing Act. It repeats word for word section 28 of the existing Act. In the next clause we provide that—

In the case of all land acquired under this Act, the Commonwealth shall bear all costs, charges, and expenses—

(a) of all conveyances and assurances of the land, and of any outstanding interests therein; and

(b) of making out and furnishing such abstracts and attested copies as the Attorney-General requires.

I think that at present the principle is that in the first instance the party him-

self incurs the expense of having his title produced, but he is afterwards recouped under paragraph b of clause 62, without calling upon the Attorney-General in the first instance to pay other persons, through their representatives who hold interests, which necessitate their retaining possession of the title deeds. If the Department had to go and pay the mortgagee's solicitor for the production of the deed, it would not only be inconvenient and possibly in some instances harassing, but it might be used very often to prevent the Commonwealth from acquiring the land with the expedition which might be necessary.

Senator DOBSON.—Does the Minister think that under clause 62 a man will get back the fee which he has paid under clause 61?

Senator KEATING.—I do.

Senator DOBSON.—Well, I doubt it.

Senator KEATING.—If it had not been recouped there would have been an outcry long before this time. I believe that paragraph b of clause 62 will cover the production fee to the mortgagee's solicitor. The object of that provision is really to make the owner lend all possible assistance to complete the contract.

Senator DOBSON.—All right, then.

Clause agreed to.

Clause 62 agreed to.

Clause 63 (Mining leases and licences).

Senator WALKER (New South Wales) [9.50].—Do I understand from the Minister that the Commonwealth will have mining rights in respect of any lands which it may purchase from a State or private person?

Senator KEATING.—Yes.

Senator WALKER.—That is quite a new departure so far as New South Wales is concerned.

Senator KEATING.—We have acquired a good many of the lands by the operation of the Constitution, and without being subject to any reservation.

Clause agreed to.

Clause 64—

If any land acquired or deemed to have been acquired under this Act, or under any Act repealed by this Act, is not required for any public purpose, the Governor-General may authorize the disposal of it as he thinks fit, and the land may be disposed of accordingly.

Senator KEATING (Tasmania—Honorary Minister) [9.51].—In accordance with the contingent notice, I move—

That after the word "purpose," line 4, the letter "a" be inserted between parentheses.

The object in making this amendment is because it is intended to insert another paragraph which may be seen on the amendment notice-paper. The present provisions in the clause are that, if any land be acquired under the Act, the Governor-General shall authorize the disposal of it as he thinks fit, and that a return of all lands disposed of under that particular power shall be tabled in Parliament. In the various States the Departments have a number of properties which are not of very great value. For instance, the Defence or Post and Telegraph Department may have an allotment of land upon which there stands a building which is not being used for its purposes at all. A person in the locality may desire to lease or to get the right to occupy that property for a certain specific purpose. In some instances these properties are let to such persons at a nominal rental of 2s. 6d. or 1s. or 5s. a week. It is like using a Nasmyth hammer to crack a nut to ask that the Governor-General shall be called upon in each trivial instance to authorize the letting of the property. So it is proposed to give to the Minister the power, in every instance where the lease would not be for a period longer than three years, and where the annual rental would not exceed £50. In an earlier part of the Bill we inserted a corresponding clause to enable the Minister to acquire directly such rights without recourse to the Governor-General.

Amendment agreed to.

Amendment (by Senator KEATING) agreed to—

That after the word "fit," line 5, the following new paragraph be inserted:—

"or (b) where the estimated annual value of the land does not exceed Fifty pounds, the Minister may authorize the leasing of the land for such period not exceeding three years, and on such terms and conditions as he thinks fit."

Clause, as amended, agreed to.

Clauses 65 to 68 agreed to.

Postponed clause 5 further postponed.

Postponed clause 10—

Any purchase money or compensation payable in respect of any land acquired under this Act may be paid to the person who, under this Act, is empowered to sell and convey the land.

Senator KEATING (Tasmania—Honorary Minister) [9.55].—It will be remembered that on clauses 10 and 11 there was a good deal of discussion. It was pointed out that in clause 10 it was provided that the purchase money might be paid to the person who, under the Act, was empowered

to sell and convey the land. We had already provided in clause 9 that persons having limited interests should have the power to sell and convey the land. We provided in clause 10 that the purchase money should be paid to such person, but there was no reference made as to the application of the purchase money by such person amongst those others who might be, perhaps, more interested in the land than he himself, although he held the legal estate. Then in clause 11, we had this provision—

Any such purchase money or compensation, when paid to a tenant in tail or for life, guardian, committee of a lunatic or idiot, executor, administrator, or person having a partial or qualified interest only, and not entitled to sell or convey except under the provisions of this Act, shall be applied in some one or more of the following manners:—

- (a) in the discharge of any debt or encumbrance affecting the land, or affecting other land settled therewith to the same or the like uses, trusts, and purposes; or
- (b) in the purchase of other land, or of Government securities of the Commonwealth or of a State, to be conveyed, limited, and settled upon the like uses, trusts, and purposes, and in the same manner, as the land in respect of which the purchase money or compensation was paid; or
- (c) if the purchase money or compensation has been paid in respect of any buildings acquired under the authority of this Act in removing or replacing the buildings or substituting others in their stead; or
- (d) in such manner as the High Court or the Supreme Court directs; or
- (e) in payment to any person becoming absolutely entitled to the purchase money or compensation.

I promised to reconsider both these clauses with a view to bringing down a clause which would meet the views of honorable senators, as indicated in their criticism. It is proposed to omit the clauses, and insert a new clause dealing comprehensively with the whole subject. The provision reads as follows:—

1. Where any land is sold or conveyed to the Commonwealth by or acquired from any person who was not entitled to sell or convey the land to the Commonwealth except under this Act, the purchase money or compensation may be applied as follows:—

That would be where a person was disabled from selling otherwise than by the provisions of the Act—

- (a) With the consent of all parties interested, the purchase money or compensation may be paid to a trustee, subject to such trusts as are declared by a deed of trust approved by the Attorney-General; or

That is inserted in the forefront of the methods to enable, if possible, the parties to first of all resort to negotiations for a settlement of terms which would be mutually agreeable—

- (b) The purchase money or compensation may be paid to a Registrar of the High Court or the Master-in-Equity or other proper officer of the Supreme Court to be applied in accordance with any order of the Court.

That is a method which, no doubt, would be adopted by a person who felt that he was in the position of a trustee, and did not like to accept any responsibility or incur any risk. He would immediately turn and deposit the money with the Registrar of the High Court or the Master-in-Equity, or other proper officer of the Supreme Court, and as honorable senators are aware, the term "Supreme Court" is defined in clause 5 as the Supreme Court of the State in which the land is situated. Sub-clause 2 of the proposed new clause reads as follows:—

2. The High Court or the Supreme Court may, on the application of any person interested, order any purchase money or compensation to be applied as follows:—

Then come paragraphs *a*, *b*, *c*, *d*, and *e*, worded the same as the paragraphs in present clause 11. Then, as was suggested during the discussion on clauses 10 and 11, we adopt another provision for dealing with compensation where the amount involved is not very considerable. I think that on that occasion I mentioned that in the Lands Clauses Consolidation Act of Great Britain, there are differential provisions regulating the amount of compensation. We adopt a similar principle here. It has been adopted in conformity with the expressions of feeling manifested in Committee—

Provided that where the purchase money or compensation does not exceed £50, it may be paid to the persons who would for the time being be entitled to the rents and profits of the land.

Sub-clause 4 provides that where any infant, lunatic, or idiot is entitled to receive any of the purchase money or compensation, his consent may be given by a committee or guardian, or the money may be paid to his committee or guardian. Honorable senators will remember the discussion we had with regard to the application of purchase money in cases where there was more than one person interested. I think the amendment covers the whole range of the criticism made in Committee, and

Senator Keating.

should meet with the acceptance of honorable senators, to whom I feel very much indebted.

Senator DOBSON.—What about the fees on paying the money into Court and taking it out again?

Senator KEATING.—I think that, in most instances, there is a disposition on the part of people to avoid having recourse to the Court, and they will try to come to some mutual agreement. But payment into Court is the safest thing for all parties. It may be that the Court will recognise that, in instances such as these, if the general scale of fees is too high, they should be lowered.

Senator DOBSON.—There might be a sliding scale.

Clause negatived.

Amendment (by Senator KEATING) agreed to—

That the following new clause be inserted:—
10. 1. Where any land is sold or conveyed to the Commonwealth by or acquired from any person who was not entitled to sell or convey the land to the Commonwealth except under this Act, the purchase money or compensation may be applied as follows:—

(a) With the consent of all parties interested, the purchase money or compensation may be paid to a trustee subject to such trusts as are declared by a deed of trust approved by the Attorney-General; or

(b) The purchase money or compensation may be paid to a Registrar of the High Court or the Master-in-Equity or other proper officer of the Supreme Court to be applied in accordance with any order of the Court.

2. The High Court or the Supreme Court may, on the application of any person interested, order any purchase money or compensation to be applied as follows:—

(a) in the discharge of any debt or encumbrance affecting the land, or affecting other land settled therewith to the same or the like uses, trusts, and purposes; or

(b) in the purchase of other land, or of Government securities of the Commonwealth, or of a State, to be conveyed, limited, and settled upon the like uses, trusts, and purposes, and in the same manner, as the land in respect of which the purchase money or compensation was paid; or

(c) if the purchase money or compensation has been paid in respect of any buildings acquired under the authority of this Act—in removing or replacing the buildings or substituting others in their stead; or

(d) in such manner as the High Court or the Supreme Court directs; or

(e) in payment to any person becoming absolutely entitled to the purchase money or compensation.

3. Provided that where the purchase money or compensation does not exceed Fifty pounds it may be paid to the persons who would for the time being have been entitled to the rents and profits of the land.

4. Where any infant, lunatic, or idiot is interested in or entitled to receive any purchase money or compensation his consent to any application or disposition of the purchase money or compensation may be given by a committee or guardian on his behalf or the purchase money or compensation may be paid to his committee or guardian.

Postponed clause 11 negatived.

Postponed clause 16 (Approval of acquisition).

Senator MILLEN (New South Wales) [10.5].—A suggestion was made that the Government should give effect to its promise to insert certain words expressly setting out that no operation with regard to the Federal Capital Site should take place under this Bill.

Senator KEATING.—An amendment has been drafted, but, apparently, it is not in print. The clause can be further postponed.

Clause further postponed.

Postponed clause 5 (Definitions).

Senator KEATING (Tasmania—Honorary Minister) [10.8].—An amendment has been circulated dealing with Senator Mulcahy's proposal with regard to reservations, but it can be dealt with on the recommittal stage. I am going to move that the Bill be recommitted for other purposes than that, and it is best to have only one recommitment. We can deal with Senator Mulcahy's amendment, and with clause 5, at the same time.

Clause further postponed.

Progress reported.

PAFERS.

MINISTERS laid upon the table the following papers:—

Estimates of Revenue and Expenditure, 1906-7.
Papers prepared by the Treasurer in connexion with the Budget, 1906-7.

Notification of the acquirement of land at East Perth, Western Australia, and at Forster, New South Wales, as sites for post offices.

Senator CLEMONS (Tasmania) [10.10].—I should like to ask the Minister of Defence why the Estimates and the Budget papers were not distributed yesterday? It was due to the Senate that copies of them should be circulated when they were handed to members of another place.

Senator KEATING.—They were not distributed through the post, but by hand.

Senator CLEMONS.—I tried to get a copy, and could not.

Senator PLAYFORD (South Australia—Minister of Defence) [10.11].—I do not know what the course adopted by the other House is when papers are printed and circulated. I had some difficulty in obtaining a copy of the papers, and I do not know why they were not generally distributed.

Senate adjourned at 10.12 p.m.

House of Representatives.

Wednesday, 1 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

PENNY POSTAGE PROPOSALS.

Mr. CROUCH.—I desire to ask the Postmaster-General whether, before he submits his proposals for the establishment of the penny post, he will furnish honorable members with information showing the loss that will be incurred under the new system within the Commonwealth and within the Empire, and also owing to the extension of the system to foreign countries?

Mr. AUSTIN CHAPMAN.—Last night I distributed a memorandum, which gave some information on the subject, and I shall be very pleased to make available any further particulars that may be in the Department with regard to the extent to which a loss of revenue will be incurred in connexion with the despatch of letters within the Commonwealth and beyond it.

Mr. BATCHELOR.—I desire to know whether the loss incurred in each State will have to be borne by the States respectively or whether the total loss will be debited to the States upon a population basis?

Mr. AUSTIN CHAPMAN.—Under our present system, the loss will, of course, be borne by each State. In my opinion, there will be no loss, because the public will be able to effect a considerable saving.

Mr. POYNTON.—In view of the fact that the Government propose to introduce a Bill to establish universal penny postage which will involve the Commonwealth in a loss of £209,000 per annum, I desire to ask the Postmaster-General what possible

chance outlying districts will have of obtaining the telephonic or postal facilities which are so urgently needed?

Mr. AUSTIN CHAPMAN.—In reply I would remind honorable members that in my opinion the adoption of penny postage will really involve the Commonwealth in no loss. By its establishment we simply refuse to take a certain sum from the pockets of the people, and its introduction will make no difference whatever to outlying districts in the matter of providing them with postal or telephonic facilities. At the present time the advantage of penny postage is chiefly enjoyed by the commercial classes, and by residents in large centres, whereas those who will derive most benefit from the Government proposals are the residents of sparsely-populated districts, who under existing conditions are called upon to pay 2d. upon each letter which they send. That condition applies to the State represented by the honorable member, because in South Australia a letter has to bear a 2d. stamp even if it has merely to cross the street.

Mr. HUTCHISON.—I wish to ask the Postmaster-General whether it is not a fact that postal facilities have been refused by the Department time and again upon the ground that it had not the money with which to pay for them.

Mr. AUSTIN CHAPMAN.—That is not a fact. But I would point out to the honorable member that we have to lay down some principle, and that all applications for postal facilities are dealt with on their merits. If he will bring under my notice any case in which the extension of postal facilities to any locality can be justified he will find that the Department has the money which the granting of those facilities would involve.

Mr. GLYNN.—I desire to ask whether it is not a fact that telephonic communication has been denied to many country districts upon the ground that the work would not pay?

Mr. AUSTIN CHAPMAN.—In reply to the honorable and learned member I wish to say that it is not a fact. Applications for the granting of telephonic communication to any locality are dealt with upon their merits, and the practice of the Department has been, and is, that if it can be shown that the erection of a telephone line is likely to pay at any time within seven years, it is willing to provide the facilities sought, upon reasonable conditions.

Mr. MAHON.—I wish to ask the Postmaster-General if it is not a fact that up to the present time the Department has acted upon a totally different principle, and also if it is not true that so far from promising to provide country residents with telephonic facilities, where it is shown that the work is likely to prove remunerative within seven years, he has insisted upon obtaining guarantees from the Western Australian Government against any loss which may be incurred in erecting telephonic and telegraphic lines?

Mr. AUSTIN CHAPMAN.—In answer to the honorable member, I would say that guarantees have been asked from the Government of Western Australia only in cases where it has been shown that the erection of telephone lines would not pay. Those lines have been erected upon the necessary guarantee being given. I recollect one instance, in which an application for telephonic facilities was refused because the work would have cost £10,000, whereas the revenue which would have been derived from it would have amounted to only £100 or £150 per annum.

WIRELESS TELEGRAPHY.

Mr. KING O'MALLEY.—I wish to know from the Postmaster-General whether, in view of the fact that it is proposed to spend £10,000 upon bringing into operation within the Commonwealth the wireless telegraphic system, he will arrange to have communication established between King Island and Burnie?

Mr. AUSTIN CHAPMAN.—The whole question of the application of wireless telegraphy to our requirements is now under consideration, and the needs of King Island, among other places, will receive every attention.

VALUATION OF TRANSFERRED PROPERTIES.

Mr. WATSON.—I desire to ask the Minister of Home Affairs whether, in anticipation of the Budget debate, he will inform the House as to the amount at which the transferred properties are valued by the States, and whether any arrangement has been arrived at with regard to the sum to be accepted?

Mr. GROOM.—As a matter of fact, on the 15th of this month a conference of officials representing the States and the Commonwealth will be held in Melbourne to consider the principle to be adopted in

valuing the properties, in the light of the resolution adopted at the Premiers' Conference at Hobart. It was decided by the Premiers that the properties should be assessed upon the basis of the value of the land as at the time of transfer *plus* the value of the buildings, taking into consideration the purposes for which they were used at the time of transfer. The proposed conference of officials is to be held with a view to laying down definite principles, and securing uniformity in arriving at the valuation.

Mr. WATSON.—What claims have been made?

Mr. GROOM.—Some States only have made claims.

Mr. WATSON.—Could the Minister give us an approximate valuation?

Mr. GROOM.—No; because some of the States have made no claim. Speaking from memory, New South Wales has sent in a valuation, but Victoria has not. I shall look into the matter.

Mr. FISHER.—Did the Commonwealth agree to the proposed conference of officials?

Mr. GROOM.—Yes.

Mr. WATSON.—Is it not a fact that there exists in the Home Affairs office an estimate of the value of the transferred properties, which fixes the amount at about £10,000,000?

Mr. GROOM.—That is so. I thought that the honorable member desired to know the amount of the claims made by the States. The estimate referred to was made for the purpose of a certain report, and I can give the honorable member the figures to-morrow. Speaking from memory, the amount is somewhere between £9,000,000 and £10,000,000.

Mr. WATSON.—I wish to ask the Prime Minister whether, in view of the fact that the claims for the transferred properties will probably amount to at least £10,000,000, and involve an interest charge upon the Commonwealth of between £300,000 and £350,000 per annum, the Government have decided what steps should be taken to meet the necessary payments. I understand that under the proposals placed before us by the Treasurer, the Commonwealth will, after defraying the expenditure for the current year, have a balance in hand of £311,000, and I should like to know whether the Government have devised any scheme for meeting interest payments such as I have referred to?

Mr. DEAKIN.—As the honorable member is aware, the subject of the valuation of, and the method of payment for, the transferred properties has been brought up in various forms. Speaking for the moment without a definite recollection of the present understanding, I may say that my own opinion is that no estimate nearly approaching the figures mentioned by the honorable member can be made fairly. Without entering into other particulars, I may point out that land for which the State paid nothing should, in my personal opinion, still be treated as Crown land, because it does not pass out of the control of the people of Australia. Any valuation that would include the value of that land would be unreasonable and exorbitant. So far as I can form any opinion, the sum that could fairly be claimed by the States for their properties would be very much smaller than that mentioned. My view is that after a fair valuation the whole matter should be arranged between the States and the Commonwealth by way of set-off, by striking a balance as between the States, and dealing only with the differences that then remain. That would reduce the payment to an amount which could very easily be met out of our existing revenue.

Mr. C. V. BEILBY.

Mr. FRAZER.—I desire to know whether the Postmaster-General has any objection to lay on the table the papers relating to the appointment of Charles Victor Beilby as a record clerk in the Western Australian postal service?

Mr. AUSTIN CHAPMAN.—No.

WESTERN AUSTRALIAN CUSTOMS RETURNS.

Mr. FOWLER.—In the absence of the Treasurer, I desire to ask the Prime Minister a question which arises in connexion with a statement made in to-day's *Age*. Speaking of the Budget speech that newspaper says:—

One part of the speech supplied a convincing answer to New South Wales, Queensland, and Western Australia, whose representatives are fond of complaining about "Federal injustice." Up to the end of 1906-1907 it is estimated that the Commonwealth will have paid £532,826 to Queensland and £192,358 to New South Wales as sugar bonus, while up to 8th October next, when the special inter-State tariff granted to Western Australia expires, that State will have gained from this source a revenue of about £867,187.

I wish to ask the Prime Minister whether Western Australia would not have had as much revenue available if it had not come into the Federation; whether, as a matter of fact, the revenue referred to did not come out of the pockets of the consumers in Western Australia; and whether it can be held to have been paid either directly or indirectly by the Commonwealth to Western Australia?

Mr. DEAKIN.—The questions asked by the honorable member relate not so much to matters of fact as to hypotheses or theories. For instance, the honorable member asked whether, if the Western Australian Tariff had remained, it would not have yielded quite as much to that State.

Mr. FOWLER.—I asked whether as much revenue would not have been available to the State if it had stood out of the Federation?

Mr. DEAKIN.—I was about to say that if the people of Western Australia had chosen to retain a Tariff similar to that imposed under Federation, of course, the same sum would have been available to them. If, however, they had listened to the honorable member and his friends, they would not have had any such sum. The honorable member's second question was whether the revenue was not contributed by the people of Western Australia. In my opinion only a part of it is paid by the people of Western Australia, the other portion being contributed by those who send them dutiable goods. His third question was whether any portion of the revenue can be regarded as contributed by the rest of the Commonwealth. The revenue certainly was contributed to by those in other States, who send to Western Australia goods which were made dutiable under the special Tariff.

SUGAR BOUNTIES.

Mr. FISHER.—Would the Prime Minister kindly indicate the extent to which the Excise duty collected exceeds the amount of the sugar bounties?

Mr. DEAKIN.—The amount of the excise collected is very much greater than that paid by way of sugar bounties. The honorable member, however, must recollect, as we all have to do, that three-fourths of the excise collected goes to the State in which it is collected, and that the total sugar bounties are paid out of the fourth of the Customs and Excise duties which

falls to the share of the Commonwealth. We pay the whole of the bounties, but receive only one-fourth of the Excise duties.

Mr. GLYNN.—I should like to ask the Prime Minister whether it is not a fact that under the rebate system the Commonwealth lost the whole of the rebates?

Mr. DEAKIN.—My recollection is that the Commonwealth did not lose the whole of the rebates. They were deducted from the Excise duties, which were divided between the Commonwealth and the States in the proportion of one-fourth and three-fourths respectively.

Mr. GLYNN.—Yes; but the amount represented by the rebates was never paid into revenue.

Mr. DEAKIN.—No.

DEFECTIVE RIFLES.

Mr. WILKINSON.—I desire to ask the Minister representing the Minister of Defence whether he can give the House any information with respect to the absence of a cut-off in the rifles imported for the Defence Forces. I wish to know whether the cost of remedying the defect will fall upon the War Office or the Commonwealth?

Mr. EWING.—The honorable member informed me that he intended to ask a question on this matter, and I have obtained a reply, which reads as follows:—

The rifles were supplied as ordered, viz., the latest War Office pattern, as issued to the British Army. The cut-off is apparently not issued to army authorities. The cut-off is omitted from this pattern, but a space is left so that it can be fitted if required. The Commonwealth military authorities have recommended that the rifle with cut-off fitted is more suitable for our forces than without the cut-off, and steps are being taken to obtain them and fit them to the rifles on issue. Future supplies will have the cut-off attached.

The honorable member will see that the rifles were supplied to order, and that, therefore, we must accept the full responsibility.

MILITARY CANTEENS.

Mr. EWING.—Yesterday the honorable member for Wentworth asked whether the greater part of the military forces quartered at Victoria Barracks, Sydney, paraded on a recent occasion in protest against the proposed abolition of the canteen, and if so whether the Government would do its best to afford information as to the object and character of military canteens as instituted in Australia. I informed him that I would

make inquiries and communicate the result of them to him to-day. In fulfilment of that promise I desire to say that on 26th July the following telegram was received from the Commandant, New South Wales:—

At conclusion to-day's annual meeting of militia and volunteer commanding officers I was asked respectfully to inform Minister that if the proposed legislation *re* military canteens is given effect to, the result will be most injurious to the best interests of Forces; the feeling was unanimous.

On the 27th July a further telegram was received from the same officer, as follows:—

Re Canteen Bill, after annual muster parade of whole of permanent men in accordance with Standing Order 35, representations made through proper channel most respectfully but urgently protesting against Bill becoming law; feeling unanimous throughout all ranks.

With regard to the other portion of the honorable member's question, I would point out that he has a notice of motion upon the business-paper—which the Government will not oppose—and under which a good deal of the information that he desires will be supplied. Any further particulars we shall be glad to furnish later on.

PAPERS.

Mr. GROOM laid upon the table the following papers:—

Notifications of the acquirement of land at East Perth, Western Australia, and at Forster, New South Wales, as sites for post offices.

STEAM-SHIP *MERRIE ENGLAND*.

Mr. WILKINSON asked the Minister of External Affairs, *upon notice*—

1. Whether it is a fact that the Government have decided to dispose of the steam-ship *Merrie England*?

2. And, if so, is the sale to be open to public auction or tender?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. Not yet.

2. If it is decided to dispose of the vessel, the sale will be either by public auction or tender, but in the meantime any offer from an intending purchaser will receive consideration.

PAPUA: APPOINTMENT OF LIEUTENANT-GOVERNOR.

Mr. WILKINSON asked the Prime Minister, *upon notice*—

In view of the fact that "Grievance Day" has already been given up, and that the exigencies of Government business may shortly require the giving up of private members' day altogether,

will he give the House an early opportunity of coming to a decision on the proposal to appoint an Australian citizen as Lieutenant-Governor of Papua; so that the existing state of uncertainty, and the want of a progressive policy of administration, may be terminated at as early a date as possible, and the "Papua Act" be put in force under conditions that will secure the loyal and zealous co-operation of the white settlers in the development of its resources?

Mr. DEAKIN.—The answer to the honorable member's question is—

An early opportunity for discussing all New Guinea questions will be presented in connexion with the Estimates, but I hope before that to make an announcement of the Government's intentions in respect to its future administration.

CANTEEN, VICTORIA BARRACKS, SYDNEY.

Motion (by Mr. KELLY) proposed—

That a return be laid upon the table of the House showing—

1. The average number of men quartered at the Victoria Barracks, Sydney, during the past year.

2. The total number of men reported drunk in barracks.

3. What proportion of these had on the occasion named received drink in the barracks canteen.

4. What proportion of these had on the occasion named received drink from outside sources.

5. The amount of spirits per man sold last year.

6. List of articles kept for sale by canteens.

7. Purposes to which canteen profits applied.

Mr. CROUCH (Corio) [2.53].—I desire to know—

Mr. SPEAKER.—If the honorable and learned member desires to debate the motion at all, it must stand over.

Mr. CROUCH.—I merely wish to ask a question.

Mr. SPEAKER.—The honorable and learned member cannot ask a question at this stage. If he objects to the motion, it cannot be proceeded with.

Mr. CROUCH.—Upon a point of order, I desire to know whether by leave of this House, and of the mover, I cannot move an amendment?

Mr. SPEAKER.—The honorable and learned member can no doubt accomplish his object by leave of the House, and of the mover, but it would have been well if he had previously communicated his desire to the honorable member for Wentworth. However, I will put the matter to the House. Is it the pleasure of honorable members that the honorable and learned member for Corio have leave to submit an amendment?

HONORABLE MEMBERS.—Hear, hear.

Mr. SPEAKER.—It is really a departure from our ordinary practice.

Amendment (by Mr. CROUCH) proposed—

That after the word "Sydney," line 4, the following words be inserted:—"and other barracks of permanent troops."

Mr. KELLY.—I accept the amendment.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

METEOROLOGY BILL.

SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [2.54].—In moving—

That the Bill be now read a second time,

I desire to say that in exercising our powers under the Constitution in respect of meteorological matters, it is felt that we should be able to confer a considerable benefit upon the producers, upon those engaged in shipping, and generally upon those who are interested in commerce throughout the Commonwealth. Under the Constitution, we have power to pass laws dealing with astronomy and meteorology. But if honorable members will look at this measure, they will see that we merely propose to exercise our power in respect of meteorological matters. We ask the House to authorize us to establish a Meteorological Department. I shall give the reasons for our action at a later stage. Prior to taking steps in this matter, the States were consulted, with a view to obtaining their opinions upon the subject of the Commonwealth undertaking meteorological and astronomical work. Various answers were furnished by the States, some of which were favorable to the proposal, whilst others were unfavorable. For instance, South Australia was not agreeable to hand over to the Commonwealth its Meteorological Department. Victoria took up a somewhat similar attitude, and refused to hand over either the Astronomical or Meteorological Department; whereas Western Australia was prepared to transfer both.

Mr. FOWLER.—That is the true Federal spirit.

Mr. GROOM.—New South Wales gave us no definite reply, and Queensland was willing that the Commonwealth should establish a Meteorological Department, but desired to retain its Astronomical Department in connexion with its survey work.

Mr. DUGALD THOMSON.—What was the reply of South Australia in respect of astronomy?

Mr. GROOM.—I do not think that she was willing to hand over that Department. Be that as it may, when the Premiers met in Conference last April, they passed a resolution affirming that both the Astronomical and Meteorological Departments of the States should pass over to the control of the Commonwealth. All the States agreed to the adoption of that course. I may mention that this matter was taken into consideration by the Government prior to that gathering. We found, however, that we could not get any definite reply from all the States, and so resolved to go straight ahead with the preparation of legislation upon the subject. But after further consideration we decided to deal only with meteorological work. At several previous Conferences attempts had been made in Australia to secure uniformity in meteorological matters throughout this Continent. As far back as 1879 a Conference was held for the purpose of endeavouring to bring the various States into line, so as to obtain that result. At that gathering New Zealand, South Australia, Victoria, and New South Wales were represented, and resolutions were put before it, with a view to devising some system by means of which united action might be taken in regard to meteorological observations, and especially in regard to weather telegrams. The desire was to bring about uniformity in observations, in the apparatus used, and generally to secure co-operation throughout the States, so as to obtain better results from their Meteorological Departments. Some advance was made by another Conference, which was held in 1880, and by a further Conference, which met in 1888. The object of all these gatherings was to induce the States to interchange information, to observe uniformity in their methods, and by loyal co-operation to obtain better results in respect of weather forecasts and meteorological observations generally. The last Conference was held in 1905, and the report of its proceedings has been published. The question of the possibility of Federal action being taken was put before the representatives of the six States. The question of Federal control of the Astronomical and Meteorological Departments was considered by them. Speaking first of astronomy, their recommendation was—

The work at present undertaken by the Australian Observatories is that which is most required, and represents a minimum programme.

That was the resolution to which the Conference agreed. They also reported, in reference to the two main divisions of astronomical work—

In neither of these main divisions can the work, for technical reasons, be supplanted by the establishment of one central Observatory; moreover, no economy would be introduced by such a course, as none of the work is being duplicated.

That is to say, the representatives of the States did not think that any advantage would be gained by having one central astronomical observatory. As honorable members know, New South Wales, Victoria, South Australia, and Western Australia, have astronomical observatories which are fairly well equipped, and possess competent staffs. Australia has reason to be proud of the names of some of the scientists who have been associated with these institutions. We have had, for instance, such men as Mr. Russell, Mr. Ellery, and Sir Charles Todd, and we should remember with feelings of gratitude the work that has been done by these eminent men.

Mr. BAMFORD.—Do not forget Mr. Wragge.

Mr. GROOM.—Mr. Wragge is also deserving of our consideration in this connexion, but his attention has been directed more to meteorological than to astronomical matters. Western Australia has also a very competent officer in the person of Mr. Cooke, whilst New South Wales possesses a very competent meteorologist in Mr. Hunt, who stands in high repute. The representatives of the States met in conference, and recommended that there was nothing to be gained by having one central Federal Observatory. They expressed the view that the establishment of one central meteorological bureau to supplant existing institutions, and to singly carry out the Australian weather services, was for reasons which they gave, impracticable. They could see no advantage in doing away with the existing meteorological institutions, but they recommended—

That a central institution be established for theoretical and scientific meteorology.

They set forth in their report certain conditions which, in their opinion, could be secured by the establishment of a central institution of this kind. The idea is that such an institution should not issue forecasts, but should deal with the scientific problems associated with meteorology. Mr. Baracchi, who bears a deservedly high reputation, and attended the conference as

the representative of Victoria, dissented from that view. He shared the opinion expressed by the Board of Visitors of the Melbourne Observatory. I think that it was in 1902, when Mr. Irvine was Premier of this State, that a letter was written to the Board asking what attitude should be taken up with respect to the Commonwealth exercising its power to take over the Astronomical and Meteorological Departments. As the outcome of this communication, the Board made the following recommendations:—

1. That all meteorological work at present conducted by the astronomical observatories of Australia be placed under a Federal bureau, which should preferably be located in the Federal City, and controlled by a meteorologist of high standing.

2. That the astronomical observatories of Australia, relieved of all their present meteorological duties, remain independent State institutions.

With those recommendations Mr. Baracchi fully concurred. We had therefore to decide whether from the Federal stand-point we should be justified in taking over astronomy as well as meteorology. After careful consideration, and having considered the opinion of experts, we came to the conclusion that at this stage we should not be justified in exercising our powers with respect to astronomy. We had first of all the opinion of Mr. Wragge, who in a letter to the *Pastoralists' Review* on the 15th May, 1901, stated—

The central office on which meteorological researches for all the stations would depend should be concerned in meteorology only, following the example set by Great Britain, Canada, India, the United States of America, France, Germany, Austria, Belgium, Roumania, and other civilized countries, and should not be hampered by astronomical work or other branches of science, which professionally have no direct bearing on the work of the weather bureau.

That is the opinion of a highly qualified authority, who enumerates the nations that have found it desirable in practical work to distinguish between astronomy as such and meteorology as such. Mr. Wragge shows that the experience of these countries has proved it necessary to keep meteorology distinct from astronomy.

Mr. HUGHES.—The distinction in the United States is very clear, is it not?

Mr. GROOM.—It is. We also find that England has a special Department of Meteorology, under a Council of Meteorology; that Canada has likewise a special Department of Meteorology; and that the United

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States has a very large Department under Mr. Willis L. Moore, which is engaged in purely meteorological work.

Mr. DUGALD THOMSON.—The need for such a division is admitted.

Mr. GROOM.—Quite so. It is considered essential that the two Departments relating as they do to distinct branches of a science should be kept apart. We had to consider whether, from the standpoint of Australia, it is advisable to keep these two Departments distinct. Upon that point we had the opinion of the Board of Visitors of the Melbourne Observatory, which comprises such men of eminence as Professor Lyle, of the Melbourne University, Mr. Ellery, and Mr. W. C. Kernot, as well as others whose names carry considerable weight. The three whom I have named, however, are all men of distinguished scientific attainments. They were asked to deal with the practical question whether in Victoria the Departments of meteorology and astronomy should be kept apart, and they reported as follows:—

Meteorology, which consists mainly in the weather service, is no part of the legitimate function of an astronomical observatory, and its association with astronomy interferes with the advancement of the latter. This fact is fully recognised in Europe, America, and in other countries where national weather services are conducted by separate organizations, which are in no way connected with astronomical observatories. In them one central bureau receives the report from all the stations, classifies, and tabulates the observations, gives out weather forecasts for the whole country, and otherwise has complete control of the national meteorological work.

The Board went on to report that—

Hitherto the control of the Victorian weather service has been unavoidably enforced on the Melbourne Observatory by State reasons of expediency and economy. But, as the weather services of the various States could be carried on in a much more efficient manner if placed under the control of a Central Weather Bureau, devoted entirely to the meteorological interests of the whole Commonwealth, the opportunity now offered of separating meteorology from astronomy should not be lost.

They recommended accordingly—

That all meteorological work at present conducted by the astronomical observatories of Australia be placed under a Federal bureau, which should preferably be located in the Federal City, and controlled by a meteorologist of high standing.

Mr. FISHER.—What is, at present, the Federal City?

Mr. GROOM.—We have a Seat of Government for the time being.

Mr. FISHER.—And is not Sydney partly the Seat of Government?

Mr. GROOM.—I think that we are administering the Government from Melbourne.

Mr. FISHER.—The Minister of Trade and Customs does not hold that view.

Mr. GROOM.—That is another matter. The Board were particularly emphatic in their views with respect to the question of astronomy—

We therefore recommend: That the astronomical observatories of Australia, relieved of all their present meteorological duties, remain independent State institutions.

Mr. JOSEPH COOK.—Did they give their reasons for this opinion?

Mr. GROOM.—They did; and perhaps I ought to place them on record. Dealing with astronomical institutions, they reported—

On the other hand, when we consider the observatories as purely astronomical institutions, devoted solely to astronomical observations and research, and those demands of the State Government or the public that are germane to astronomy, we think that nothing would be gained either in efficiency or in economy by bringing them under one Federal control. The standing in the astronomical world of the men who at present direct the leading observatories of Australia is such, and that of their successors should be such, that they should have a perfectly free hand to conduct whatever investigation or research they may consider appropriate to their individual resources and ability in advancing astronomical knowledge. We know of no observatory of which the director has not complete control of the astronomical work. Local considerations also impel us to strongly favour the continuance of the independence of the Melbourne Observatory.

Mr. JOSEPH COOK.—That is an argument for the separation of the two functions.

Mr. GROOM.—And they hold that the astronomical observatories should be States institutions. They went on to say—

It has gained a high reputation by means of the valuable work that has been carried on in it. It has been liberally supported by the Government of Victoria, and has grown into an institution peculiarly creditable to the State. Its equipment is very valuable, and compares well with that of many European observatories. Its position in the Southern Hemisphere is unique, it being the most southern observatory in the world. In it have been kept for forty years continuous records day and night of terrestrial magnetism, which are of immense scientific value. Considering these things, we think it would be a matter of deep regret if our Melbourne Observatory were to be deprived of its individuality, and have the high reputation it has gained over a long period of years merged in some large organization or department comprising all the observatories of Australia.

The Premiers of Victoria and New South Wales wrote to the Commonwealth Government informing them of the resolutions that had been passed at the Hobart Conference, and we felt that, in view of the reasons which had been given, there was no pressing necessity for the Commonwealth to take over the astronomical work of the States. When the question arose as to the way in which these astronomical institutions should be dealt with, it was suggested that they should be handed over to the universities. Opinions which I have received privately from persons of scientific standing confirm the view that that is the right course to take. All the observatories are working as absolutely independent institutions, and it seems that to secure thorough efficiency they would desire them to be under the control of an astronomer who should be able to conduct his inquiries and investigations in his own way. That being so, it would seem to be advisable for the States to associate their astronomical departments with their local universities. This would be a distinct gain to the universities themselves. It would be advantageous to them to have such a high branch of science associated with their work, and the observatories themselves would gain in that they would be in touch with university students interested in astronomy.

Mr. DUGALD THOMSON.—There is nothing to prevent that being done if the astronomical departments are federalized.

Mr. GROOM.—There is, because we have nothing to do with the universities as such.

Mr. JOSEPH COOK.—We could have.

Mr. GROOM.—Only if consent were first obtained.

Mr. McWILLIAMS.—The Commonwealth could establish a chair in any university.

Mr. GROOM.—Only with the consent of the senate of that university. The astronomers of the States are carrying on their work on independent lines, each in his own observatory, and we have suggested that, if it is no longer desired that astronomical observations shall be under the direct control of the Governments of the States, it might be of advantage to associate the observatories with the universities in some way, such as there is precedent for in what has been done in other countries. Meteorology, however, is a subject which it is highly desirable to deal with from a Federal stand-point. The

officers who met at the Conference held in Adelaide in 1905 said that they saw no advantage in establishing a central control in connexion with astronomical observations. From their point of view, the taking over of the control of astronomical observations by the Commonwealth should not cause a reduction in the number of observatories.

Mr. JOSEPH COOK.—Is it necessary to have an astronomical observatory in every State?

Mr. GLYNN.—It is certainly not necessary to have a Commonwealth observatory, in addition to the present States observatories, unless another observatory is needed.

Mr. GROOM.—It is generally recognised that exceedingly valuable scientific work is being done in the four States observatories; but it is thought that no advantage would be gained by endeavouring to secure uniformity in administration by placing them all under Commonwealth control.

Mr. GLYNN.—“Astronomy” is mentioned in the Constitution merely because it was thought by the Convention that it might have some necessary connexion with meteorology.

Mr. GROOM.—The experience of other countries shows that the Departments of Astronomy and Meteorology can be satisfactorily kept apart. Meteorology deals with practical questions affecting every-day life, and meteorological observations require the whole of the attention and the undivided services of the officers appointed for the work. This is recognised by the board of visitors, by Mr. Wragge, and, to a certain extent, by implication in the reports to which I have referred. It is proposed that the Commonwealth shall take control of meteorological work in order that uniformity may be secured by regulations regarding the manner of taking observations, the time at which they shall be taken, and the instruments which shall be used; and that a set of officials under Federal control may be available for the taking of observations and the making of records for the purposes of the Department anywhere within the Commonwealth. The Commonwealth, too, having the control of the Post and Telegraph Department, as it will, ultimately, also control navigation, will be able to provide efficient and uniform methods of distributing meteorological information.

Sir LANGDON BONYTHON.—Will independent forecasts be issued for each State?

Mr. GROOM.—I shall deal with that matter presently. Uniformity of action is necessary, and under the Bill we shall have power to make regulations to secure that end. We can also provide for better means of communication with observation stations outside Australia. We shall be able to make such arrangements with India, for instance.

Mr. KELLY.—There is nothing in the Bill to permit of that being done. Would the honorable and learned gentleman object to the insertion of a clause which would give the Governor-General power to make such arrangements?

Mr. GROOM.—I think that our constitutional powers in regard to the conduct of external affairs are already sufficient. There is, however, no urgent reason for uniformity of control in regard to astronomical observations. We hope that a Commonwealth Meteorological Department will be able to issue forecasts similar to those adopted in America. Such forecasts will be issued as widely as possible, especially in the pastoral districts, where information relating to rainfall and other climatic conditions is of great importance in regard to the moving of stock from one part of the country to another.

Mr. WEBSTER.—We get very little satisfactory information of that kind now.

Mr. GROOM.—I think that if a Commonwealth Department of Meteorology is established, satisfaction should be given.

Mr. McWILLIAMS.—The Commonwealth Government will not now telegraph the ordinary shipping lists of arrivals and departures.

Mr. JOSEPH COOK.—That matter cannot be dealt with in this Bill. It comes within the administration of the Post and Telegraph Department.

Mr. GROOM.—Arrangements could easily be made with the Department for doing whatever is considered desirable in that connexion.

Sir LANGDON BONYTHON.—Will not the proposed separation of the Meteorological from the Astronomical Department increase the total cost of the two services?

Mr. GROOM.—I do not think so; but I shall deal with that matter presently. The United States Department of Meteorology is a very costly one; but it supplies information to a population of about 80,000,000 people, while we have a population of about 4,000,000 people only. According to the latest information available,

the Meteorological Department of the United States of America costs annually \$1,336,198, while the Canadian Department costs \$90,307, and the English Department—the latest report obtainable relates to the year 1904—£15,639. The English expenditure is made up in this way—Land meteorology, comprising forecasts in regard to harvests, £4,109; weather information, £3,029; and ocean meteorology, £2,209; the balance being made up by expenses in connexion with administration. The total number of officers employed in connexion with astronomical and meteorological work in Australia is at present eighty, and the annual expenditure in salaries and contingencies upon the two services, £13,666. The value of the various buildings, instruments, and libraries used is estimated at £93,646, while the value of telegrams, if charged, would come to £40,500 a year. Mr. Wragge has estimated the cost of an Australian Department at about £10,000 per annum; but if information similar to that supplied in the United States of America were given, the cost would be much more. I hope, however, that the expenditure will be kept within reasonable bounds, and that the Australian people, as a whole, will obtain a much better service than they get now, though, of course, in some of the States a very efficient service is already being rendered.

Mr. GLYNN.—I suppose that Mr. Wragge assumed that the States would co-operate?

Mr. GROOM.—I believe Mr. Wragge's estimate was based purely on an Australian service right through. In a letter written by him, and published in the *Pastoralists' Review* of 15th May, 1901, he says:—

As to the annual vote for such a service as that suggested, we may mention that, although the sum granted annually to the meteorological office, London, is £15,300 (the American vote exceeding this amount), we consider that the service proposed could be well initiated for a sum, shall we say, not exceeding £10,000. This would be a first-class investment in the interests of Australasia, and would yield sound interest in the well-being of the people.

It is impossible for any one in introducing a measure which merely provides for the establishment of the Department to say what plan of organization will be recommended by the officer who is to be placed in charge. I can quite believe, however, that the American system may be followed. I

find that at page 203 of the report of the proceedings of the second convention of Weather Bureau Officials of the United States, the American system is described as follows:—

The United States is divided into seven forecast districts, the headquarters or central offices of which, named alphabetically, are:—Boston, Mass.; Chicago, Ill.; Denver, Colo.; New Orleans, La.; Portland, Oreg.; San Francisco, Cal.; and Washington, D.C.

In other words, they have divided the United States into seven districts, for each of which separate forecasts are issued. A competent meteorologist strongly recommends that in Australia we should follow the system dictated by the experience of the United States, and that, although we should have a central meteorological office, the Commonwealth should be divided into districts for the purpose of issuing forecasts. I conceive that these districts will be distributed with regard to the formation of the country, rather than to the existing State boundaries. Instead of issuing all forecasts from one centre, in all probability a forecast will be issued from each of specified district centres. Western Australia is so situated that probably it will be regarded as advisable to continue to issue forecasts there, and probably similar provision will have to be made in the eastern States. In each of the seven districts in the United States there is a further subdivision into State districts, and local forecasts are made in each of these. I think that they are issued after the general forecasts have been made, and are more specific on account of the local observations engaged in after the general information has been obtained. By this means, the American meteorologists are able to issue very accurate forecasts. However, these details will have to be settled by the officer who is placed in charge of the Department. With regard to the work to be done by the Department, I think we shall be able to follow the American system very closely. In the first instance, we ought to recognise that weather forecasts are absolutely invaluable to those who are engaged in primary production. In the sugar districts of Queensland we have already experienced the very great advantage to be derived from forecasts of the cold waves which produce frosts. These forecasts have proved of great value to the cane-growers, because they have enabled them to take precautionary measures and safeguard their crops against damage.

Again, weather forecasts are of great value to us, because so many of our rivers are subject to flood. A proper system of weather forecasts would result in the saving of hundreds of thousands of pounds every year. In the northern parts of Australia heavy rains fall at the heads of the rivers, and cause the streams to rise very quickly, but by a system of flood warnings all along the rivers, we have been able in Queensland to provide for the removal of stock and the saving of valuable property that would otherwise be destroyed. Further, in the northern parts of Australia severe loss has been incurred as the result of heavy storms, coming in from across the seas. When Queensland had a meteorological system of its own under Mr. Wragge, these storms were forecasted with considerable precision, and warning was given to shipmasters and others, who were thus enabled to take precautionary measures in time to avoid disaster. We hope that by establishing a proper system of forecasts, and especially by means of observations taken outside of Australia, we shall be able to warn those engaged in shipping and other occupations, and so prevent loss of life and property. It is further hoped that under the new Department we shall have what we do not enjoy at present, viz., a proper system of storm warnings for the benefit of shipmasters. We can reasonably expect to establish a proper study of climatic conditions of rainfall, temperature, humidity of atmosphere, and other features, which are of importance in considering the suitability of certain localities for settlement and development. We have not had a very long range of accurate records, and we know how difficult it is to ascertain the average rainfall in certain localities. Under a Federal system, however, we hope to become thoroughly acquainted with the climatic conditions of the continent. We hope also to be able to take advantage of the wireless telegraphic system, in order to obtain proper observations from the south of Australia. It is believed that if the Marconi system could be installed upon some of the steamers that leave our shores, and regular observations and records could be transmitted to Australia, we should be able to arrive at greater accuracy in our forecasts. The United States report of 1905, which reached here only last week, refers to the great advantage that has been conferred upon the Meteorological Department by the use of wireless telegraphy. As the result of a

conference of Army, Navy, and Weather Bureau officials, arrangements were made under which the bureau will receive information from vessels at sea, and by means of wireless telegraphy transmit to the vessels signals with regard to storms. The statement upon this point concludes as follows:—

Negotiations are also in progress with the Marconi Wireless Telegraph Company for the receipt at the station of the company at Siasconset Nantucket Island, Mass., of wireless message containing meteorological observations from vessels that are equipped with Marconi apparatus, and for a transmission of storm warnings to vessels that may be in communication with the station. The inauguration of a system of interchange between shore stations and vessels at sea of messages containing storm advices and meteorological observations promises an enlargement of weather bureau work that will be co-extensive with the development and scope of wireless telegraphy, and the extension over the ocean of area of meteorological reports by wireless telegraphy may, in time, permit a service to trans-Atlantic steamers about to leave American and European ports, that will advise them regarding the character of the weather they will experience at sea. Furthermore, it is likely that reports that will be available with an extension of wireless telegraphy will result in a communication of storm advices to vessels in mid-ocean, and render possible a storm-warning service for the western coasts of Europe.

If wireless telegraphy can be brought to our aid, we may be able to very greatly improve our weather forecasts. It will hardly be necessary for me to further refer to this matter except to say that the United States have been doing their work in connexion with meteorology chiefly from a practical standpoint, with a view to confer benefit upon farmers, commercial men, and those engaged in shipping. They claim that they have practically exhausted all their possibilities in connexion with observations from a purely practical standpoint. The report of the Chief of the Weather Bureau, for 1905, contains the following statement:—

Since they are now applying all of the knowledge of the atmosphere that has been revealed, little hope for material improvement in their work can be held out until a substantial addition is made to the pure science of the problem. This can only come through experimentation, study, and research. With 200 stations engaged in applying the science, it is a wise economy to devote at least one of them to the work of adding to the knowledge that we are annually spending nearly a million and a half of dollars to apply. Accordingly, we have endeavoured to lay out a plan of study and research leading to an increase in our knowledge of the laws governing the atmosphere, such as should eventually

Mr. Groom.

enable our successors, if not ourselves, to add to the accuracy of weather forecasts, and to make them for a longer period in advance.

In the future they will pay more attention to the study of the laws of the atmosphere. A special station has been established at Mount Weather, Virginia. They are embarking to a greater extent upon original research, in order to ascertain whether, by a closer study of natural laws, they can make forecasts considerably further ahead than is now possible. They recognise the difficulties which hamper them at present, and they have set themselves to the solution of the problems which require to be dealt with. It is to be hoped that we shall also be able to engage in original research work in the future. For the present, however, we desire to establish a practical institution that will confer lasting benefit upon those who are engaged in the industries of the Commonwealth. If honorable members will agree to this Bill, and intrust us with the powers for which we are asking, we shall be able to establish a Department that will do splendid work in connexion with the development of this continent.

Mr. JOSEPH COOK (Parramatta) [3.44].—There can be no two opinions as to the usefulness of this measure. It relates to one of those peculiar Federal functions, the discussion of which is not characterized by any conditions of political storm. Perhaps it is just as well that this Bill is being ushered into the Chamber during a dead political calm. One is very much impressed with the present stormy aspect of things, and it does occur to me to be fitting that this proposal should be originated when things appear to be set so fair. Of course, I speak of the present only. The present aspect of the Chamber may be merely the calm which is the prelude to the storm. That remains to be seen. But just at present indications are decidedly of a peaceful character, and perhaps it is well that we should discuss this question amidst such surroundings. It may be that the reason why the atmosphere in the Chamber is so calm is that the measure under consideration is a really useful one. If it were less useful to the people outside, and to the Commonwealth as a whole, it is just possible that more attention might be devoted to it, and that a greater degree of animation might be manifested. I think we shall do well to pass the Bill, and I rise chiefly

to point out that, in my judgment, the Minister of Home Affairs is proceeding far too cautiously. He is dealing with this matter in altogether too tentative a fashion. It is a subject upon which we are empowered to legislate under the Constitution, and in regard to which I think we ought not to hesitate to carry out our functions to the full. It is one of those matters in the control of which I think we can show greater economy and efficiency, and altogether furnish the people with more substantial advantages than can the separate States. By this time every man and woman in Australia is intensely interested in a proposal of this description. Now-a-days we are all accustomed to our weather forecasts, and in that respect we are well catered for by the daily press of the Commonwealth. Almost every child looks at the newspapers to see what the weather is likely to be, before attending a picnic or any other small family conviviality which may be arranged from time to time. Consequently, this is a matter which reaches to the ramifications of our home life as well as to every corner of our business and commercial experience. I hope that in taking over this new Department we shall endeavour so to widen its scope as to make even for more accurate weather forecasts than we obtain to-day. Of course, it is to be expected that, in assuming these new functions, State feelings, prejudices, and predilections may be disturbed. But we cannot help this rustling in the State dovecote when we proceed with the amalgamation of these departments for the purpose of securing a unified—and, we hope, a more effective—control. One is not surprised to find State officials looking askance at proposals for federalizing them. It was somewhat amusing to hear the Minister relying so much upon the recommendations of State officials.

Mr. GROOM.—Some of the gentlemen to whom I referred are not State officials. For instance, I mentioned Professor Lyle, of the University.

Mr. JOSEPH COOK.—I thought that they were all State officials. At any rate, Professor Lyle would be merely a visitor. The Conference, I understand, was an official one?

Mr. GROOM.—Yes.

Mr. JOSEPH COOK.—We can understand State officials looking askance at a proposal which means some diminution in their prestige, and, perhaps, in the total number of these observatories, should they

be taken over by the Commonwealth, and placed under a unified control. Consequently, I do not know whether we ought to pay too much attention to their recommendations. For instance, who would expect agreement amongst them regarding a proposal to take over some of their State judicial functions, which would necessarily mean the retirement of a number of their State Judges? Who, for example, would expect unanimity in the event of a favourable recommendation, from a Commonwealth stand-point, concerning the amalgamation of our State Agricultural Departments? So we might go through the whole list of these Departments, all of which view with a very great deal of misgiving any proposal to unify them, and bring them under one control. The same objections were urged against our action in respect of our Statistical Department. Scarcely any of the States—acting on the recommendation of their officers—could see any advantages to be gained from a Federal tabulation of our statistics, but all could see many benefits to be derived from the maintenance of the States Statistical Departments. So it is in connexion with our States Parliaments. Who would expect any of them to suggest any diminution in their so-called sovereignty and of the functions which they at present discharge? Is there not a constant tug-of-war going on between the Federal and State authorities, which tug-of-war, I fear, will continue for many years, or, at least, until the permanent relations of the Commonwealth to the States have been fixed? There must necessarily be friction, and consequently we cannot pay too much attention to recommendations which come from State authorities, and which have to do with the maintenance intact of State functions. Nevertheless, it is our duty to assume, as far as possible, a unified control in connexion with purely Federal functions. If Federation is intended to mean anything at all, it means that Federal control of these departments must lead to greater economy and efficiency than can be attained by the States acting separately. The Meteorological Department is one of those in regard to which we may take up a bold and safe stand, so far as those functions are concerned. It would have been better if the Minister had been able to formulate for us some estimate of the probable financial requirements of these Departments. For instance, he should have been able to show us whether we were going to effect

any saving in the cost of their control or to secure a much more efficient service for the same amount of money that the States are now expending. The Bill might very well have been accompanied by an estimate of the advantages which would be conferred by the Federal as opposed to the State control of the Department. But I do not think that the matter needs to be seriously argued. Everybody will admit that we can do very much better by a Federal control of these functions than can be accomplished by the States in their separate capacities. Why there should be any hesitation in taking over the whole of the astronomical observatories, as well as of the meteorological stations, I am quite at a loss to understand. I am aware that the matter presented difficulties some time ago, when Mr. Russell—who had a sort of prescriptive right to his position by reason of his long service, and the way in which he had associated himself with his Department—filled the position of Government Astronomer in New South Wales. A similar difficulty was presented in South Australia in respect of Sir Charles Todd. But both of these officers have now retired in the evening of their lives, after having rendered very effective service to their respective States, and, consequently, there need be no longer any delicacy in assuming control of that Department.

Mr. GLYNN.—We do not need a clearing house for astronomical observations.

Mr. JOSEPH COOK.—It occurs to me that we do not want half-a-dozen such observatories.

Mr. GLYNN.—We must have local observatories.

Mr. JOSEPH COOK. — Perhaps the honorable and learned member will tell us why?

Mr. GLYNN.—The greater the number, the greater is the efficiency that is secured.

Mr. JOSEPH COOK.—I admit that several observatories are, perhaps, needed in Australia, but I do not think that we require six or seven separate astronomers in the six different States. Owing to our separation, and the way in which we have been apt to regard these matters, these observatories have grown up, but I have yet to hear any valid reason for continuing them in all their trappings and expensiveness.

Mr. DUGALD THOMSON.—We want certain observations to be made in each State, but we do not require observatories there.

Mr. JOSEPH COOK. — Exactly. It seems to me that if we had a central astronomical observatory as well as a central meteorological station, we might very well reduce some of our State institutions, and thus save the funds necessary to maintain and equip our central observatories, at the same time making the system a more effective one than it is at the present time.

Mr. GLYNN.—In the United Kingdom, they have several astronomical observatories established within a much smaller area.

Mr. JOSEPH COOK.—We have a number of these observatories in Australia outside of the Government domain. For instance, in New South Wales, one of the very best astronomical observatories is a privately-owned one. It has been established in my own electorate, at Windsor. I think that everybody in Australia has heard of Mr. Tebbutt and his observations. He is one of the best men in the Commonwealth, and all that he does is done at his own expense, and in pursuance of his own private studies. Nevertheless, he renders very important service to the Commonwealth as a whole, and there are many others in Australia who betake themselves to that study quite apart from its bread-and-butter aspect. They make it a private hobby. It will thus be seen that in Australia there are probably many more than six astronomers. Indeed, we might multiply that number many times over before we ascertained the total of those who are earnestly engaged in studying the heavens and in conducting astronomical observations. But when we speak of this matter in its official sense, we have a right to see that we spend no more than is necessary for the purpose of providing a complete and fully-equipped institution. Therefore we should do well to unify our astronomical as well as our meteorological observatories. I entirely concur in the remarks of the Minister as to the advantages which the Bill will confer upon the commercial community. I think that we might make much more use of meteorological knowledge than we do at the present time. Indeed, one of the results of Federation up to date has been a distinct curtailment of this information in the various States. I know that it has been so in New South Wales, and I venture to say that that remark applies more or less to other States of the Union. I do not think that we have yet seen a side of the development of our Federal functions which we shall see, if we extend our

powers as we should, and make our equipment as complete as possible. For instance, it is a fact that in many European countries they so easily and accurately forecast the development of storms as to be able to warn the public not only as to the approach of floods, but as to dangers associated with mining, and so forth. I remember that it was a common thing thirty years ago for one to find in the English morning newspapers a warning to mining districts that certain depressions were approaching, and that miners should beware of outbursts of gas and falls of earth, which might be caused by the disturbance. So far as I am aware, nothing in that direction has been attempted in Australia. That may be owing to the extent of the area to be covered, but it occurs to me that if we had full control of the geographical limitations of Australia we might so arrange our observations as to make our forecasts valuable to those engaged in mining as well as in pastoral, agricultural, and other pursuits. That is one side of meteorological development about which we know very little in Australia. There may be geographical difficulties in the way, but I should not think so, since, in some countries, it is found possible to forecast storms two days before their actual approach.

Mr. GROOM.—Where is that?

Mr. JOSEPH COOK.—I was referring to European countries. The development of the work of the bureau in the direction I have just indicated might very well be kept in mind. The Bill itself is drawn on a very moderate scale, and I think that the Minister would have acted wisely had he taken the cherry whole instead of making two bites at it. It is hardly worth biting at it in this piecemeal fashion. The honorable and learned gentleman spoke of the position in the United States of America, and told us that there were several stations—

Mr. GROOM.—Seven forecasting districts.

Mr. JOSEPH COOK.—America is a very large place, and these stations are, no doubt, designed to disseminate rather than to collect information.

Mr. GROOM.—There are seven large forecasting districts, and there are smaller districts employed in the distribution of forecasts.

Mr. JOSEPH COOK.—That may be so; but I do not know that, in this regard,

America and Australia are parallel. America has a settled population of 80,000,000 people, whilst we have a population of only 4,000,000. In other words, we have six observatories for a population of 4,000,000, whilst the United States of America, with a population of 80,000,000, has only seven observatories.

Mr. GROOM.—There are four astronomical observatories in Australia.

Mr. JOSEPH COOK.—I am speaking now more particularly with regard to weather bureaux. The Bill is a very small one, and I notice that it contemplates the taking and recording of meteorological observations by State officers. What is meant by "State officers"? Is the term intended to apply to officers in the Meteorological Department?

Mr. GROOM.—It covers any State officer. Some of the observations may be taken by police officers and others.

Mr. JOSEPH COOK.—I dare say that there are many hundreds engaged in connexion with the weather reports.

Mr. GROOM.—There are 4,000 persons voluntarily engaged in taking observations for the Astronomical Department of the United States of America, and many persons interested in shipping do the same in England.

Mr. JOSEPH COOK.—I do not think we should have any difficulty in this regard if we gave a little more encouragement to voluntary effort.

Mr. GROOM.—We have in some cases voluntary effort.

Mr. JOSEPH COOK.—We should save much trouble, and be able to distribute much more accurate information, if we encouraged voluntary effort. At present our operations in this regard are often confined to one official in a district, whereas many people would be glad to take up the work as a labour of love, if we supplied the necessary instruments.

Mr. GROOM.—In one provincial town in Queensland there is a society which voluntarily carries out this service.

Mr. JOSEPH COOK.—I notice that the Minister also contemplates an interchange of meteorological information between the Commonwealth and States authorities. Why should there be provision for such an exchange?

Mr. GROOM.—Because this is concurrent legislation, and the States may desire to continue the Department under their own control. We may not be able to compel them to transfer the Department to us.

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Mr. JOSEPH COOK.—But it is not likely that the States would continue their bureaux upon the establishment of a Federal institution.

Mr. GROOM.—This provision is only for greater caution.

Mr. JOSEPH COOK.—If that be so, nothing more need be said about the clause, I repeat that the only mistake made by the Minister is in failing to provide in this Bill for the transfer of the Astronomical as well as the Meteorological Departments. He should not have paid too much attention to the States authorities, who are very much interested in the maintenance of States institutions in all their dignity. He might very well have brought down an estimate showing that a saving would be effected, and that more efficient scientific results would flow from the taking over of both branches. Had he done that, we should have had no difficulty in convincing the States of the superiority of Federal over State control. That, after all, is what we have to do. It is because of our failure to do so that the States are so shy of the surrender of functions which have been given to us under the Constitution. The moment we can show them that the Commonwealth can carry out work of this kind to greater advantage than they can, the people as a whole may safely be left to determine in favour of Federal, as against the continuance of State, control.

Mr. DUGALD THOMSON (North Sydney) [4.10].—Like the honorable member for Parramatta, I am not going to find fault with the principle of the measure, but I join with him in expressing regret that the Minister has not seen fit to provide in this Bill for the taking over of the Astronomical as well as the Meteorological Department. If there is a reason for taking over the one, there is an equally good reason for the transfer of the other. The Minister seems to have been influenced more by the views of the Board of Visitors of the Melbourne Observatory, and by those of Mr. Baracchi, the Government Astronomer of Victoria, than by the opinion of the majority of astronomers and observatory officials who took part in the Adelaide Conference. That Conference accepted, even if it did not actually approve, the proposal that the observatories should be transferred to the Commonwealth. That, at all events, was the opinion of the members of the Conference, with the exception of Mr. Baracchi.

Mr. GROOM.—The Conference did not make a specific recommendation. They said, in effect, that if the Meteorological Departments were taken over the existing institutions should remain.

Mr. DUGALD THOMSON.—With the exception of Mr. Baracchi, they agreed that certain recommendations should be made, and they took no exception by resolution to the taking over of the Departments by the Commonwealth. Further than that, the opinion was expressed that the system proposed by the Minister in regard to meteorology should not be adopted. The Conference decided that there should be a central institution, and that the meteorological observations should be carried out as at present, under that institution. Whether that view be right or wrong, the Minister has not seen fit to be guided by it; he has preferred to adopt the view of the Victorian Government Astronomer. The question of the desirableness of separating the two branches of meteorology and astronomy is one that we need not consider at present, although I agree that if the two branches could be carried on distinctly with reasonable economy they ought to be kept separate. Even if both Departments were transferred to the Commonwealth, there could be a separation of the two—a separation possibly more effective and certainly more economical than that which will follow the transfer of only one Department. We know that at present the meteorological work of the States is largely done by observatory officials, and if we transfer one portion of that work to the Commonwealth, and leave the other to be carried out by the States, we shall cause a division of duties now carried out by the one set of officials. That being so, we are bound to cause additional expense either to the Commonwealth or the States. So that the immediate result will be an increased expenditure, not necessarily by either State or Commonwealth separately, but certainly by both combined. Honorable members should be given an opportunity to decide whether both or only one Department shall be taken over. I fear that, as the measure stands, any amendment providing for the taking over of the Astronomical Department would be ruled out of order, and therefore I should like the Minister to create an opportunity for the taking of a test vote upon the subject.

Mr. GROOM.—How does the honorable member propose to raise the question?

Mr. DUGALD THOMSON. — A way could be found to do that; but I do not think that the Bill can be amended to provide for the taking over of the observatories. I suggest that the Minister should consider how best an opportunity can be given for testing the opinion of honorable members in regard to the matter. I strongly favour the transfer of both Departments.

Mr. GROOM.—Even if we took over the Astronomical Departments, we could not prevent any university from establishing an observatory of its own.

Mr. DUGALD THOMSON.—No; and there is no reason why that should be prevented, if the institution can bear the expense. But there are now observatories under Government control in four of the States, and, if their revenue becomes buoyant, the remaining States may also be tempted to establish observatories.

Mr. GROOM.—Queensland desires to retain the astronomical branch for survey purposes.

Mr. DUGALD THOMSON.—There is a great deal of astronomical work which can be done at small cost by States officers unconnected with the observatories. For instance, such matters as time distribution, the standardization of weights and measures, the rectification of chronometers, calculations relating to tides, and other similar work, can be done outside the observatories at small expense, because the instruments required are not costly, and the labour necessary is not large. But the observation of the heavens, the photographing of stars, the taking part in the astronomical work of the world, and other operations for which our existing observatories are equipped, are very costly, and, by providing for the transfer of the Astronomical Departments to the control of the Commonwealth, we should remove from the two States which have not yet established observatories the temptation to do so. By having the observatories under one control, we should bring about economy by preventing the duplication of work. Naturally, every astronomer is anxious that his observations and calculations shall be of an importance which will place him in the lead, or, at least, on a level with his fellows, with the result that each observatory obtains expensive and valuable instruments, and a large staff, to thoroughly equip it for work which might very well be done by any of the others, the local work coming par-

ticularly within its province being comparatively small in volume, and therefore not costly.

Mr. GROOM.—The officials declare that there is no duplication in astronomical work.

Mr. DUGALD THOMSON. — If the honorable and learned gentleman looks into the matter, I think he will find, as I did, that there is duplication. I admit that, as regards the photographing of the heavens under an international arrangement, duplication has been avoided by allotting to the observatories of Melbourne, Adelaide, Sydney, and Perth different portions of the sky; but there is duplication in regard to other work, which could be done by one university, and, under Commonwealth control, would be prevented. We should make all the use we can of our observatories, but we should introduce a system which will prevent the duplication of instruments and staffs for the doing of work by several observatories concurrently which could be equally well done by any of them alone. The Astronomical Departments are only small ones at the present time, but, if they were under Commonwealth control, effective economies could be enforced. The time is now opportune for dealing with the matter. Does the Minister intend never to exercise the power given in the Constitution to take over the control of the Astronomical Departments?

Mr. GROOM.—I know of no justification for taking them over at this stage.

Mr. DUGALD THOMSON.—If there is no justification for taking them over now, when will there be such justification? If the various observatories of the States are allowed to grow, there will be greater difficulties in the way of transfer later on than there are now, because the number of those interested in preventing it will increase, while, in the meantime, we shall be debarred from practising economies which are possible under a central administration alone. At the present time there are two important vacancies in connexion with the staffs of the observatories of the States. The Government Astronomer of New South Wales is retiring.

Mr. GROOM.—Does the honorable member think that the Commonwealth should take over the Astronomical Departments and appoint officers to the vacant positions?

Mr. DUGALD THOMSON.—I say that the very opportunity that the Commonwealth should desire would be presented for effecting economies. If vacancies existed in the Departments at the time of

transfer, the Commonwealth would be free to effect economies without interfering with highly-paid officers. Vacancies now exist in the South Australian and New South Wales Observatories—at least, the officers who are now performing the duties of Government Astronomer are only acting in that position. The question as to whether these vacancies would require to be filled permanently could be decided after the transfer had taken place. It seems to me that certain important work could be confined to certain observatories, and that it should not be necessary to employ astronomers of high qualifications in every State. Some astronomical work is done at Hobart, where they have no observatory, and no highly-paid official.

Mr. CROUCH.—There is a small observatory at Ballarat, which is supported by public subscription.

Mr. DUGALD THOMSON.—Doubtless private observatories and others of a purely local character would exist, even if the Commonwealth took over the Astronomical Department. I contend that we should exercise our functions in these matters to the full extent. We should not take over half of the work performed by the existing States Departments, and leave the other half to be carried on by the States. No sufficient reason has been advanced why the two branches of work—meteorological and astronomical—should be treated differently in the manner now proposed. There is no doubt that the meteorological work could be carried on without our taking over the Departments, but the States are very glad to hand it over to the Commonwealth, because they do not care to incur the expense that would be involved in extending the present system, and making it more complete. With regard to the astronomical work, however, in connexion with which they now gain some kudos, they are either unfavorable or careless as to the transfer to the Commonwealth. I do not think we ought to hesitate to exercise to the full the power conferred upon us under the Constitution to take over these two at present closely associated branches of work. If we took over the whole of the work we could make better use of the services of the officials than if a portion of the work were still left to be carried out by the States. The arrangement proposed must lead to disruption and extra expense. If we took over the whole of the work, some scientific men, fully

qualified to act, should be requested to ascertain what could best be done at each of the observatories. Where the work was of a purely local character it would necessarily have to be done in a particular locality; but if it were of such a description that it could be as well carried out in one State as in another, much of it could be centralized. This would all tend to economy and efficiency. At present, under decentralized control, this cannot be done. If we now decide not to exercise the full power given to us by the Constitution, we shall settle the matter for all time, because I cannot conceive of any stronger reasons existing in the future than those which now present themselves in favour of making the complete transfer I have indicated. On the other hand, greater obstacles may be presented. If we had the observatories under our control, we could centralize a great deal of the work, and perform it much more effectively than at present. While I commend the Minister for having taken up this matter, I am sorry that he did not go further. I have no desire to harass him in any way, but I trust that he will test the feeling of honorable members on the question of taking over the two branches of work.

Mr. FISHER.—What would be the difference in the cost?

Mr. DUGALD THOMSON.—The Minister has not given us an estimate. At present, it is difficult to ascertain the cost of carrying on the meteorological work now performed by the States, because the officials engaged in it devote part of their time to astronomical observations.

Mr. FISHER.—If both branches of work were taken over by us, what annual outlay would be involved?

Mr. GROOM.—I gave particulars upon that point, but I could not separate the cost of the meteorological and astronomical work.

Mr. DUGALD THOMSON.—If the work of the new department is to be as thorough as the Minister desires, I am afraid that it will prove rather costly. We shall have at the outset to decide how far our circumstances will justify us in going. I agree with the Minister that we should establish the best possible system, but fear that we shall be hampered by considerations of expense. We have a large territory, which is only sparsely peopled, and observations will necessarily have to extend over a very large area. Our action in separating the meteorological from the

astronomical work will not tend to reduce the total expenditure upon work which hitherto has been interknitted under the States administration, and I trust that honorable members will indorse my view that the Commonwealth should exercise to the full the powers conferred upon it by the Constitution.

Mr. LONSDALE (New England) [4.43].—I agree with the honorable member for North Sydney that it would tend to economical administration if the Commonwealth took over the astronomical, as well as the meteorological, work now being performed by the States. The two branches of observation are very similar in character, and should be made to harmonize as much as possible. Under present conditions, there is a great deal of duplication of work in the States Observatories, which, if they were placed under separate control, could be avoided. Of course, we understand that if the operations of the Meteorological Department are extended, the expenditure will be increased, but our object should be to obtain the maximum result at a minimum of cost. And if meteorological matters are dealt with by the Commonwealth and astronomical matters are left to the States, the total expenditure upon these Departments will be largely increased. I have not yet been able to read the report of the conference of astronomers which met in Adelaide in 1905, and consequently I am not familiar with the reasons which prompted Mr. Baracchi to oppose the transfer to the Commonwealth of the control of the Astronomical Departments of the States. Before we vote upon this Bill I think that those reasons should be clearly placed before honorable members. The fact that the office of Government Astronomer in two of the States is vacant to-day shows that if we assumed control of that Department we should be afforded an opportunity of making some reduction in the expenditure upon our existing observatories. That could be done easily enough, unless it is absolutely necessary that in all the observatories throughout the States high-class officers should be appointed. I have an idea that that is not necessary, and consequently I think that a material saving might be effected.

Mr. GROOM.—The States may effect a saving now.

Mr. LONSDALE.—I admit that. But the States are separate entities, and they are not likely to rely upon the Victorian

Astronomer. If we allow the astronomical work to remain with the States there is no doubt that they will continue the maintenance of their present establishments. Seeing that we have power to control that Department, I think that we ought to exercise it. A good deal of the work that is done in each of the States is, I presume, supervised by the Government Astronomer. There would be no necessity for that state of affairs to continue if we assumed control of both of these Departments. I hope that the Minister will afford honorable members an opportunity of voting upon the question of whether we should not take over both the Astronomical and Meteorological Departments of the States. My own view is that, by so doing, we should effect a substantial saving, and at the same time secure a more effective system than we obtain at present.

Mr. McCOLL (Echuca) [4.49].—I regret that I was unable to be present when the Minister moved the second reading of this Bill, because it deals with a matter in which I have taken a little interest. I sincerely welcome this action on the part of the Government. To me the subject of meteorology is one of the most important that they could take up. I think it is a reflection upon this Parliament that hitherto no action of the kind has been taken, although we have had power to deal with the matter ever since the establishment of the Federation. In our present complex civilization, when interests are so inter-involved and world-wide, the discovery and formulation of laws governing the weather are of first importance. To obtain an accurate meteorological system throughout Australia, the Government would be justified in incurring almost any expenditure. To all sections of the community the matter is one of great importance—to those interested in commerce, transportation, navigation, agriculture, and trade of all descriptions. In short, it concerns everybody whose living and comfort depend upon the seasons and upon the weather. It is so far-reaching that it should be dealt with upon comprehensive lines. If the service is to be a useful one it should stretch out over all this Continent, and be conducted in the most thorough manner. The Bill falls short of what I should have liked to see attempted. Its provisions are halting and hesitating, and throughout it provides that the Commonwealth "may" do this, that, and the other.

To my mind, the word "shall" should be substituted for "may," because, unless we intend to undertake meteorological work in a most thorough manner, we had better leave it alone altogether. A divided State and Federal control would be absolutely fatal to the success of a meteorological department. The States might certainly render help to us in their own way, but the actual control of the Department should be Federal from top to bottom. Probably more than any other institution that we can establish, it is the one which needs a centralized control if it is to be effective. Control must be centred in one man—in one efficient head—just as it is in other countries. He must guide the whole ramifications of the Department, he must be in direct touch with all its stations, and he must exercise control over every officer's work. There is no occasion for me to criticise the systems which we have hitherto enjoyed. They have been very poor ones. The only State which has rendered good service is that of Queensland, and the gentleman who controlled the Department there is no longer in the employ of the State Government. From the remarks which I have heard since I entered the Chamber, I gather that there is a desire on the part of honorable members to amalgamate the astronomical and meteorological services. I think that that would be a fundamental mistake.

Sir LANGDON BONYTHON.—In many States they are amalgamated now.

Mr. McCOLL.—Then the sooner they are separated the better. The Astronomical and Meteorological Departments work upon absolutely different lines. Meteorology is a science which treats of the atmosphere, its phenomena, and the variations of heat, moisture, wind and storms. These are matters which affect our daily lives. Upon the other hand, astronomy is a science which treats of the celestial bodies, their motions, distances, revolutions, order and various related phenomena. These considerations do not affect us as does the science of meteorology, and, therefore, I am very glad that the Government have seen fit to separate the two Departments. Astronomy is strictly a science, whereas meteorology deals with practical work, and the minds which have the control of one should not be occupied with the other. If they are, they must be diverted from that keen observation of the various changes which are occurring, into abstract speculations which are of no practical value. Above every-

thing, the question should be dealt with in a thoroughly practical way for the benefit of the community. The conference which met in Adelaide in 1905 contained four astronomers, one surveyor, and one meteorologist, and certainly their findings are not entitled to very much respect. To me they appear to have fallen very short of what was required of them, and seem to have been dominated by the astronomers. I believe that the objections of Mr. Baracchi to the amalgamation of these institutions are sound and well founded, and I trust that the Government will accord them due respect. In this connexion, I think that we may fairly copy what has been done in other countries where the science of meteorology has been a very great success. In the United States, where this science has been brought to perfection to the benefit of the whole community, matters relating to meteorology were first placed under the War Signal Department in 1870. Until 1896 they were dealt with by that Department, but the work grew to such an extent, and became so intimately connected with the great producing interests of the country, that it was deemed advisable to transfer it to the Department of Agriculture. It was only after considerable agitation, however, that that was accomplished. The work of the Department was spread out to the great lakes, sea coasts, and subsequently to the districts of the interior and to the central valleys. To make it more effective, and in order to obtain necessary data in a reasonably quick time, it was found necessary to go further afield. In a Meteorological Department, there are two essentials to success—the one is a wide range of stations spread over a large area, and the other, a prompt collection and swift conveyance of the information which has to be transmitted to head-quarters. When I was in Washington, in August last year, I visited its Weather Bureau. The work there is being done under Professor Willis L. Moore. It had been for twenty years under the military system, and during that time the whole of the officers employed in the Department had been trained to military discipline and exactness. That was of very great advantage to them. When the Department was transferred to the Department of Agriculture, it was re-organized, and its operations were extended. Its duties now consist of forecasting the weather, issuing storm warnings, displaying weather and flood signals for the

benefit of those engaged in agriculture, commerce, and navigation, gauging and reporting on rivers, maintaining and operating sea coast telegraph lines, collecting and transmitting marine intelligence, reporting temperature and rainfall for the great cotton interests, displaying frost, cold wave, and other signals, distributing meteorological information in the interests of agriculture and commerce, and taking such observations as are necessary to establish and record the climatic conditions of the United States, and which are essential for the execution of the foregoing duties. Since 1896, that Department has grown very much indeed—so much so that in an area which is about equal to that of Australia, thirty observatories have been established at a cost of £80,000. The bureau at Washington occupies a fine position, is well equipped, and cost £35,000. As evidencing the importance attached to this great question in the United States, I may mention that their annual appropriation in connexion with meteorological work is £300,000. The chief of the Department receives a salary of £1,000 per annum. Each year that Department has been in existence it has recouped its cost over and over again, in the saving of both life and of property which has been effected through its agency. In addition to these thirty observatories, there are 200 observing stations and 700 subsidiary stations. The operators are paid by the Government, but, in addition to these, there are 3,600 co-operators, who discharge their duties voluntarily, and are supplied at Government expense with the instruments necessary to enable them to take observations. Every one of these officials throughout the States is in direct touch with the chief of the Bureau, and can communicate with him whenever he desires, either by telegraph or telephone. In order to obtain an effective system the Bureau has a very wide range of operations. It co-operates with Canada, thus securing observations from the extreme north of the Dominion, and also with Mexico, in the south, so that it is in touch with kindred institutions from the north to the south of the continent, which supply it with information, and from whom it obtains daily observations. The authorities of the Bureau are in touch with and receive observations from Honolulu, on the west, and with Britain, Germany, France, Portugal, and the Azores, on the east. The system is so complete that every meteorological change which

takes place over a fourth of the globe, together with its bearing and possible results, is recorded and charted at Washington. The reports which come in are scanned by keen, experienced men, and the results are at once conveyed to every part of the continent which the changes may be expected to affect. At 200 stations simultaneous observations are made at 8 a.m. and 8 p.m. by 75 meridian time. The stations are equipped with the most delicate instruments necessary for the recording of changes, and there is an almost continuous record of local weather conditions and changes. Twice daily these records are sent to Washington, where they are charted and studied by trained experts, who announce the weather conditions which may be expected. So accurately is the work done that they can send over the whole continent a warning as to the approach of a storm from thirty-six to forty-eight hours before it takes place. The paths of storms are traced, and their subsequent courses are known. Information as to precipitation is at once sent to the Bureau, and the officials are thus able to foretell floods and warn the people concerned in time to permit of their providing against them. They have also a regular transmission of observations. In less than two hours after the morning observations have been made these warnings are telegraphed from the central station to 2,000 principal distributing points. They are then sent by post, telephone, and telegraph to 200,000 addresses. This takes place daily, most of the addresses are reached before noon, and every one of them is reached before 6 p.m. The whole of this work is done at the expense of the Government, and it is entirely distinct from the great work which the press also performs in this direction. The United States have also a free rural delivery and a free rural telephone service, which carry information to the farmers all over the continent. One hundred thousand farmers, in return for a small charge, receive daily weather reports from the observatory. There are also telephone subscribers and card forecast subscribers, and no less than 17,000,000 card forecasts are sent out every year. Another point is that there is also a climate and a crop service in connexion with the Weather Bureau of the United States. There is a section in each State which collects information in regard to the temperature and rainfall, and makes observations for monthly reports. During the crop-growing season — from April to

September — weekly mail reports concerning the effect of the weather on crops, and also farming observations, are sent in from 14,000 correspondents. These are published in weekly bulletins, and distributed throughout the country. Apart from this practical work, which comes in direct touch with the people, and in which they take great interest, men of scientific ability are engaged in investigating and elaborating the fundamental principles which regulate meteorology and the kindred sciences. Snow and ice bulletins are issued from December to March, showing the depth of snow on the ground and the thickness of the ice on the various rivers and other waters, while special warnings are sent along the coast. Tropical hurricanes or storms or cold waves of unusual severity are forecasted, and reports are sent to postmasters at 6,152 points. These postmasters, in turn, post and telephone the notices to the various subscribers and other persons interested. In addition, the forecasting notices are sent to 5,000 railway stations in all parts of the States, and are there posted in the waiting-rooms, so that travellers can at once ascertain the weather conditions in their own districts and advise their friends at home of the necessary preparations to be made to secure their crops or other property. This work is highly beneficial to the people. There is no institution in the United States which has a greater hold on the people, or is deemed to be of greater benefit to them, than the Weather Bureau. Whilst we may not be so ambitious at the outset, I trust that we shall proceed in no halting way, but that we shall establish a central bureau, where meteorology work alone will be conducted, and that we shall work on until we obtain such a system as that which I have described. It is impossible to underrate the value of this weather data to business interests. The warnings of the approach of severe and injurious weather conditions which are issued in the United States of America are valuable beyond computation. Storm warnings are sent to 300 different points along the Atlantic, the Pacific, and the Gulf coasts, and also along the shores of the great lakes, and so effective is the service that for years not one storm has occurred respecting which warnings have not been issued from 12 to 24 hours before its approach. Vessels have thus been detained in port, and it is estimated that the saving in this way secured represents a value of

Mr. McColl.

\$30,000,000. Cold wave warnings are issued from 24 to 36 hours in advance, and persons having crops or other properties liable to be injured by these occurrences are able to cover them up or to take other steps to protect their interests. I read a year or two ago that in one county alone the value of the strawberry crops, which had been saved as the result of these notices, was estimated to be equal to the whole cost of the Meteorological Department during the year in question. With an accurate knowledge of the precipitation, the authorities, knowing the number of inches of rain that have fallen, are able to forecast floods, and so to warn the people in time to protect their property. By means of this great Department, thousands of lives and property of immense value have been saved from destruction. Since the Bureau was properly organized under the system I have just described, the percentage of wrecks around the coast and on the great lakes has decreased to a remarkable extent. In this Continent we have not the same wide range of climate, nor have we the extreme vicissitudes of cold and heat—of snow and ice—that are experienced in America. Still all this work would be useful here. Mere State work must necessarily be defective. What we need is to have the work centralized, placed under the control of one man, and carried out by a staff subject to proper discipline. This must be done in order that the Federal Department may be what it ought to be. No other country offers a finer field for meteorology than does Australia. This Continent is peculiarly adapted to such work, and, given a proper system, conducted at reasonable expense, the Department should be able to forecast weather changes all over the Continent, and so would be productive of great good. This work should be carried out for the whole Continent, and not for any one part of it. The staff of the Department should be absolutely independent of the Public Service. If the Department is to be effective, absolute discipline, prompt obedience, care, and attention are required. The Weather Bureau of the United States has a very well-disciplined staff, and this perhaps may be partly due to the fact that it was for many years carried on under the military system. The chief can suspend an officer at a moment's notice, and may conduct inquiries as to carelessness or breaches of discipline. Meteorology is so important to the people of Australia that I think it

might well be taught in our State schools. That, of course, is a matter with which the States themselves must deal, but I hold that many subjects now being taken up by the public schools are not nearly so important to the people of Australia as is a knowledge of weather conditions. Here we have State-owned railways, telephones, and telegraphs, so that we should be in a very much better position than is the United States to carry out effective work. All these systems, which are under State control, could co-operate, and so bring about good results. We should also be able to secure the co-operation of the press, which would be a material factor in our success. I desire to congratulate the Government on having introduced this Bill, and I trust they will not agree to the amalgamation of the Departments of Astronomy and Meteorology. The divided attention to duty which would follow would not be productive of such good work as would be obtained if the two branches were kept entirely distinct.

Mr. KELLY (Wentworth) [4.55].—After the very able address to which we have just listened, I do not propose to detain the House for more than a few moments. The remarks to which we have just listened brought home to me very fully the necessity to study local conditions in dealing with questions of this character. The honorable member was able to bring to bear a great amount of research in dealing with the experience of the United States of America, and to show the immense saving of life and property which had resulted from the wide powers and the extensive fields of operations covered by the Weather Bureau there. I take it that if meteorological observations are to be of full value to our people, we must have the sources of our information, not only in, but beyond, Australia. The forecasts to which the honorable member for Echuca referred were more or less parallel with the forecasts that we have had in Australia—forecasts for two or three days in advance of storms and local disturbances. But what I wish to suggest now is that the time is approaching when, by widening the sources of our information, we may be able to extend the duration of our forecasts, and so enable the people on the land to obtain information in regard, not only to local disturbances, but of a general character in respect to seasonal rains. Australia derives most of its moisture from

countries lying to the north of it. As honorable members know, warm air carries moisture, which is precipitated upon a meeting with cold air. I think the greater part of the rain which falls in Australia is brought to this Continent by monsoons blowing from a northerly direction, which deposit some of their moisture upon our northern areas, and gradually precipitate the rest as they come south, and meet with cold southerly and westerly winds. Therefore, it is necessary to insure that the Commonwealth Meteorological Department shall obtain information, not only from all parts of Australia, but also from the countries whence the northern monsoons blow. If it is known that the monsoon blowing across India from the north is charged with more than the ordinary quantity of moisture, and is travelling at the usual rate, it can be forecasted with accuracy that Australia will, within a certain time, participate in its blessings. Therefore, a provision should be inserted in the measure to enable the Commonwealth Meteorological Department to correspond with the Indian Department of Meteorology, and such other external Departments as it may be necessary to obtain information from. I had intended to defer my remarks until the Bill was being considered in Committee; but I was so struck with the able speech of the honorable member who preceded me, that I felt that it would not be out of place to say a few words now that the subject is being considered in its broad aspect. I intend to move in Committee the addition of a clause which will give the power to which I have referred. It may be objected that the Government already has this power.

Mr. SPEAKER.—The honorable member should discuss his amendment in Committee; not now.

Mr. KELLY.—I am discussing the general question whether it is necessary to provide in the Bill for the giving of this power; but, as it may be better to deal with the subject in Committee, I shall content myself with remarking that, as the Government has provided in the Bill for the making of reciprocal arrangements between the Commonwealth and the States in this very direction, it would not be amiss to also give power to make reciprocal arrangements with other countries.

Mr. GLYNN (Angas) [5.19].—I wish that we had a little more light upon the question whether the astronomical as well as the meteorological branch should be

taken over by the Commonwealth. I do not see anything especially Federal about the work of the astronomical branch, though it may be that slight savings in the direction suggested by the honorable member for North Sydney could be effected under Commonwealth control. Having regard to present conditions, the astronomical and meteorological branches forming one Department in each of the States, it might be more economical for the Commonwealth to take over both branches, re-apportioning the work of the observatories, than to merely take over the meteorological work, leaving the astronomical work to be performed, as now, under the control of the Governments of the States. The astronomers who met in conference in Adelaide in 1905 appear to be opposed to the transfer of the astronomical branch to the Commonwealth. At the present time, it is, perhaps, natural that men should object to being brought under the protecting *aegis* of the Commonwealth Government; but their objections are supported by reasons which, if not conclusive, deserve a good deal of attention. They do not think that any of the work done by the observatories can be dispensed with, and recommend that it be continued on the present lines. They say, too, that not much saving will be effected in connexion with the transfer of the meteorological branch, although they recognise that a central bureau like that of the United States of America would render more effective the work of comparing and recording meteorological phenomena, and the publication of forecasts. Under the circumstances, it does not seem likely that a large saving would be effected by taking over both the astronomical and meteorological branches.

Mr. DEAKIN.—None, so far as we can see.

Mr. GLYNN.—There may be some saving in the direction pointed out by the honorable member for North Sydney.

Mr. DEAKIN.—The astronomers say that neither the observatories nor their work can be reduced.

Mr. GLYNN.—No doubt; and they give reasons for that statement. Most, if not all, the leading universities in the old country and in Europe are affiliated with observatories, or have observatories of their own.

Mr. GROOM.—That is so in the United States of America also.

Mr. GLYNN.—Not only is theoretical astronomy studied, but attention is also given to physical astronomy, and to the taking of observations. I know that, in connexion with the Dublin University, Sir Robert Ball's services were at times availed of, though his official position was that of Astronomer Royal for Ireland, and he was not directly connected with the University as a professor. Seeing how widely availed of are the opportunities for study afforded by our universities, it would be a pity if the observatories were not kept in their present state of efficiency, merely as aids and auxiliaries to education, though, according to the report, there is room for improvement in their equipment. If the Commonwealth takes them over, their sphere of usefulness must not be narrowed, and I, therefore, cannot see where any great saving can take place, unless, by the re-apportioning of work, duplication, which is now alleged to exist, can be dispensed with.

Mr. GROOM.—We must have efficient men at the head of our observatories.

Mr. GLYNN.—There is an astronomer at the head of each observatory, who has under him a chief assistant and a staff, not only of men employed in the clerical work of making records, but also of men of comparatively high scientific attainments. Mr. Cooke, though a subordinate officer in the Adelaide Observatory, was a man of fairly high standing in his profession when removed to his present position in the Perth Observatory; and there must be others possessing great professional knowledge, who would always be entitled to fairly good salaries. If the result of transferring the observatories to the Commonwealth were that men of high attainments were not appointed to the vacancies created by the leaving of men of good professional reputation, the service might be impaired. It is probably considerations of this sort that have induced the Government to say that at this stage it is not necessary for the Commonwealth to take over both the astronomical and the meteorological branch, and, going on the statements in the report to which I have referred, it does not seem to me to be necessary. One of the weaknesses of the Bill is that the States may refuse to co-operate in the manner provided for by clause 5, in which case there would be a duplication of staffs. The measure has been framed on the assumption that the States will co-operate, though we have no power to compel them to do so.

Mr. GROOM.—Hitherto, they have been found willing to co-operate.

Mr. GLYNN.—They were in the beginning; but there has been a good deal of friction since.

Mr. GROOM.—There is a considerable interchange of services.

Mr. GLYNN.—I understand that the interchange is not so large as it was. The Minister of Trade and Customs would create a separate Department in every instance where that is possible, and I believe that the auditing work of the Commonwealth is now being done more largely by the Commonwealth officers than was the case at first, when the services of States officers were largely used, though not paid for at very extravagant rates. Taking over both Departments may lead to a certain uniformity; but is not likely to create any great saving. If my memory serves me aright, astronomy is mentioned in the Constitution because, when the Convention was dealing with meteorology, it was considered that there might be a necessary association between the two.

Mr. DEAKIN.—That was a misapprehension.

Mr. GLYNN.—It may or may not have been a misapprehension. All that I can say is that the information before the House is not of such a character that I could, with perfect confidence, vote in one way or another. Perhaps in Committee a little more light will be available for the guidance of honorable members.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Clause 2—

In this Act, unless the contrary intention appears—

“Observatory” means an observatory for the purpose of meteorological observations.

Mr. GLYNN (Angas) [5.28].—“Observatory” is a term applied to an institution for the purpose of astronomical, as well as meteorological, observations; but the definition limits the meaning of the word to an observatory for the purpose of meteorological observations only. I am not prepared to offer an alternative definition.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.29].—The definition is sufficient for the purposes of the Bill. It is not intended to have any wider scope.

Clause agreed to.

Clause 3 agreed to.

Clause 4 (Duties of Meteorologist).

Mr. FISHER (Wide Bay) [5.30].—I think that, before this clause is passed, the Minister should say, as nearly as it can be estimated, what expenditure the Government will be put to in administering the Bill. I think that we should know what we are likely to be called upon to pay for the meteorological service. I quite approve of the policy embodied in the Bill, because it is impossible for the States to carry on the work with the same efficiency and satisfactory results to the community that can be ensured under the administration of the Commonwealth.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [5.31].—I pointed out in my second-reading speech that it was impossible to say exactly what the meteorological service throughout Australia would cost. I might, however, inform the honorable member of the cost of the astronomical and meteorological work carried on by the States.

Mr. FISHER.—Have not the Government made an estimate of the cost for themselves?

Mr. GROOM.—Only a rough estimate. So far as we can judge, the new service will cost us at least £10,000 per annum. The Meteorological Department of the United Kingdom involves an annual outlay of £15,639. The cost of the Department will depend upon what it is required to do. It is recognised that, so far as our producers are concerned, the Meteorological Department should provide accurate forecasts in all the States. In this connexion, we realize that our settlements cover an enormous area, and that we have in outlying parts pastoral centres whose very existence depends upon climatic conditions. The movements of stock are to a very large extent affected by the reports as to the weather conditions in various places, and I hope that when the new Department is established weather forecasts will not only be made available in Melbourne and Sydney, but published at every leading post-office in the Commonwealth. Honorable members will see by a glance at the subjects enumerated in clause 4 what our ideas are with regard to the scope of the work of the Department. The cost of carrying out this work will depend very greatly on the system of organization adopted throughout the Commonwealth.

Mr. FISHER.—It is provided in clause 5 that the Commonwealth may enter into an

arrangement with the States for the performance of certain services, for which I presume we shall have to pay.

Mr. GROOM.—At the Premiers' Conference at Hobart it was agreed that the States and the Commonwealth should charge each other for services rendered by them respectively. If the States render us any services in connexion with the Meteorological Department they will no doubt charge us for them, but such items of expenditure will merely involve a cross entry, so far as the whole of Australia is concerned.

Mr. McCOLL (Echuca) [5.35]. — It is almost impossible to estimate what the Department will cost. The question of the expenditure upon such work should really be only a secondary consideration. We should pay regard, in the first instance, to the necessity of making the Department of practical use. The work is one which must be extended, probably at an increased cost, but we shall be fully recompensed for any outlay by the greater value of the information furnished to those deeply concerned in our weather conditions. We must leave it to the Minister to see that the Department is organized with due regard to economy, consistent with the highest degree of efficiency.

Mr. FISHER (Wide Bay) [5.37]. — I quite agree with the honorable member for Echuca that efficiency should be the first consideration, but I do not think we should pass measures of this kind without having some idea of the expense involved. I have already stated that the Commonwealth is the proper authority to control such a Department, and I hope that its administration will prove of the utmost benefit to the people. The Minister tells us that, under the arrangement made at the Hobart Conference, the States will debit the Commonwealth with the cost of any services rendered by them in connexion with the new Department.

Mr. GROOM.—That applies to all Departments.

Mr. FISHER.—Although the Minister indicates that the payment for such service will in certain cases be made by a mere book entry, it will be a somewhat serious matter as between the Commonwealth and the States, because it will involve a further drain upon our fourth of the Customs revenue, instead of the cost being charged to the three-fourths share that falls to the States. I am confident that the present Minister will

exercise economy, but, as is often said, we do not know what future Ministers might do. The principle of the Bill is perfectly sound, and I do not wish it to be thought for a moment that I am taking the slightest exception to it. I trust that the services rendered by the new Department will more than compensate the public for any expense that it may entail.

Mr. JOSEPH COOK (Parramatta) [5.40].—I agree with the honorable member for Echuca that our first object should be to make the Department useful. I am afraid that if we leave the States to still carry on the astronomical work now performed by them, their Departments will be maintained upon the same footing as at present, and we shall merely be adding another Department to those already in existence, and thereby increase the total expenditure. The very first thing to be aimed at in connexion with a new Department is efficiency, but economy also must be studied. I do not see what is to hinder us from paying regard to both these matters. I think that, if we had an efficient central bureau, all that we should need besides would be a few small observing stations in various localities, from which results might be transmitted to headquarters. I judge from the figures supplied by the Minister, that the equipment of the States Departments varies very considerably. In New South Wales, the Astronomical and Meteorological Department employs nineteen officers, whose combined salaries amount to £4,000. In Victoria twenty-five officers are employed at a similar outlay. The astronomical and meteorological equipment in Victoria is valued at £10,000. No details are given.

Mr. GROOM.—That is the form in which the information was supplied to us.

Mr. JOSEPH COOK.—We are told by the Minister that Mr. Wragge estimates that the meteorological service will involve an outlay of £10,000. I should like to know if that amount would include anything beyond salaries.

Mr. GROOM.—That would be the annual charge for the central administration, and for the printing and publishing of the various reports.

Mr. JOSEPH COOK.—Then what about the weather telegrams, which I see have hitherto cost £40,500 per annum?

Mr. GROOM.—They will be transmitted over the Commonwealth lines, and even if the Post and Telegraph Department

charge for them, the cost will merely be transferred from one department to another, and no additional expense will be incurred. The States now pay us for the weather telegrams, but they will be relieved of that necessity if we take over the Meteorological Department.

Mr. JOSEPH COOK.—But the point is that we shall have to pay for them out of our one-fourth of the Customs and Excise revenue, instead of their being paid for by the States out of their three-fourths share. It seems to me that we must add the cost of the weather telegrams to the estimate of £10,000 furnished by the Minister. I think that such an estimate ought to have been submitted to the House upon the motion for the second reading of the Bill. It ought to have been possible for honorable members to see whether any saving in the cost of administering this Department is contemplated, and, if so, in what direction. Surely it would not be a difficult matter to get either Mr. Baracchi, or some other officer, to submit an estimate of the probable efficiency and expense of the Department, regarded as a whole. I think that the matter rightly comes up for consideration now that we are allocating the functions of the proposed bureau. The estimate to which reference has already been made was, I understand, formulated by Mr. Wragge, some five or six years ago. However much we may admire that gentleman in certain directions, I have yet to learn that we can regard him as a financier. My experience of him is that his attributes lie in an entirely different direction from that of financial management. Unless we can increase the usefulness of this Department by assuming control of it, we had better leave it alone entirely. I fear that an increase in its usefulness will prove expensive, if we are to deal with it in this piecemeal way. If we are to leave to the States their observatories, their buildings, their instruments, and their many high-salaried officials, and if we are to establish a central bureau with another set of highly-paid officials, we shall certainly increase the total cost of administering the Department, without being able to insure a more efficient service. I do think that all the money which may be spent upon the central Federal bureau ought to be derived from the shearing down of some of the States bureaux. I may be wrong in entertaining that idea, but, if so, it should at least be possible for the Minister to prove that I

am mistaken, according to the views of the best authorities.

Mr. WILSON (Corangamite) [5.50].—I am rather interested in the opinions which have been expressed by two honorable members who hail from the "land o' cakes." I refer to the honorable member for Echuca, who represented one side of the case, and to the honorable member for Wide Bay, who put the other side. Upon this occasion, it seems to me that the honorable member for Echuca has adopted the *rôle* which is so frequently adopted by the Treasurer, when he exclaims "Oh! what is a million?" Upon the other hand, the honorable member for Wide Bay asks the Committee to proceed with caution, and to obtain from the Minister an estimate of the probable cost of the working of a Federal Meteorological Department. I agree that, before the Bill is finally disposed of, honorable members should be given some guarantee that due regard will be paid to the economical administration of this new Department. The deputy-leader of the Opposition stated, at the outset of his remarks, that he agreed with the honorable member for Echuca, but in his closing observations he conclusively showed that he was entirely in agreement with the honorable member for Wide Bay.

Mr. JOSEPH COOK.—What I said was that I agreed with the honorable member for Echuca that we ought to make this new Department an efficient and useful one.

Mr. WILSON.—We are all agreed upon that point. In dealing with this question we have a right to know how we are going "to raise the wind." That is a matter of grave importance. Before we give a blank cheque for the creation of a new Department we should have some idea of what its cost will be, and how that cost is to be borne. The Minister of Home Affairs has stated that the cost of weather telegrams will no longer be borne by the States when this Bill has become law. Then the £40,000 which has been hitherto paid by the States will represent a loss to the Commonwealth. Of course, we are all aware that the same taxpayers will have to provide the money. The cost of this Department—irrespective of whether it is administered by the State or the Commonwealth—must come from the pockets of the same people.

Mr. GROOM.—I said that the value of the weather telegrams transmitted is £40,000 per annum, but that, in accordance with a regulation which was framed

under the Postal Rates Act, they are not charged for. Perhaps the honorable member will permit me to make a short explanation?

Mr. WILSON.—Certainly.

Mr. GROOM (Darling Downs)—Minister for Home Affairs [5.54].—I merely desire to say that when the Postal Rates Act was under consideration I moved an amendment which enabled the regulation to which I have already referred to be framed. At that time a question was raised as to whether the Queensland Weather Bureau should be charged for services rendered to it by the Postal Department, which step would have deprived us of the benefit of Mr. Wragge's forecasts. I moved an amendment, which was carried, and in accordance with that amendment the following regulation was framed:—

Subject to the following regulations, meteorological telegrams may be transmitted free of charge:—

- (a) From the principal meteorological officer of a State to the principal meteorological officer of another State; or
- (b) From the principal meteorological officer of a State to an authorized observer at a reporting station; or
- (c) From an authorized observer at a reporting station to the principal meteorological officer of a State.

Where cable rates have to be paid on meteorological telegrams, they must be paid by the sender.

A meteorological telegram shall be sent as a message, and shall contain current meteorological information only, and must be in code and be concisely expressed, and, if a weather report, must contain not more than 12 words; and, if not a weather report, must contain not more than 20 words.

Meteorological telegrams shall only be sent when necessary, and shall not take precedence of ordinary telegrams.

Mr. FISHER.—Is that provision contained in the Postal Rates Act?

Mr. GROOM.—No. It is embodied in a regulation framed under that Act.

Mr. WILKINSON.—Then what would be an expense to the Meteorological Department would constitute a revenue to the Post and Telegraph Department?

Mr. GROOM.—I took it that the question put to me by the honorable member for Wide Bay related to the annual value of weather telegrams. I replied that it was £40,000, and the honorable member for Corangamite was adding that amount to the expenditure that will be involved in constituting a Federal Meteorological Department.

Clause agreed to.

Clause 5—

The Governor-General may enter into an arrangement with the Governor of any State in respect of all or any of the following matters:—

- (a) The transfer to the Commonwealth, on such terms as are agreed upon, of any observatory and the instruments, books, registers, records, and document used or kept in connexion therewith;
- (b) The taking and recording of meteorological observations by State officers;
- (c) The interchange of meteorological information between the Commonwealth and State authorities; and
- (d) Any matters incidental to any of the matters above specified or desirable or convenient to be arranged or provided for the purpose of efficiently and economically carrying out this Act.

Mr. McCOLL (Echuca) [5.55].—I should like to move that the following words be added to paragraph c, "and the authorities of other countries."

Mr. GROOM.—Notice of an amendment to that effect has already been given, and I have agreed to accept it.

Mr. JOSEPH COOK (Parramatta) [5.57].—In this clause provision is made for the transfer to the Commonwealth "on such terms as are agreed upon," of any observatory—

Mr. GROOM.—That means meteorological observatories.

Mr. JOSEPH COOK.—Are there such institutions?

Mr. GROOM.—There are outlying stations. A temporary meteorological observatory was established at Mount Kosciusko.

Mr. JOSEPH COOK.—The provision to which the Minister refers does not relate to the central observatories?

Mr. GROOM.—No.

Mr. JOSEPH COOK.—They will still be retained by the States?

Mr. GROOM.—Yes.

Sir LANGDON BONYTHON (Barker) [5.56].—I should like to know whether, under this arrangement, it is intended that independent forecasts shall be issued for the different States?

Mr. GROOM (Darling Downs) [5.57].—What I mentioned was that the organization of Australia into meteorological districts, for the purpose of issuing forecasts, will depend upon the opinion entertained by the head of the Department who is appointed. I have already pointed out that in the United States it was considered

Mr. FISHER.—We should give him power to act according to law and common sense.

Mr. WILSON.—I quite agree with the honorable member. I would point out that information from the south is also of value to our meteorologists. Many of our storms originate in the Antarctic, and are first recorded in the vicinity of the Cape.

Mr. GROOM.—The Government will have the necessary power, even without the amendment, which is only declaratory.

Mr. WILSON.—I wish it to be clearly understood that the Department will have all the powers necessary for the collection of valuable information, and, in meteorology, information which is not gathered over wide areas is of practically no value.

Mr. JOSEPH COOK (Parramatta) [6.17].—There seems to be a storm centre here which promises to develop great energy; but I think that the amendment which I am about to propose will meet the views of honorable members generally. I move—

That the proposed new clause be amended by inserting after the word "information," the words "and any matter incidental thereto."

Those words will cover communications by wireless telegraphy, the use of ships, and everything else.

Mr. WATSON (Bland) [6.18].—It seems to me that the amendment is unnecessary, because the Bill incidentally gives the Government the power which the honorable member for Wentworth desires to confer.

Mr. JOSEPH COOK.—By what provision in the Bill is that power conferred?

Mr. WATSON.—I think that the powers necessary for the carrying out of the main purposes of the measure include it.

Mr. KELLY.—Then why is sub-clause c of clause 5 necessary?

Mr. WATSON.—Clause 5 deals with functions which have hitherto been performed by the States, and it seems to me necessary to lay down the specific conditions under which the meteorological branch is to be transferred to the Commonwealth. I have risen to suggest that, when a Commonwealth Meteorological Department is formed, consideration should be given to the statements made by Professor Gregory in a lecture delivered in Melbourne on the subject of Australian meteorological conditions and the forecasting of weather. He is of opinion that the temperature of the waters on our coasts, influenced as it is by ocean currents, may have a material effect upon our weather conditions, and suggested that a small sum should be expended annually in recording the temperature of

the sea at various places. He admitted that it would be some time before sufficient data would be available to substantiate any reasonable theory, but he thought that an expenditure of £500 per annum might produce results of value in meteorological research. I think it would be well for the Commonwealth Department of Meteorology, when created, to give attention to that suggestion.

Mr. GLYNN (Angas) [6.22].—I regard the amendment as unnecessary. Clause 5 specially refers to the utilization of the services of the officers of the States. Our Public Service Act contains a provision enabling the Government to avail itself of the services of officers of the States, and allowing our officials to do work for the States authorities, and in this clause we are declaring that we intend to make use of that provision, and take advantage, for a time, of the services of States officers. The clause amounts to a declaration that we are going to exercise the powers whose exercise is provided for by the Public Service Act, it may be with unnecessary amplification of detail. On the other hand, the power proposed to be conferred by the amendment seems to be inherent in the Government. If we say that the Government is to undertake the control of meteorological observations, it will have power to do so.

Mr. KELLY (Wentworth) [6.24].—I cannot see that paragraph c of clause 5 has the application which the honorable and learned member wishes to give to it.

Mr. GLYNN.—I do not think that it is necessary; it is surplusage.

Mr. KELLY.—I admit that my amendment may be redundant, but I point out that paragraph c of clause 5 errs in the same direction. If it can be shown that that paragraph is not necessary, and will be excised, I shall be prepared to withdraw my amendment.

Amendment of the amendment agreed to.

Proposed new clause, as amended, agreed to.

Bill reported with a new clause.

Ordered—

That so much of the Standing Orders be suspended as will enable the Bill to be passed through its remaining stages this day.

Report adopted.

Motion (by Mr. GROOM) proposed—

That the Bill be now read a third time.

Debate (on motion by Mr. JOSEPH COOK) adjourned until a later hour (*vide* page 2174).

Sitting suspended from 6.30 to 7.30 a.m.

Mr. JOSEPH COOK.—Did not Mr. Wragge arrange for a station at Mount Kosciusko?

Mr. FISHER.—He would have one at the North Pole, and also at the South Pole, if he could.

Mr. KELLY.—I recommend to the honorable member a statement that appeared in the *Sydney Daily Telegraph*, of 18th May last, to the effect that the Government Meteorologist—

who has frequently urged the desirability of receiving telegraphic data from as wide an area as possible for weather forecast purposes, has received a communication from the Director-General of Indian Observatories, requesting cablegrams showing periodic changes in the distribution of atmospheric pressure over Australia, in order to assist in the construction of their monsoon or seasonal forecasts; further, that the cost of such cablegrams is to be borne by the Government of India.

The arrangements entered into in a case of that kind would be for reciprocal advantages.

Mr. FISHER.—I do not object to the proposal, but I wish to know whether it is not mere redundancy.

Mr. KELLY.—No; the point is that if it is, then paragraph c of clause 5 is also a redundancy. If that paragraph be allowed to stand without some such amendment as I propose, it may possibly be read as curtailing the Government agencies in this very direction. Every one will admit the necessity to secure information from as wide a source as possible. The immense value of the information to be obtained from India will present itself to every one who remembers how intimately our seasonal rains are associated with the monsoons which come from the equator. The theory is that a lot of our moisture is deposited in the monsoonal period, and that the monsoons seriously affect the humidity of the air in the southern part of Australia, although they do not reach here. Then the cool winds from the west and the south precipitate the moisture for which these monsoons have been responsible. That, as I have said, is a theory, but my other statements are facts which ought to be sufficient to secure the passing of the amendment.

Mr. FISHER (Wide Bay) [6.11].—The honorable member for Wentworth is very ingenious, and is entitled to take whatever course he deems fit. I would point out, however, that, whilst his proposal is that the Governor-General shall have power to arrange with the Governments of other countries for an interchange of meteorologic

information, the most valuable information would be obtained from oversea vessels trading to places where such particulars could not otherwise be secured, and that the Minister ought, therefore, to be empowered to enter into agreements with shipping companies in this direction.

Mr. GROOM.—The amendment would not prevent that being done.

Mr. FISHER. The point is that the more definitely we prescribe the duties of the Minister the more we limit his powers. In the amendment we have the words specifically used, "the Governments of other countries, or any of them." We ought not to limit the power to obtain information in that way, because big shipping companies, whose vessels are fitted with wireless telegraphy instruments, would, doubtless, be able to supply us with very valuable information. Information obtained from a certain distance beyond Australia is of value only for universal data, and it seems to me that in prescribing the powers of the Minister in the way proposed by the honorable member for Wentworth we should certainly bring about a limitation of them.

Mr. WILSON (Corangamite) [6.14].—As the amendment will mean an extra charge upon the people, I should like to know, Mr. Chairman, whether it is competent for the honorable member for Wentworth to submit it?

The CHAIRMAN.—The amendment is in order. I would point out to the honorable member that it is possible that the proposal embodied in it might involve no cost whatever.

Mr. WILSON.—I think that the honorable member for Wide Bay has touched upon a point of considerable importance, in view of recent developments in regard to wireless telegraphy. He has shown that ships at sea—a long distance to the west—might be able to supply us with far more valuable information than we could obtain from any other quarter of the globe. The Minister should have power to make arrangements with shipping companies to supply meteorological information. Most of our storms come from the west, and the most valuable information we secure with regard to disturbances comes from the meridian west of the Leeuwin. The question is whether the amendment will limit the Minister's powers. We should make it clear that no such limitation is imposed upon the Minister.

Mr. FISHER.—We should give him power to act according to law and common sense.

Mr. WILSON.—I quite agree with the honorable member. I would point out that information from the south is also of value to our meteorologists. Many of our storms originate in the Antarctic, and are first recorded in the vicinity of the Cape.

Mr. GROOM.—The Government will have the necessary power, even without the amendment, which is only declaratory.

Mr. WILSON.—I wish it to be clearly understood that the Department will have all the powers necessary for the collection of valuable information, and, in meteorology, information which is not gathered over wide areas is of practically no value.

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Those words will cover communications by wireless telegraphy, the use of ships, and everything else.

Mr. WATSON (Bland) [6.18].—It seems to me that the amendment is unnecessary, because the Bill incidentally gives the Government the power which the honorable member for Wentworth desires to confer.

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Mr. WATSON.—Clause 5 deals with functions which have hitherto been performed by the States, and it seems to me necessary to lay down the specific conditions under which the meteorological branch is to be transferred to the Commonwealth. I have risen to suggest that, when a Commonwealth Meteorological Department is formed, consideration should be given to the statements made by Professor Gregory in a lecture delivered in Melbourne on the subject of Australian meteorological conditions and the forecasting of weather. He is of opinion that the temperature of the waters on our coasts, influenced as it is by ocean currents, may have a material effect upon our weather conditions, and suggested that a small sum should be expended annually in recording the temperature of

the sea at various places. He admitted that it would be some time before sufficient data would be available to substantiate any reasonable theory, but he thought that an expenditure of £500 per annum might produce results of value in meteorological research. I think it would be well for the Commonwealth Department of Meteorology, when created, to give attention to that suggestion.

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That so much of the Standing Orders be suspended as will enable the Bill to be passed through its remaining stages this day.

Report adopted.

Motion (by Mr. GROOM) proposed—

That the Bill be now read a third time.

Debate (on motion by Mr. JOSEPH COOK) adjourned until a later hour (*vide* page 2174).

Sitting suspended from 6.30 to 7.30 p.m.

DESIGNS BILL.

SECOND READING.

Debate resumed from 31st July (*vide* page 2056), on motion by Mr. GROOM—

That the Bill be now read a second time.

Mr. GLYNN (Angas) [7.30].—I looked through the Bill very carefully this morning, and I think it is to be more commended for its purpose than for what it achieves. I had thought that a Bill which aims at uniformity would have been more in line with English legislation. We have welcomed the tendency recently shown to promote uniformity throughout the Empire in matters regarding which there is no necessity to have local diversity; especially when that uniformity is only part of the greater scheme of uniformity which is aimed at under international reciprocity treaties. The growth of international reciprocity in these matters makes us more hopeful that the comity of nations will become a little more marked than in the past. Imperial statesmen, as well as commercial representatives of the Empire, desire that there shall be uniformity as far as possible in regard to patents, copyrights, and designs. Copyright is a general term, covering copyright in books and designs. From the syllabus of the Sixth Congress of the Chambers of Commerce of the Empire, published in the *Weekly Times* of 20th June, 1906, I find that one of the notices of motion given was—

That it is desirable that the law of copyright should be uniform throughout the Empire, and that the existing laws relating to copyright be amended when necessary by Imperial and Colonial legislation, so as to give to all citizens of the Empire, subject to local conditions and formalities, identical rights and protection throughout the Empire for all their productions, whether literary, artistic, musical, or dramatic.

The same principle, of course, applies to designs. I think that the expediency of Imperial uniformity in these matters was referred to at some of the Imperial Conferences of the last few years. It was mentioned at the Conference of 1902, if not at that of 1887. Under these circumstances, it is to be deplored that Ministers, whilst professing to follow the spirit, depart from the letter and structure, of the Imperial Acts. I do not intend, in connexion with such a technical subject, to quote more than one or two instances of the departure referred to. In England, designs and patents are dealt with in the one Act, and the articles to which designs

have to be affixed and with respect to which designs may be registered are scheduled, not in the Act, but in the rules laid down by the Board of Trade. These rules have a publicity—a far wider publicity—than regulations such as those prescribed by the Bill, which will be found only in the somewhat cloistral seclusion of that interesting periodical, which no one reads, called the *Commonwealth Government Gazette*. In a matter of this kind, which is to some extent Imperial, if not international, it is desirable that our laws should be made as public as possible, so that people of other nations, as well as the citizens of the Commonwealth, may have an opportunity of ascertaining by reference to the statute-book the full meaning and scope of our legislation. If, however, they have to wade through the, sometimes not properly indexed, files of our *Government Gazette* and Blue Books to find out which of the articles will come within the category of designs, they may quite innocently commit an offence against the law. The Board of Trade have made rules in England, under which fourteen articles are specified as coming within the designs part of the Patents Act. I cannot understand why patents and designs should have been dealt with in two separate measures, except that it may have been desired to introduce the Bills in different sessions. The effect is to duplicate the machinery, because in the English Act a great many of the sections are quite as applicable to copyright in designs as to patents. Under this Bill we have adopted a good many of the sections of the Patents Act, whereas if the two matters had been dealt with in the one measure we should have saved ourselves the trouble of repeating the provisions. Why should we not follow the sufficiently concise terminology of the English Act? They have a good drafting staff in England, and it is desirable that, as far as possible, our laws should run upon all fours with the Imperial Statutes, so that the decisions of the Courts upon Imperial Statutes may be applicable to the interpretation of our local laws. The Privy Council still reconciles most of the decisions of our Courts, and that tribunal is nothing more than another edition of the House of Lords. The same Judges sit upon both Benches, and act as interpreters of Imperial as well as Australian legislation. Therefore it is eminently desirable that there should be no difference in the wording or structure of the Imperial and Australian

Statutes. At all events, where no apparent object is served, I do not see why the Commonwealth draftsman should alter the structure of the Imperial provisions, split up the sections, and very often vary the terminology. Clause 4 of the Bill contains a definition of "design." It is very small, and embraces only a small portion of the Imperial definition. It may simplify matters if I read section 60 of the Patents Designs and Trade Marks Act of 1883, which contains a definition of "design." It reads—

"Design" means any design applicable to any article of manufacture, or to any substance, artificial or natural, or partly artificial and partly natural, whether the design is applicable for the pattern or for the shape or configuration, or for the ornament thereof, or for any two or more such purposes, and by whatever means it is applicable, whether by printing, painting, embroidering, weaving, sewing, modelling, casting, embossing, engraving, staining, or any other means whatever, manual, mechanical, or chemical, separate or combined.

In drafting the Bill, which from the marginal notes professes to be in conformity with the Imperial Act, the method has been adopted of knocking out a part of the specification in the Imperial definition and then dividing the remainder into two sections, one of which is included, as it ought to be, in the interpretation clause, whilst the other is not. The definition of "design" is to be found partly in the interpretation clause, and partly in clause 5, which may be regarded as one of the enacting provisions of the measure. The structure of the expression in clause 5 has been varied from that adopted in the English Act. Some words have been added, and others have been left out. In clause 4 it is provided—

"Design" means an industrial design applicable, in any way or by any means, to the purpose of the ornamentation, or pattern, or shape, or configuration, of an article, or to any two or more of those purposes;

The word "industrial," which has been added, and appears also in the title of the Bill, does not occur in the English Act, and I fail to see the object of its insertion here. It may mean a limitation. The Imperial Act of 1883 was a consolidation of the Act of 1842 and some amending Acts. The Act of 1842 dealt only with ornamental designs, but the Act of 1883 relates to ornamental and useful designs—the word "useful" not being employed in the definition, but being the result of the definition. Therefore, designs under the Imperial law, as well as under the Bill, may be ornamental or useful. If the word

"industrial" is not qualified by the use of other words, the meaning of the term "design" will be somewhat limited. Owing to the distinction previously drawn and still drawn in the Act of 1883 between "ornamental" and "useful," the word "industrial" may limit the application of the definition. It is certainly inconsistent with the subsequent wording of the clause, which includes the word "ornamentation." It is incongruous with the context. I regret that the Minister has not shown us why this departure has been made from the wording of the English Act, and why a word has been inserted which may lead to diversity of interpretation. In the English Act the means of attachment are specified, whether they be by printing, painting, embroidering, weaving, &c. That, I believe, is done with a twofold object. The first is a desire to indicate to some extent how the attachment is to be made, because in both the Imperial Act and in this Bill there is a provision that the registered mark must be attached to the goods. It is not left to each person to decide with what publicity the mark shall be so attached. In the English legislation, I repeat, the method of attachment is specified. But in this Bill the definition is contained in two provisions. Clause 5 declares—

A design shall be deemed to be applied to an article when—

- (b) the design is applied, in any way, or by any means to the purpose of the ornamentation, or pattern, or shape, or configuration of the article, or to any two or more of those purposes.

Thus it does not afford any indication of what is meant by the Legislature as does the Imperial Act. Again, from that clause we have omitted the words "artificial or natural, or partly artificial and partly natural." That fact enhances the difficulty which I have been endeavouring to indicate in connexion with the use of the word "industrial," which is more related to artificial substances than it is to natural substances. By the excision of the words to which I have referred the limitation of meaning that I have indicated may be given to the word "industrial." As the method adopted is not in the interests of lucidity, I fail to see why it has been employed. Again, in the Imperial Act there is a definition of copyright in designs. That definition reads—

"Copyright" means the exclusive right to apply a design to any article of manufacture, or to any substance as aforesaid in the class or classes in which the design is registered.

The draftsman of this Bill has not followed the Imperial Act in that connexion. The word "copyright" is not defined in our interpretation clause, where one would naturally look for it, but is inserted in clause 12, where its meaning is expressed in different words. That clause provides that—

Copyright in a design means the exclusive right to apply the design—

and then these words are added—

or authorize another person to apply the design to the articles in respect of which it is registered.

Why are these words inserted? They cannot be required in connexion with assignments, because the latter are specially provided for. They are not intended to designate persons who take designs for value or consideration. The object of that definition is attained by clause 30, which is supposed to be similar in purport to section 58 of the Imperial Act. The clause reads—

A person shall be deemed to infringe the copyright in a registered design, if, whilst the copyright continues he, without the licence or authority of the owner of the copyright . . . does certain things. These words being used subsequently, I hold that there is no necessity to include them in clause 12. If honorable members will look at clause 32 they will find that it reads—

A person shall not knowingly infringe the copyright in a registered design.

The penalty provided for any such offence is £50, and sub-clause 2 declares that—

Any penalty under this section may be sued for and recovered for his own use by the registered owner of the design.

But why is not the person authorized under clause 12—if the definition contained in that provision means anything—also entitled to sue for and recover for his own use the penalty provided under this clause? It seems to me that a departure has been made from the English terminology without regard to its effect.

Mr. HIGGINS.—Is not this better draftsmanship?

Mr. GLYNN.—I do not think so. In the Imperial Statute the particular Act in relation to which knowledge is implied is specified in connexion with the word "knowingly."

Mr. HIGGINS.—Clause 32 uses the words "knowingly infringe."

Mr. GLYNN.—But the word "infringe" means several things which relate to different breaches of the Act, whereas in the Imperial law the particular breach is

specified, and then the word "knowingly" is used in connexion with it, so that there can be no misapprehension as to what was the intention of the Legislature. Then, again the words in which an offence is declared in this Bill are different from those employed in the Imperial Act. For instance, section 58 of the Imperial statute provides—

It shall not be lawful for any person to publish or expose for sale any article of manufacture or any substance to which such design or any fraudulent or obvious imitation thereof shall have been so applied, &c.

In this Bill, however, a person is deemed to infringe the copyright in a registered design if, whilst the copyright continues, he, without licence or authority of the owner of the copyright, "sells or offers for sale" any article to which the design or any fraudulent or obvious imitation of it has been applied. I point out these difficulties to indicate that a departure has been made from Imperial legislation. I do not say that the Imperial Acts are always right, but I do say that they are generally excellently drafted.

Mr. HIGGINS.—Some of our Statutes are better drafted than are the corresponding Imperial Acts.

Mr. GLYNN.—No doubt. Our Customs Act is better drafted than are most Imperial Statutes, and I know that some of the Imperial authorities highly complimented the right honorable member for Adelaide upon his draftsmanship of that Act. But, having uniformity in view, it is our duty to see whether we are justified in departing from the draftsmanship of Imperial legislation in this connexion. In some of our State Acts we have literally adopted the phraseology of legislation in the old country. This is notably the case in connexion with the Sale of Goods Act. I do not think that I need detain the House further in discussing this Bill, which is purely one for Committee. Something was said last night about the right of appeal from a decision of the Registrar in connexion with an application to register an industrial design under clause 39. That clause provides—

Subject to this Act, the Supreme Court, on the application of any person aggrieved, may order the rectification of the register by—

(a) the making of any entry wrongly omitted to be made in the register.

That, I take it, refers to an omission in connexion with an entry which has been actually made. That is what is meant by

the provision in the Imperial Act, in which different words are employed. It does seem to me that the power of rectification conferred by clause 39 is the power to rectify a certain entry which has been actually made. But the earlier part of the Bill seems to make the decision of the Registrar in connexion with applications for the registration of industrial designs, final. I repeat that the Bill is essentially one to be threshed out in Committee, and, therefore, I do not propose at this stage to offer any further criticism of its provisions.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 to 3 agreed to.

Clause 4—

In this Act, unless the contrary intention appears

"The Supreme Court" means the Supreme Court of a State or any Judge thereof. . . .

Mr. GLYNN (Angas) [8.0]. — Perhaps the Minister will tell us why this method of drafting has been adopted. Will he tell us why, for instance, the definition of "design" in the English Act has been cut down, then divided, and added to? For instance, the word "industrial" is used in this clause, although I cannot find it in any Act. It is true, however, that it appears in the report of the Convention of 1883. Will the Minister tell us why there is such a variation from the English Act?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [8.2]. — This form of drafting has been adopted with a view to make the definitions as short and as simple as possible, so that they may be readily understood. Any departure that has been made from the English Act is not one of principle; the substance of the English legislation has been preserved. If the honorable member turns to the definition of the word "design" he will find that it contains everything in the English section that is essential. In that Act the word "design" is defined as meaning—

any design applicable to any article of manufacture . . . and by whatever means it is applicable, whether by printing, painting, embroidering, weaving, sewing, modelling, casting, embossing, engraving, staining, or any other means whatever . . .

In the Bill we define "design" as meaning—

an industrial design applicable in any way or by any means to the purpose of the ornamentation, or pattern, or shape, or configuration, of an article, or to any two or more of those purposes.

The English definition, after setting out various means by which it is applicable, contains the words, "or any other means whatever."

Mr. GLYNN.—They are *ejusdem generis*.

Mr. GROOM.—We have made the "design" applicable in the widest way. I think that the definition is a decided improvement upon that contained in the English Act. I would point out that the word "article" has been defined in the Bill shortly as meaning "any article or substance." Designs are usually applied only to industrial purposes. In the International Convention the word "industrial" is expressly used. We have there the words "industrial designs or models," which constitute the subject-matter of the Convention.

Mr. GLYNN.—I think that applies to patents and everything else.

Mr. GROOM. — Exactly. The word "industrial" is used, I am informed, in the Tasmanian Act, and also, I believe, in the South Australian Statute. It certainly makes clear the purpose for which a design may be used. A comparison of this clause with the definition clause in the English Act will show that it contains substantially what is found in the latter, but that it is framed in a clearer and more explicit form, so that any business man may know exactly what he can register as a design.

Mr. GLYNN (Angas) [8.6].—I can understand the object in view in framing the clause in this way; but the point is whether that object will be attained. I have endeavoured to point out to the Committee the possible danger of this definition. The same method is adopted in the Copyright Act, the Patents Act, and also, I believe, the Trade Marks Act, and we have found that the perfecting of the English expression in connexion with definitions is faulty. The Committee will remember that that was our experience in connexion with the definition of "trade mark." The definition in the Trade Marks Bill was an emendation, it was said, from the latest English Statute, but on close examination it was found to be nothing of the sort. I am merely pointing out that in many cases we may not attain our object in making these departures. Unless the draftsman is particularly careful to see that he has condensed the essence of various English definitions, there may be a danger which, at the moment, he did not anticipate—of the object being, to some extent, varied.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [8.9].—I move—

That the words, "or any judge thereof," line 4, be left out.

Mr. McCAY.—Why should they be omitted?

Mr. GROOM.—Because we are investing the Court only, and not an individual Judge, with jurisdiction. We have power to invest the Court of a State with jurisdiction, and clause 39 deals with applications which may be made to the Supreme Court of a State.

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 5 to 7 agreed to.

Clause 8 (Registrar).

Mr. DUGALD THOMSON (North Sydney) [8.10].—I suppose that the intention is that the work arising under this Bill shall be carried on in association with the Patents Department. It is not intended to create a separate Department?

Mr. GROOM.—No; I explained, in moving the second reading of the Bill, that it was not intended to create a separate Department.

Clause agreed to.

Clause 9 (Designs Office).

Mr. GLYNN (Angas) [8.11]. — This clause provides for the establishment of sub-offices in every State, other than that in which the Designs Office is established. Such a provision is satisfactory, if it be properly administered. I would remind the Committee, however, that there is a similar provision in the Patents Act, and also, I believe, in the Trade Marks Act, and that it was not until pressure had been brought to bear that sub-offices were established under the last-named Statute. The head office was at the Seat of Government, and, I think, it was proposed to have a sub-office in Sydney. In all the other States, however, there were to be mere agencies, the records kept at those agencies being far more meagre than was necessary for the information of those concerned. I do not know that even yet the necessary information is obtainable in the sub-offices relating to patents, although, at the request of certain commercial bodies in South Australia, I forwarded their remonstrances to the Minister, and he consented to adhere to the provisions of the Act by creating sub-offices. What appears to be still wanting at the sub-offices is a complete registration showing the applications and the entries, that are made from week to

week, so that by examination a person, say, in Adelaide, can find out what is being done, just as if he had made the examination at the principal office. I am informed that the necessary work of registration and indexing can be done in the sub-offices without involving much extra expense. If that be so, I hope the Minister will see that it is carried out, not only under the Patents Act, but also in connexion with this measure. The information required at the sub-offices, under the Patents Act, is not complete, or, at all events, it was not a fortnight ago. I made inquiries, and was informed that it was possible from week to week to make the necessary entries in the register kept at each sub-office. If that can be done, I hope the Minister will see that it is.

Mr. GROOM.—I shall communicate with the Minister of Trade and Customs with regard to the matter.

Clause agreed to.

Clauses 10 to 24 agreed to.

Clause 25 (Appeal to law officer).

Mr. JOSEPH COOK (Parramatta) [8.15].—According to this clause, the law officer—meaning, of course, the Attorney-General—

Mr. GROOM.—Or the Crown Solicitor.

Mr. JOSEPH COOK.—Or the Crown Solicitor, is to be the sole arbiter in the matter of an application for registration. The Registrar will have the right to refuse registration, and there will be no appeal from his decision.

Mr. GROOM.—Yes; under clause 39, paragraph *a*. The provision there is the same as that in the Copyright Act.

Mr. JOSEPH COOK.—That provides only for an appeal for rectification. Would it cover an appeal against a refusal to register?

Mr. GROOM.—If anything is wrongly omitted from the register, the Court will have power to order its insertion.

Mr. JOSEPH COOK.—Suppose that there has been a direct refusal to register?

Mr. GROOM.—In that case something has been omitted from the register which should have been entered in it, and the matter will be put right by making the entry.

Mr. JOSEPH COOK.—Then rectification covers registration?

Mr. GROOM.—The register will be rectified by the insertion of something which has been omitted, but should have been inserted.

Mr. JOSEPH COOK.—I take the clause to provide for the rectification of an entry in the register.

Mr. ISAACS.—It provides for the rectification of the register.

Mr. JOSEPH COOK.—Could the register be rectified, if there were no entry in it?

Mr. ISAACS.—If something has been omitted that should have been entered, the register can be rectified by making an entry.

Mr. JOSEPH COOK.—If an application for registration is refused, there will be no record of it in the register.

Mr. ISAACS.—If a man's name should be on a share register, and is not there, he can apply to have the register rectified by the insertion of his name.

Mr. JOSEPH COOK.—It seems to me that the intention of the measure should be much more clearly expressed than it is.

Mr. GLYNN (Angas) [8.17].—I doubt that the clause is intended to give the right of appeal from the refusal of the Registrar to register an application. No such right of appeal is given in the Imperial legislation, and, as we profess to be desirous of securing uniformity in our laws on subjects such as this, we should not depart from the terms of that legislation. Of course, if uniformity is not desirable, we may make what alterations we please. Section 90 of the Imperial Act of 1883 is as follows:—

The Court may, on the application of any person aggrieved by the omission, without sufficient cause, of the name of any person from any register kept under this Act, or by any entry made without sufficient cause in any such register, make such order for making, expunging, or varying the entry, as the Court thinks fit; or the Court may refuse the application.

To my mind, those words apply to the rectification of an error in connexion with an entry. As I understand the English Act, the decision of the Board of Trade in regard to applications is final; but if an error has been made in an entry, as by the omission of the name of a partner, an appeal for its rectification can be made under the provision which I have read. In any case, the intention of the measure should be clearly expressed. It would be easy to say, if that is the intention, that an appeal shall lie from any decision of the registrar under clause 25.

Clause agreed to.

Clauses 26 and 27 agreed to.

Clause 28—

The owner of a registered design shall, within two years after registration, substantially use the design or cause it to be substantially used in Australia in the manufacture of articles, and if he fails to do so the copyright in the design shall cease.

Provided that if such design is used in any manufacture abroad the period aforesaid shall be limited to six months.

Mr. DUGALD THOMSON (North Sydney) [8.23].—As I read this clause, it means that if a design is not used in manufacture in Australia within two years after its registration, the copyright in it shall cease, while, if the design is used in manufacture abroad, its registration in Australia shall cease to have effect unless within six months the owner uses it in manufacture in Australia.

Mr. GROOM.—If the owner of a registered design uses it abroad, he must use it in Australia within six months after registration.

Mr. DUGALD THOMSON.—Is it intended that, if a design is being used in manufacture abroad, the period within which it must be registered and used in Australia shall be six months?

Mr. GROOM (Darling Downs—Minister of Home Affairs) [8.25].—The clause was modified in the Senate. It provides that the owner of a registered design shall substantially use it, or cause it to be used, in manufacture in Australia within two years of the date of the registration; but that if a man having registered a design in Australia uses it in manufacture, say, in France the period within which he must use it in manufacture in Australia, in order to preserve his copyright in it, shall be reduced to six months from the date of registration. The clause follows the principle of the English Act. If under that Act a man registers a design in England and manufactures abroad, he must, to preserve his copyright, use it in England within a certain time.

Mr. DUGALD THOMSON.—A manufacturer abroad may wish to protect a design in Australia.

Mr. GROOM.—Then he must manufacture in Australia within six months from the date of its registration here.

Mr. DUGALD THOMSON.—Cannot a manufacturer abroad protect a design in Australia without manufacturing here?

Mr. GROOM.—That question raises another point. The clause deals with the

case of a man who, having registered in Australia, uses the design in manufacture abroad.

Mr. DUGALD THOMSON.—That is not clear.

Mr. GROOM.—I think that it is. Clause 17 provides what designs may be registered. Under it only new and original designs, which have not been published in Australia before the lodging of an application here, can be registered. The clause with which we are now dealing provides for what must be done after registration has been effected.

Mr. DUGALD THOMSON (North Sydney) [8.28].—If a British manufacturer of tweeds wishes to register a design in Australia to protect himself from the imitation of his goods by local manufacturers, can he do so without manufacturing here?

Mr. GROOM.—No.

Mr. DUGALD THOMSON.—The Bill does not protect manufacturers abroad from the piracy of their designs in Australia unless they manufacture here.

Mr. GROOM.—Except under the special agreements dealt with in clauses 48 and 49.

Mr. DUGALD THOMSON.—It appears to me that the effect of this clause is to nullify the provision in clause 48. Are we to understand that the Bill protects only designs used in manufacture in Australia, or will it protect, either under the international arrangement dealt with in clause 48, or, generally, designs registered here by an owner who is not manufacturing in Australia? For instance, a copyright may be obtained in Australia under the Copyright Act, although the subject of copyright is not produced in Australia. Why should we adopt a different principle here, and refuse ownership of copyright, unless the goods are manufactured in Australia?

Mr. GROOM.—If the honorable member will look at section 54 of the English Act he will see that we have followed the wording of the Imperial provision.

Mr. DUGALD THOMSON. — The wording of the Imperial provision is different from that contained in the Bill. No reference is made to the "use in manufacture." Suppose an English manufacturer registered a design applied to tweeds and sent them out here. The provision in the Bill requires that the design shall be used in manufacture in Australia within six months.

Mr. GROOM.—Surely the honorable member does not object to the provision that the owner of a registered design shall, within two years after registration, substantially use the design?

Mr. DUGALD THOMSON.—No; I am not objecting to that, but to the enactment in the proviso that if a design is not used in manufacture in the Commonwealth it shall be cancelled. A manufacturer might register here a design for goods manufactured in Great Britain, but unless he used the design in manufacture in the Commonwealth within six months, his copyright would expire, and his design might be pirated. I am perfectly sure that foreign designs are registered and protected in Great Britain, although the goods upon which they are used are not manufactured there. That may be done under an international arrangement. Under the Bill it would not be possible, even under an international arrangement with Great Britain, or any other country, to protect a design registered in Australia, unless the goods were manufactured here. I had no idea that it was intended to make such a wide departure from the principle embodied in the Copyright Act. I think that we ought to extend to British manufacturers the right to maintain their copyright of designs here, and that Australian designers should enjoy similar rights in Great Britain.

Mr. GROOM (Darling Downs) [8.40].—The proviso to which objection is taken is merely a re-enactment of the English law. The first part of the clause deals with registered designs. If a person in Australia registers a design, and does not manufacture in Australia, or elsewhere, within two years, he will forfeit his copyright. That is only right, because the registration of the design may prevent other persons from using it. That provision seems to me to be reasonable and just. Let me put another case. A man may register a design in Australia, and after registration may not use the design in Australia, but may manufacture abroad. He may neither use the design in Australia nor import into Australia the manufactured article bearing it. He may simply keep the design on the register, in order to block others from using it in Australia. The clause provides that, if that course be adopted, the period of protection shall extend over only six months. The provision to which the honorable member for North Sydney takes ex-

ception is contained in the English Act, which reads as follows:—

If the registered design is used in manufacture in any foreign country, and is not used in this country within six months of its registration in this country, the copyright in the design shall cease.

Mr. KELLY.—The words "in manufacture" are not used in connexion with the word "used" upon its recurrence in the provision.

Mr. GROOM.—No; but "used in manufacture" is meant.

Mr. McCAY.—The words "in manufacture" are deliberately omitted after the word "used" in the second line.

Mr. KELLY.—Will the Minister adopt the English provision?

Mr. GROOM.—I prefer to stand by the clause as adopted by the Senate, as I understand, on the motion of Senator Symon. I think the clause is quite reasonable. If a man takes advantage of the law and registers a design here, I think that it is only fair to require that he should manufacture here.

Mr. DUGALD THOMSON.—That principle is not applied to copyright.

Mr. GROOM.—A copyright is different altogether, because a play, a poem, or book is in itself protected. On the other hand, a design is merely applied to articles which are manufactured, such as clothes or carpets. If the registration of a design were permitted to stand irrespective of any condition as to manufacture within the Commonwealth, the course of trade might be seriously interfered with, because persons who might desire to make use of a design would be prevented from doing so. In effect, we propose to say, "If you ask for a monopoly you shall in return for the concession be called upon to use the design in manufacture in this country."

Mr. DUGALD THOMSON.—The limitation would be all right if it were similar to that imposed by the English Statute.

Mr. GROOM.—The English provision is intended to apply to the use in manufacture in the same way that our provision is. A manufacturer might have a factory in the United States, and, by registering a design in Australia, absolutely prevent any other person from using it.

Mr. DUGALD THOMSON.—Why did not the Government make a similar provision in regard to patents? All the Minister's arguments apply equally to patents.

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Mr. GROOM.—Patents are different altogether. A patent is a contrivance which is used in some particular industry. For instance, it may apply to gold-mining, and there are strong reasons why a person who obtains patent rights should be compelled to use his patent within the Commonwealth. If we give a special monopoly to a man, he should certainly be compelled to use the design which is the subject of a monopoly.

Mr. KELLY.—Does not a patent confer a monopoly?

Mr. GROOM.—Certainly; but—

Mr. McCAY.—Under this clause, how would the passing off of imitation goods be affected?

Mr. GROOM.—There is a provision in the Bill which declares that if a design is registered and any person infringes it by knowingly passing off a colourable imitation of it, he shall be liable to a penalty.

Mr. McCAY.—Suppose a copyright design has lapsed.

Mr. GROOM.—If a man manufactures abroad and fails to manufacture in Australia within six months from the registration of his copyright, that copyright ceases.

Mr. McCAY.—Is there no common law remedy, then?

Mr. GROOM.—I do not think so. The Bill provides that under such circumstances the copyright shall cease, and thereafter there is nothing—so far as I am aware—to prevent the design from being used.

Mr. GLYNN (Angas) [8.46].—I should like to direct the Minister's attention to section 13 of the Copyright Act of 1905, which provides—

The copyright in a book means the exclusive right to do, or authorize another person to do, all or any of the following things—

which it then proceeds to enumerate. I do not think that that provision is contained in the Imperial Copyright Act, and if I recollect rightly, we had a big fight upon it. In this clause, the same principle seems to be adopted in regard to copyright in designs. It declares that a man must manufacture in Australia or he will not be entitled to the use of his design.

Mr. HUGHES (West Sydney) [8.48].—This provision may operate fairly enough in respect of some designs, but in respect of others it will operate very unfairly. Let us take the case of a man in England who register a design for a carpet or a wall paper, and who wishes to introduce it into this country. If he does not manufacture

Mr. JOSEPH COOK.—Did not Mr. Wragge arrange for a station at Mount Kosciusko?

Mr. FISHER.—He would have one at the North Pole, and also at the South Pole, if he could.

Mr. KELLY.—I recommend to the honorable member a statement that appeared in the *Sydney Daily Telegraph*, of 18th May last, to the effect that the Government Meteorologist—

who has frequently urged the desirability of receiving telegraphic data from as wide an area as possible for weather forecast purposes, has received a communication from the Director-General of Indian Observatories, requesting cablegrams showing periodic changes in the distribution of atmospheric pressure over Australia, in order to assist in the construction of their monsoon or seasonal forecasts; further, that the cost of such cablegrams is to be borne by the Government of India.

The arrangements entered into in a case of that kind would be for reciprocal advantages.

Mr. FISHER.—I do not object to the proposal, but I wish to know whether it is not mere redundancy.

Mr. KELLY.—No; the point is that if it is, then paragraph c of clause 5 is also a redundancy. If that paragraph be allowed to stand without some such amendment as I propose, it may possibly be read as curtailing the Government agencies in this very direction. Every one will admit the necessity to secure information from as wide a source as possible. The immense value of the information to be obtained from India will present itself to every one who remembers how intimately our seasonal rains are associated with the monsoons which come from the equator. The theory is that a lot of our moisture is deposited in the monsoonal period, and that the monsoons seriously affect the humidity of the air in the southern part of Australia, although they do not reach here. Then the cool winds from the west and the south precipitate the moisture for which these monsoons have been responsible. That, as I have said, is a theory, but my other statements are facts which ought to be sufficient to secure the passing of the amendment.

Mr. FISHER (Wide Bay) [6.11].—The honorable member for Wentworth is very ingenious, and is entitled to take whatever course he deems fit. I would point out, however, that, whilst his proposal is that the Governor-General shall have power to arrange with the Governments of other countries for an interchange of meteorological

information, the most valuable information would be obtained from oversea vessels trading to places where such particulars could not otherwise be secured, and that the Minister ought, therefore, to be empowered to enter into agreements with shipping companies in this direction.

Mr. GROOM.—The amendment would not prevent that being done.

Mr. FISHER. The point is that the more definitely we prescribe the duties of the Minister the more we limit his powers. In the amendment we have the words specifically used, "the Governments of other countries, or any of them." We ought not to limit the power to obtain information in that way, because big shipping companies, whose vessels are fitted with wireless telegraph instruments, would, doubtless, be able to supply us with very valuable information. Information obtained from a certain distance beyond Australia is of value only for universal data, and it seems to me that in prescribing the powers of the Minister in the way proposed by the honorable member for Wentworth we should certainly bring about a limitation of them.

Mr. WILSON (Corangamite) [6.14].—As the amendment will mean an extra charge upon the people, I should like to know, Mr. Chairman, whether it is competent for the honorable member for Wentworth to submit it?

The CHAIRMAN.—The amendment is in order. I would point out to the honorable member that it is possible that the proposal embodied in it might involve no cost whatever.

Mr. WILSON.—I think that the honorable member for Wide Bay has touched upon a point of considerable importance, in view of recent developments in regard to wireless telegraphy. He has shown that ships at sea—a long distance to the west—might be able to supply us with far more valuable information than we could obtain from any other quarter of the globe. The Minister should have power to make arrangements with shipping companies to supply meteorological information. Most of our storms come from the west, and the most valuable information we secure with regard to disturbances comes from the meridian west of the Leeuwin. The question is whether the amendment will limit the Minister's powers. We should make it clear that no such limitation is imposed upon the Minister.

Mr. FISHER.—We should give him power to act according to law and common sense.

Mr. WILSON.—I quite agree with the honorable member. I would point out that information from the south is also of value to our meteorologists. Many of our storms originate in the Antarctic, and are first recorded in the vicinity of the Cape.

Mr. GROOM.—The Government will have the necessary power, even without the amendment, which is only declaratory.

Mr. WILSON.—I wish it to be clearly understood that the Department will have all the powers necessary for the collection of valuable information, and, in meteorology, information which is not gathered over wide areas is of practically no value.

Mr. JOSEPH COOK (Parramatta) [6.17].—There seems to be a storm centre here which promises to develop great energy; but I think that the amendment which I am about to propose will meet the views of honorable members generally. I move—

That the proposed new clause be amended by inserting after the word "information," the words "and any matter incidental thereto."

Those words will cover communications by wireless telegraphy, the use of ships, and everything else.

Mr. WATSON (Bland) [6.18].—It seems to me that the amendment is unnecessary, because the Bill incidentally gives the Government the power which the honorable member for Wentworth desires to confer.

Mr. JOSEPH COOK.—By what provision in the Bill is that power conferred?

Mr. WATSON.—I think that the powers necessary for the carrying out of the main purposes of the measure include it.

Mr. KELLY.—Then why is sub-clause c of clause 5 necessary?

Mr. WATSON.—Clause 5 deals with functions which have hitherto been performed by the States, and it seems to me necessary to lay down the specific conditions under which the meteorological branch is to be transferred to the Commonwealth. I have risen to suggest that, when a Commonwealth Meteorological Department is formed, consideration should be given to the statements made by Professor Gregory in a lecture delivered in Melbourne on the subject of Australian meteorological conditions and the forecasting of weather. He is of opinion that the temperature of the waters on our coasts, influenced as it is by ocean currents, may have a material effect upon our weather conditions, and suggested that a small sum should be expended annually in recording the temperature of

the sea at various places. He admitted that it would be some time before sufficient data would be available to substantiate any reasonable theory, but he thought that an expenditure of £500 per annum might produce results of value in meteorological research. I think it would be well for the Commonwealth Department of Meteorology, when created, to give attention to that suggestion.

Mr. GLYNN (Angas) [6.22].—I regard the amendment as unnecessary. Clause 5 specially refers to the utilization of the services of the officers of the States. Our Public Service Act contains a provision enabling the Government to avail itself of the services of officers of the States, and allowing our officials to do work for the States authorities, and in this clause we are declaring that we intend to make use of that provision, and take advantage, for a time, of the services of States officers. The clause amounts to a declaration that we are going to exercise the powers whose exercise is provided for by the Public Service Act, it may be with unnecessary amplification of detail. On the other hand, the power proposed to be conferred by the amendment seems to be inherent in the Government. If we say that the Government is to undertake the control of meteorological observations, it will have power to do so.

Mr. KELLY (Wentworth) [6.24]. — I cannot see that paragraph c of clause 5 has the application which the honorable and learned member wishes to give to it.

Mr. GLYNN.—I do not think that it is necessary; it is surplusage.

Mr. KELLY.—I admit that my amendment may be redundant, but I point out that paragraph c of clause 5 errs in the same direction. If it can be shown that that paragraph is not necessary, and will be excised, I shall be prepared to withdraw my amendment.

Amendment of the amendment agreed to.

Proposed new clause, as amended, agreed to.

Bill reported with a new clause.

Ordered—

That so much of the Standing Orders be suspended as will enable the Bill to be passed through its remaining stages this day.

Report adopted.

Motion (by Mr. GROOM) proposed—

That the Bill be now read a third time.

Debate (on motion by Mr. JOSEPH COOK) adjourned until a later hour (*vide* page 2174).

Sitting suspended from 6.30 to 7.30 p.m.

Mr. McCAY (Corinella) [9.30].—The position is no doubt complicated by the desire to pass legislation in this particular form in order to fall into line with international conventions, but I think that the point raised by the honorable member for North Sydney is well worthy of consideration. If some design occurs to the mind of a person in England and to the mind of a person in Australia at about the same time, and the latter applies for registration, the former may subsequently apply for registration, and secure priority for his application. It is true that there is a similar provision in the Patents Act, but I am doubtful as to its wisdom. It is conceivable that information with regard to an Australian invention might be cabled to England, and, although application for registration might be made in England subsequent to the date of the Australian application, priority might be obtained by the English applicant. I suggest that the clause should be postponed.

Mr. GROOM.—I propose to ask honorable members to pass the clause now. We can recommit it if necessary.

Mr. McCAY.—The Minister has already agreed to postpone clause 39, and, as the clause now under discussion would be open to abuses on both sides of the water, it should receive very serious attention.

Mr. GROOM.—I promise to look into the matter.

Mr. JOSEPH COOK (Parramatta) [9.35].—I cannot conceive of any reason that could be urged in justification of this proposal. To enact that a foreigner shall, as a right, have priority, in respect of a subsequent application, over an Australian applicant for a copyright of a design would be to the last degree unreasonable. Notwithstanding that a similar provision may be in the Patents Act and in the Imperial statute, I do not think we should allow the clause to pass in its present form, unless it can be shown that some grave irregularity would arise. I think the clause should be amended by the insertion of the words "of a subsequent date" after the word "applicants." That would have the effect of giving priority to foreign designs only on condition that they were registered prior to the registration in Australia.

Mr. GROOM.—I promise to look into the matter, and, if necessary, recommit the clause.

Clause agreed to.

Clause 49 agreed to.

Postponed clause 39 (Rectification of register by Court).

Mr. GROOM (Darling Downs—Minister of Home Affairs) [9.38].—I would ask honorable members to pass this clause in its present form. It has been suggested by the Parliamentary Draftsman that a new sub-clause in the following terms should be added to clause 25:—

The applicant may within the time and in the manner prescribed apply to the Supreme Court against any decision of the law officer refusing any application for the registration of a design.

Mr. DUGALD THOMSON (North Sydney) [9.39].—I should like to know whether the Minister will again consider clause 28, and ascertain whether there are not provisions under the English law which permit of the registration in Great Britain of copyright of designs used in goods manufactured elsewhere than in Great Britain? I am not prepared to comply with the Minister's present request, unless an opportunity is given for the recommitment of clause 28.

Mr. GROOM.—I should not refuse a request to recommit the clause. I shall look into the matter as the honorable member desires.

Mr. GLYNN (Angas) [9.40].—Now that the Minister acknowledges that there may be some doubt as to whether clause 39 gives the right of appeal—

Mr. GROOM.—I do not admit that, but I think it is better to make the provision suggested.

Mr. GLYNN.—The Minister is now proposing to give the right of appeal, although we have never considered the policy of adopting that course. My opinion is that it was never intended to give the right of appeal, and we have never entered upon the question whether it ought to be given. There is no necessity to give the right of appeal, because it is perfectly open to dissatisfied applicants to proceed by way of mandamus to bring compulsion to bear upon an officer who improperly refuses registration.

Clause agreed to.

Bill reported with an amendment.

METEOROLOGY BILL.

THIRD READING.

Consideration resumed (*vide* page 2161), on motion by Mr. GROOM—

That the Bill be now read a third time.

Motion, by leave, withdrawn.

Mr. DUGALD THOMSON (North Sydney) [9.44].—I am obliged to the Minister for having afforded me this opportunity to test the feeling of honorable members as to whether we should take over with the Meteorological Departments of the States the Astronomical Departments which are now being carried on in connexion with them. I do not intend to repeat the arguments I used during the second-reading debate. I desire merely to test the feeling of the House upon the question of whether we should not take over both the Astronomical and the Meteorological Departments of the States. I think that we should do so. If we neglect to do so, it will be an intimation to the States that we are very unlikely to assume control of their Astronomical Departments in the future. Therefore I move—

That this Bill be now recommitted to a Committee of the whole House.

I wish honorable members distinctly to understand that it has been arranged between the Minister and myself that this motion shall be regarded as a test one. If it be carried, it will imply that the opinion of honorable members is that the Astronomical Departments of the States should be transferred to the Commonwealth, together with the Meteorological Departments, but, if not carried, it will indicate that the feeling of the House is hostile to the transfer of the first-named Departments.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [9.46].—As the honorable member for North Sydney has said, this matter was discussed very fully during the progress of the second-reading debate upon the Bill. I listened very attentively—and with an open mind—to the arguments advanced in favour of taking over the Astronomical Departments of the States, but I am still strongly of opinion that the two services should be kept absolutely distinct. I can see no reason why, at this stage, the Commonwealth should take over the State Astronomical Departments, either upon the ground of economy or of efficiency. The astronomers of the States themselves declare that, even if the Departments were taken over, one central institution would not be sufficient. It would still be necessary to have highly-paid officials to continue the scientific work which they are performing. What the people of Australia ask is that we shall pass some practical legislation

which will prove of advantage to the producers and others who are concerned in weather forecasts. I have already pointed out that in nearly every country in the world the two services are kept absolutely distinct. There will be quite sufficient to occupy the attention of the officers who will be engaged in our Meteorological Department. If any State officers can be spared we shall be very glad to utilize their services with a view to effecting economy. But the proposal to take over the Astronomical Departments of the States is opposed by Professor Lyle, Mr. Baracchi, and Mr. Kernot. They declare that these institutions are essentially State institutions, and that they are engaged in scientific research of an advanced kind. I believe that it would be a splendid thing for the study of astronomy in Australia if the States would only consent to hand over these institutions to our universities. I feel that the step which the Government are taking is the right one. In other countries the two Departments are kept entirely separate. In the United States, it is recognised that the science of meteorology is quite distinct from that of astronomy. That being so, I ask the House to support the Government in their action.

Mr. McCOLL (Echuca) [9.50].—I think it would be absolutely fatal to the success of a Federal Meteorological Department if we were to associate an Astronomical Department with it. The two sciences are not cognate. The science of astronomy deals with the heavenly bodies and their movements, with which we are not vitally interested. The science of meteorology, on the other hand, relates to weather phenomena, which affect every interest in the country. The science of astronomy is an ideal one, and it is quite possible that only one or two States may care to prosecute it. But a knowledge of meteorology affects the whole of the States. The association of the two Departments will mean that that close study of weather phenomena which is imperative will inevitably be thrust upon one side for the sake of permitting investigation into astronomical studies which, although most interesting, are absolutely of no practical value. I trust that the House will indorse the view expressed by the Minister.

Mr. JOSEPH COOK (Parramatta) [9.52].—Every argument employed by the honorable member for Echuca was an argument against the inclusion of matters

relating to astronomy in the thirty-nine subjects upon which we are empowered to legislate under the Constitution. The fact that it has been included is the best answer to the honorable member.

Mr. GLYNN.—That is the difficulty.

Mr. JOSEPH COOK.—In spite of all the arguments advanced by the honorable member for Echuca, and which doubtless were urged at the Federal Convention, a decision adverse to them was arrived at. It is not the intention of the supporters of this proposal that this related group of subjects should be taken over by the Commonwealth—because they are very intimately related, not only in the public mind, but in themselves—for the purpose of mixing them up and thus creating confusion. But they maintain that the two Departments may be kept as distinct under Federal as they can be under State control. After all, we must recognise one outstanding fact, namely, that very frequently in Australia a single officer has combined a knowledge of these two services so far as their supreme control was concerned.

Mr. McCOLL.—It is a great mistake.

Mr. JOSEPH COOK.—I doubt that. I have never heard that the services in New South Wales suffered anything from being under the control of one head, and I have yet to learn that the two services in South Australia were injured from being under the capable control of Sir Charles Todd. That gentleman had the ability to prosecute the study of both of these sciences with marked success.

Mr. BAMFORD.—There was nobody to criticise him.

Mr. JOSEPH COOK.—I venture to say that there are not many individuals in Australia who are capable of successfully criticising Sir Charles Todd in either of these two branches of knowledge. He had made himself a master of both of them with great advantage to his own State and to the rest of Australia. If we can combine these related forms of wisdom in one man, is it not better that we should do so? What the people require is to obtain as great a degree of efficiency from these services as is possible, together with economic management. I know that in this Bill provision is made to take advantage of the services of certain States officers, but I venture to say that the Federal officer who will be appointed will not be able to exercise the same control over them as he would exercise if they were Federal officials. I shall be

very much surprised if the work is done as efficiently under this separate—and it may sometimes be conflicting—control as it would be if the control were unified. However, we are required by the Constitution to take over these services for good reasons which were offered to the Convention delegates, and there seems to be no valid reason why, at the present stage, we should separate this group of functions. If we had an efficient central staff, all we should need would be observers in the various States, with a modest Department, and a modest position. These observers would be subsidiary to the central bureau. That plan has been found to be a very excellent one in every other Department of business enterprise, from the stand-point of the saving of labour and money, and of contributing to greater efficiency of control. What works advantageously in every department of commercial life ought to work equally well even in scientific circles. I cordially support the proposal of the honorable member for North Sydney, in the belief that its adoption would ultimately lead to greater economy and efficiency.

Mr. KELLY (Wentworth) [9.58].—I wish it to be distinctly understood that I do not support the motion mainly upon the ground of economy. I am entirely in accord with all that the honorable member for Echuca has said concerning the fundamental difference which exists between these two Departments. The services should be kept absolutely separate. They deal with different subjects, and consequently should be kept apart. At the same time, I fail to see why the Commonwealth should not take over both Departments and keep them separate from each other.

Mr. JOSEPH COOK. — Are we ripe for that?

Mr. KELLY.—I think so. The Commonwealth could keep these two great Departments separate just as well as can the States. There is in the Constitution an implied direction that we should simultaneously take over both services. Sub-section VIII. of section 51 empowers us to make laws with regard to astronomical and meteorological observations—in other words, to take over these two Departments. The implied direction there is that if we take over one Department we must assume control of both. The Constitution links them together as kindred subjects. I do not regard them as kindred subjects, but.

nevertheless, I think that the Commonwealth should take over both of them. We can keep them apart under our own jurisdiction. In Australia sufficient importance has not hitherto been attached to the science of meteorology. We could have had forecasts, and in the course of time reliable forecasts for seasons, as well as in regard to local disturbances. When the Commonwealth takes over this great Department, I trust that it will see that it is completely reorganized, and made of substantial advantage to the great producing interests of the Commonwealth.

Mr. GLYNN (Angas) [10.1].—I should like to mention that in the report of the Conference which the Minister circulated amongst a few honorable members this afternoon, it is mentioned that even if the Astronomical Department be not taken over by the Commonwealth, the two branches of astronomy and meteorology will be carried on together by the States. That is a matter which affects my judgment in voting for the recommittal, because, if the two branches are still to be worked as they have hitherto been—

Mr. GROOM.—The report does not contain that statement.

Mr. GLYNN.—There is a recommendation to that effect.

Mr. GROOM.—A recommendation may have been made.

Mr. GLYNN.—I am dealing with the recommendations of the Conference. They say that if the Commonwealth does take over the meteorological branch, it will still be conducted in Adelaide, and some of the other capitals of the States, in conjunction with the Astronomical Department, so that, even if both were taken over, there would be no difference so far as administration is concerned. It is a misnomer to talk of taking over the Departments. I do not know that there is power to take them over. We can practically compel the State to hand over the Meteorological Department by charging for telegrams in connexion with it, and so imposing upon them an expenditure of £40,000 a year which they will not be prepared to face. I do not know that we could deal with their messages to Mars, or with their communications with the celestial luminaries throughout the universe in the same way. So far as their Astronomical Departments are concerned, their administration would not be much affected by any boycott that we could place upon them, but we can effectively force their hands as regards the other Departments by

saying that as soon as they are taken over by the Commonwealth the free telegrams now sent over our wires in connexion with them shall cease.

Sir LANGDON BONYTHON (Barker) [10.5].—I was very pleased to hear the tribute paid by the honorable member for Parramatta to Sir Charles Todd. It was most richly deserved, and as Sir Charles has retired from the Commonwealth service. I think one may say very fairly that there never was in Australia a more efficient public officer. His scientific attainments are recognised throughout the world. I intend to support the amendment moved by the honorable member for North Sydney, because the two Departments in South Australia are at present practically conducted as one, and whilst I am sure that their division would have the effect of increasing the expenditure, I am by no means satisfied that it would in any way add to efficiency.

Mr. SALMON (Laanecoorie) [10.7].—I agree with the honorable member for Barker that it is inadvisable for the House to take any action calculated to increase our expenditure. At the same time, I think he will recognise that if we are going to supply the whole Commonwealth with a service which is at present carried on by only some of the States, we must necessarily increase the expenditure in that regard.

Sir LANGDON BONYTHON.—Which of the States at the present time have not both services?

Mr. GROOM.—Queensland has not; she has practically neither service.

Mr. SALMON.—I take it that there is a desire on the part of honorable members to assist by every means in our power those who are helping to make the country that which we wish it to be. Whether the study of astronomy is likely to be beneficial in this respect—

Sir LANGDON BONYTHON.—Has not the Prime Minister advised the Australian to hitch his waggon to a star?

Mr. DEAKIN.—But that costs nothing.

Mr. JOSEPH COOK.—And it was only a plagiarism.

Mr. SALMON.—I had the pleasure of listening to the Prime Minister when he made that suggestion, and I know that he gave his authority for it. I do not think it can be described as plagiarism.

Mr. JOSEPH COOK.—Hear, hear.

Mr. SALMON.—The two services of astronomy and meteorology can very well be carried on separately.

Mr. DUGALD THOMSON.—And they could be carried on separately even if they were both taken over by the Commonwealth.

Mr. SALMON.—Why should we undertake more work than is absolutely necessary?

Mr. DUGALD THOMSON. — Are we not going to exercise our powers?

Mr. SALMON.—The Bill provides that the Commonwealth shall undertake a work which will be invaluable, not only to the people of Australia, but to those who are trading along our shores. Vast interests will be served by this Department, and I think we shall best secure efficiency by removing from the duties of the officers of the Department of Meteorology another study that from its disturbing effects may be found inimical to the interests we desire to promote.

Mr. JOSEPH COOK. — Astronomical and meteorological observatories are grouped together in section 51 of the Constitution, which defines the powers of the Parliament.

Mr. SALMON.—But surely the honorable member will not say that because two dissimilar—and they are dissimilar—services are grouped together in the Constitution, we are bound to carry them out as one. The honorable member will agree that we have the option of taking over either or both of them, and I think that in the absence of a better reason than that advanced by the honorable member for North Sydney, we should not take over the astronomical branch.

Mr. DUGALD THOMSON.—Then the honorable member thinks that we should never take it over?

Mr. SALMON. — I do not think we should take it over until it can be shown that practical benefit will result from our doing so. If the States think that any benefit flows from the astronomical branch, either to the Commonwealth or to the rest of the world, they will probably feel disposed to incur the expense necessary to carry it on.

Mr. JOSEPH COOK.—On this side of the House we are Socialists, and wish to socialize Mr. Baracchi.

Mr. SALMON.—I believe that this is a deep-laid scheme on the part of the representatives of New South Wales to secure for that State the services of Mr. Baracchi. The States may desire to obtain more information concerning the heavenly bodies and their movements—not having at my command the poetic language of the hon-

orable and learned member for Angas, I use more prosaic terms—and I am not going to say at this stage that those movements have no effect upon meteorology. It is quite possible that they have; but it should be demonstrated to us that they have before we are asked to enter upon the expenditure involved in taking over the astronomical branch. We have a duty to perform to the Commonwealth in the direction of securing the greatest possible services at the least possible expenditure. If we take over the conduct of a branch of science which, so far as we can see, will be of no real practical benefit to the Commonwealth, then we shall undertake a work which we should not enter upon. I am not one of those who believe that the Commonwealth should immediately take over all the services for which provision is made in the Constitution. The fact that these two Departments are linked together in section 51 of the Constitution is not in itself an argument that we should take both of them over. No service should be transferred unless it can be better administered by the central authority than by the States. The astronomical observatories should be conducted by the universities—the great centres of learning here. If that course were followed, it would enhance the value of our universities as seats of learning, and the employment would be more congenial to those associated with our universities than it is, perhaps, at present to a number of States officials, who carry on the work of these institutions. But it would be a mistake for the Commonwealth to take over the astronomical departments. The Bill has already passed another branch of the Legislature, and it would be a mistake for us to engraft upon it a provision for which no need has been shown. It cannot be gainsaid that the value of correct observations to those engaged upon the soil or the sea—in fact, to those engaged in every industry, and yet to be employed in others that we hope to see established here—cannot be over-estimated. I should, therefore, like to see the meteorological work of the observatories handed over to specialists, who would secure for our people information that would be valuable, and would enable them to provide against possible disaster. In these circumstances, I sincerely hope that the amendment will be rejected, and that the Bill will be passed as it stands.

Mr. McWILLIAMS (Franklin) [10.14]. —I regret that I cannot support the amendment. However beneficial the taking over

of the astronomical branch might be, my position is that, if it were allowed to remain under the control of the States, the latter, in the time of financial pressure, would be able, if necessary, to retrench it. On the other hand, if we take it over, Tasmania, in common with the other States, will have to pay her share of the cost, and it will be beyond the reach of the State Government. I recognise that, if we could afford it, it would be advisable to take over the complete Department, but, having regard to the position of Tasmania, I am not prepared to support anything that would increase its financial embarrassment, which, judging by the Budget statement delivered last night, will be very severely felt.

Mr. LONSDALE (New England) [10.15].—It has been argued that the taking over of the astronomical branch would conduce to economy.

Mr. McWILLIAMS. — That has to be shown.

Mr. LONSDALE.—I am not referring to the statement of the honorable member for Franklin, who points out that if the astronomical branch be allowed to remain under the control of the States it can at any time be abolished. I am dealing with the question on broad lines, and it appears to me that we shall increase the expenditure of the States as a whole by allowing the astronomical branch to remain under their control whilst we take over the Department of Meteorology. If the astronomical branch is taken over by the Commonwealth it will be possible to have a chief astronomer, with his administrative staff, at the Seat of Government, and merely observers elsewhere, who will send the records of their observations to the head office for classification. This will save expense in administration. In any case, the meteorological work may be, and should be, kept apart from the astronomical work. It is much the more practical, and therefore the more immediately useful of the two. With regard to the objection of the honorable member for Franklin, Tasmania will have more to pay, even if we take over the meteorological branch only, because, instead of getting her meteorological information practically free of cost, as at present, she will have to pay her share of the cost of the Commonwealth Department.

Mr. DEAKIN.—But the cost to Tasmania would be still heavier if the astronomical branch were transferred to the Commonwealth.

Mr. LONSDALE.—In any case, the position of one State should not be allowed to prevent an arrangement being made which would be advantageous to the Commonwealth as a whole.

Mr. BAMFORD.—Does one man in 10,000 know what astronomical work is being done in Australia?

Mr. LONSDALE. — Probably not, though no doubt it is of great scientific value. I shall vote for the recommittal.

Mr. HUTCHISON (Hindmarsh) [10.19].—I shall vote with the Government against the recommittal of the Bill, because I do not think it would conduce to economy of administration for the Commonwealth to take over the astronomical as well as the meteorological branch. At the present time some of the States are not carrying on astronomical work, but if the astronomical branch were taken over by the Commonwealth it would not be long before each State asked for the establishment of an observatory within its borders, which would increase expense. In my opinion, it is best for the Commonwealth to first reorganize the meteorological branch, and if later on it is found likely to be economical to take over the astronomical branch as well, that can be done. I think that the Government are wise in separating the two Departments.

Question—That the Bill be recommitted—put. The House divided.

Aves ...	...	...	8
Noes ...	...	...	31
Majority ...	...	...	23

AYES.

Bonython, Sir J. L.	Thomson, Dugald
Brown, T.	
Cook, Joseph	<i>Tellers:</i>
Glynn, P. M.	Kelly, W. H.
Lonsdale, E.	Wilson, J. G.

NOES.

Bamford, F. W.	Mahon, H.
Carpenter, W. H.	McCay, J. W.
Chanter, J. M.	McColl, J. H.
Chapman, A.	McDonald, C.
Culpin, M.	McWilliams, W. J.
Deakin, A.	Poynton, A.
Ewing, T. T.	Quick, Sir J.
Fisher, A.	Ronald, J. B.
Forrest, Sir J.	Salmon, C. C.
Frazer, C. E.	Watkins, D.
Groom, L. E.	Webster, W.
Higgins, H. B.	Wilkinson, J.
Hughes, W. M.	
Hutchison, J.	<i>Tellers:</i>
Isaacs, I. A.	Cook, Hume
Kennedy, T.	Storror, D.
Lyne, Sir W. J.	

Question so resolved in the negative.
Bill read a third time.

AUDIT BILL.

In Committee: (Consideration resumed from 31st July, *vide* page 2074).

Clauses 13 and 14 agreed to.

Clause 15 (New schedule).

Mr. McCAY (Corinella) [10.28].—Is it desirable to have a multitude of small trust accounts in connexion with purposes which are intimately connected? Why have a "small arms ammunition account" and a "small arms account"? I do not see why purchases of small arms ammunition and of small arms and parts should not be recorded in one account. Indeed, that might be a convenient arrangement on some occasions. Then, is an "unclaimed militia pay account" necessary? The amount of unclaimed pay cannot ever be very large.

Sir JOHN FORREST.—There is sometimes a good deal at the end of the year.

Mr. McCAY.—I do not know why there should be a "money order account" and an "international postal and money order account." Why should not one account be sufficient?

Sir JOHN FORREST.—These are Treasury matters.

Mr. McCAY.—Yes; but it seems to me that the Treasury is creating unnecessary work for itself.

Sir JOHN FORREST.—The Accountant, who is now acting for the Secretary, said to-day that he thought it better to have these separate accounts.

Mr. McCAY.—I know that the Treasury view is that there should be a separate account for everything. I do not know why separate accounts should not be kept in the one ledger. Of course, separate accounts such as are contemplated will require that separate credits shall be paid into the bank, to be operated on only for the purposes of each special account. The Treasury view is that everything, however small, shall be separated from every other thing, but if that plan were adopted it would involve very much more work. Up to the present, the Treasury has been very economically administered. I do not know whether any material increase is provided for on the Estimates recently submitted to the House.

Mr. DUGALD THOMSON.—There is an increase of only £9.

Mr. McCAY.—The Treasurer was apparently so diligent in looking after the interests of other Departments that he overlooked his own. It is no small tribute to him that the expenditure of his Department has increased by only £9. If this

multiplicity of small accounts was necessary, I do not know why the late Treasurer did not bring them into operation. I must confess that his precedent as regards the Treasury finances seems to be good enough to follow. If the Treasurer is familiar with the details in regard to each of the matters mentioned in the schedule, I trust that he will explain why a separate account is required in each case; why, for instance, there should be a "Small Arms account," as distinct from a "Small Arms Ammunition account," why there should be a "Money Order account" and an "International Postal and Money Order account," and why the "Defalcation account" and the "Guarantee Fund account," which are very closely related, should be kept apart. I should think it would be sufficient to have one account for each Department. I have a shadow of a suspicion that the Treasurer has accepted the word of his officials, and that we shall find that he has been too much occupied in considering the large questions dealt with in the Budget speech to give that close attention to the schedule that it would otherwise have received at his hands.

Sir JOHN FORREST (Swan—Treasurer) [10.34].—I am assured by the Secretary to the Treasury that it is very desirable to keep separate the accounts enumerated. I understood the honorable and learned member for Corinella to state that it would be necessary to provide for a separate banking account in each case. That is not so. The accounts are merely kept separate in the books.

Mr. McCAY.—It will be necessary to at least have separate cheque books for each account.

Sir JOHN FORREST.—There is only one banking account — one pool — into which all payments are made, and out of which moneys are drawn as required. I do not think that we need question the advisability of adopting the schedule, because those who have the management of the accounts are very good judges.

Mr. JOSEPH COOK.—But the right honorable gentleman is the manager.

Sir JOHN FORREST.—Yes; and I am quite satisfied. I may inform the honorable and learned member for Corinella that my predecessor in office entirely approved of the schedule.

Mr. McCAY.—In that case, I am satisfied.

Mr. LONSDALE (New England) [10.36].—I suppose that we shall have to accept the Treasurer's statement. But I think that we should steadily resist any tendency to increase expenditure or to add to the number of officials employed. The late Sir Henry Parkes once said that if you put an office boy and a stool into a room, a Department would grow in a very short time. I think the Treasurer should assure us that the Bill will not have a tendency to increase the number of officials. It seems to me that that is what will probably happen.

Sir JOHN FORREST.—I do not think so.

Mr. LONSDALE.—The right honorable gentleman deals with big affairs, and does not seem to care about small matters. We should keep a close watch over the growth of our Departments, because any increase in the number of officials leads to the imposition of fresh burdens upon the members of the public outside.

Mr. KELLY (Wentworth) [10.38].—It will be necessary to make it clear that the provision in the proposed new section 62a, embodied in clause 13, relates only to the trust accounts enumerated in the schedule. It is provided—

The Treasurer may direct that any Trust Account be closed, and thereupon the moneys standing to the credit of the account shall, after all liabilities of the account have been met, be paid to the Consolidated Revenue Fund.

Where would this lead us? A sinking fund might be provided for in connexion with the debts incurred by the Commonwealth in taking over the transferred properties. That would be a trust fund, and, apparently, according to the proposed new section, the Treasurer would at any time be able to close it and apply the money to the same purposes as the current revenue.

Sir JOHN FORREST. — That provision would not apply to any accounts beyond those mentioned in the schedule.

Mr. DEAKIN. — That provision relates merely to trust accounts, and not to funds such as the honorable member has indicated.

Mr. KELLY.—We are now dealing with the fourth schedule; and I ask the Treasurer whether he will consent to recommit clause 13, with a view to making it definitely refer to that schedule?

Mr. DEAKIN.—It is not necessary; there can be no mistake.

Mr. KELLY.—A trust account, in the ordinary acceptance of the term, would include a sinking fund.

Mr. DEAKIN.—That is a fund; these are accounts.

Mr. McCAY.—The honorable member for Wentworth is wrong this time.

Mr. KELLY.—The honorable and learned member for Corinella, with his legal experience, says that I am wrong; and, under the circumstances, I am prepared to accept the assurance of the departmental officer.

Clause agreed to.

Bill reported without amendment.

Motion (by Sir JOHN FORREST) agreed to—

That the Bill be now recommitted to a Committee of the whole House.

In Committee (Recommittal):

Clause 8—

After section 36 of the Principal Act, the following sections are inserted:—

"36c. Repayments or credits which could have been taken in reduction of some particular expenditure in any financial year, had the accounts of that year not been closed, may be taken in reduction of similar expenditure in a subsequent year."

Sir JOHN FORREST (Swan—Treasurer) [10.42].—Last night an undertaking was given to honorable members that clause 8 would be recommitted, with a view to consider the proposed new section 36c. Since then I have looked into the matter, and I propose to amend the new section by striking out the first two words, "Repayments or," and, after the word "credits," to insert "which are made for the purpose of adjusting expenditure between Departments or between branches of Departments and." I have consulted Mr. Whitton, the officer acting for the Auditor-General, and he has given me the following memorandum in writing as to the proposed amendment:—

I do not see any objection to the proposed clause in the amended form. It will undoubtedly save a great deal of labour in the Departments concerned, as well as in the Audit Office, and no ill result is likely to accrue from it. It, therefore, has my concurrence. They are practically only book entries.

I move—

That the words "Repayments or" be left out.

Mr. DUGALD THOMSON (North Sydney) [10.43].—When objecting to the scope of this clause, I intimated to the Treasurer that such a proposal as he is now making would receive no opposition from me. The Treasurer has, I think, now so safeguarded the provision that it cannot be applied, as it could before, to many matters

to which it was not intended to apply. I, therefore, think that the proposed amendments may be accepted.

Amendment agreed to.

Amendment (by Sir JOHN FORREST) agreed to—

That after the word "credits," the following words be inserted, "which are made for the purpose of adjusting expenditure between Departments or between branches of Departments and."

Clause, as amended, agreed to.

Clause 10—

Subsection 2 of section 45 of the Principal Act is amended by inserting in paragraph a, immediately after the words, "once at least in every year," the words "or at such intervals as may be sanctioned by the Treasurer."

Mr. HUTCHISON (Hindmarsh) [10.46].—I am sorry I was not present when this clause was discussed last night, because it seems to me that such an extraordinary power is here given to the Treasurer that some explanation is due from the Government. I should like to know definitely what power is conferred by this clause. I can conceive of circumstances that would delay an audit for a short period, but, according to the clause, the Treasurer appears to have power to postpone an audit indefinitely. There ought to be an audit once at least in every year, except under very special circumstances.

Mr. McWILLIAMS.—There should be no exception.

Mr. HUTCHISON.—An audit might be delayed because of a tangle in the Audit Department, and if that were so, the longer the Treasurer chose to make the delay the greater the tangle might become. I do not think that this is a power which ought to be given to the Treasurer or any Minister.

Sir JOHN FORREST.—This clause is to meet cases in which the Auditor-General may find it inconvenient, inadvisable, or too costly to hold an audit, and he is enabled to ask the Treasurer's sanction to forego it.

Mr. DUGALD THOMSON.—The clause does not say so.

Mr. HUTCHISON.—It is not a question of cost; we ought to have a complete audit once a year.

Sir JOHN FORREST.—That cannot be done in a big country like this.

Mr. HUTCHISON.—In countries ten times as big as Australia, so far as population is concerned, there are yearly audits.

Sir JOHN FORREST.—An audit might cost more than the accounts were worth.

Mr. HUTCHISON.—In every country that I know of there are yearly audits, and I know of no Act in which a provision of this kind is made. I wish to be clear as to the extent of the power given to the Treasurer.

Sir JOHN FORREST (Swan—Treasurer) [10.49].—Mr. Whitton has reported on this clause also, although, so far as I recollect, it was not mentioned as one which it was desired to recommit.

Mr. DUGALD THOMSON.—It was discussed in connexion with clause 11.

Sir JOHN FORREST.—Mr. Whitton writes—

This provision, section 10, is made on my recommendation. A similar provision was made in the last New South Wales Act. It is impossible to fulfil the duty at present imposed. There are many accounts of a relatively unimportant nature, kept by officers who will be included under the wide interpretation of "Accounting Officer," and to visit some of these, even once a year, would cost more than the whole of the money at stake.

Mr. DUGALD THOMSON (North Sydney) [10.50].—I should like the Treasurer to read the provision in the New South Wales Act. I see in the side-note to the next clause a reference to the New South Wales Act, although the clause itself does not contain a safeguard that is in the Act referred to. I intend later on to move the insertion of that safeguard. While there may be some reason in what the Treasurer states as to postponing audits in some cases, on account of distance or inaccessibility, it is quite another matter to give the Auditor-General and the Treasurer power to dispense with an audit whenever they like.

Sir JOHN FORREST. These things must be considered reasonably.

Mr. DUGALD THOMSON.—I can remember cases in which Treasurers would have been very glad to dispense with an audit.

Sir JOHN FORREST.—This clause can be put into operation only when the Auditor-General wishes it.

Mr. DUGALD THOMSON.—That is not stated.

Sir JOHN FORREST.—It says with his "sanction." What does that mean?

Mr. DUGALD THOMSON.—It does not necessarily mean upon the application of the Auditor-General. Parliament ought to know what is being done in this respect. Audits should not be dispensed with behind the back of Parliament. We are asked to pass a clause of this kind

on the strength of the assertion that it is contained in another Act with which we may not agree. Even on the application of the Auditor-General, we should not allow him, in conjunction with the Treasurer, to say that an audit shall not be made of what might be important accounts.

Sir JOHN FORREST.—I do not care, personally, whether or not the clause is inserted, but without it a considerable amount of travelling and expenditure will be involved.

Mr. DUGALD THOMSON.—The honorable member for Hindmarsh did not put the argument which the Treasurer affects to answer. There may be reasons for dispensing with a particular audit on account of flood, drought, or inaccessibility, but in this clause the Treasurer asks for power to postpone any audit for any length of time. If he had asked for a reasonable power the case would be quite different.

Mr. HUTCHISON (Hindmarsh) [10.56].—The Treasurer has not given a satisfactory reply to my criticisms. There may be reasons for postponing an audit in special circumstances, but the reply of the Treasurer is that there may be accounts which the Auditor-General does not wish to audit for some time. If the clause were only to apply in special cases, such as those mentioned in the memorandum that has been read, I should not object, but it gives the same power in regard to every account that has to be audited. That is my objection. The Treasurer points out that there is a similar provision in the New South Wales Act. Even if that be so, I am not aware that the finances of New South Wales have been conducted in a manner much superior to that in which the finances of the other States have been managed. I do not care if there is such a provision in the statute-book of any State. It ought not to be placed upon the Commonwealth statute-book. It is a dangerous power, and one liable to abuse. Unless the Treasurer can give stronger reasons than he has done, the clause ought to be amended.

Mr. KELLY (Wentworth) [10.58].—I cordially support everything that has been suggested by the honorable member for Hindmarsh. The Treasurer should be prepared either to accept the safeguards of the New South Wales Act, or to agree to postpone the clause. If, on further investigation, he finds that in its present

shape it is so lax as to be tantamount to a danger in the auditing of public accounts, it ought to be radically amended. If the clause gives the Auditor-General power to ignore an audit of important accounts, it ought to be radically amended. Parliament will know nothing about it. Why should we, in dealing with a Bill of this character, concerning the most important functions which this Parliament has to exercise, be subject to the good sense of any particular officer? Why not put down in black and white what we expect to be done? Of course, we can trust the present Treasurer. We know that he would not do anything of a dangerous character in connexion with accounts. We all recognise his extreme care where millions are concerned. What is the audit of "a million" pounds to the right honorable member? But other Treasurers may not be so extremely prudent. We certainly ought not to entrust so dangerous a power to any officer. I heartily indorse every word that has fallen from the honorable member for Hindmarsh, and I am glad that he brought up this matter.

Mr. DUGALD THOMSON (North Sydney) [11.3].—I point out that the words appearing in the New South Wales Act do not carry out the suggestion of this clause. In that Act it is provided that the Auditor-General shall, "if possible, once at least in every year, make or cause to be made." That means that it is not there a question of cost, a consideration which the Treasurer desires to introduce, but a question of practicability. For instance, owing to the effects of floods or droughts it might not be possible for the Auditor-General's officers to get to a particular district, and the audit of accounts kept in that district could not take place.

Mr. DEAKIN (Ballarat—Minister of External Affairs) [11.5].—I wish to submit to honorable members the following amendments, which, I think, will give effect to their desires. If they will look at clause 10 they will find the words "once at least in every year or at such intervals as may be sanctioned by the Treasurer." I propose to introduce after the word "or" the words "in those cases in which the cost of the audit would be disproportionate to the amount involved," and then the clause would read on, "at such intervals as may be sanctioned by the Treasurer." If that amendment were accepted, those would be

the only cases in which the Treasurer could consent to dispensing with the detailed audit. Then, in order to meet the wishes of the honorable member for Hindmarsh, we might add at the end of the clause the words, "provided that a list of all such cases shall be published in the *Government Gazette* once in each year." Similar safeguards could be provided for in the next clause to meet the views of honorable members. I move—

That after the word "or," line 5, the words "in those cases in which the cost of audit would be disproportionate to the amount involved," be inserted.

Mr. JOSEPH COOK (Parramatta) [11.7].—The amendments which the Prime Minister has suggested meet only one part of the difficulty. I pointed out last night that clauses 10 and 11, taken together, place the Treasurer practically in charge of the Auditor-General. We have very properly set up the Auditor-General over the Treasurer, and as a check upon him, but in these clauses it is proposed to compel the Auditor-General, if he desires to make a proposal of the kind suggested, to first get the permission of the Treasurer. I can conceive of nothing that would more thoroughly undermine his authority and independence. Unless there is some proposal to bring these matters before Parliament, or to make the Auditor-General responsible to the Governor-General, I do not think that the amendments suggested will meet the case.

Mr. DEAKIN.—I suggest that the proviso should read—

Provided that a list of all such cases shall be published in the Auditor-General's report in each year.

The Auditor-General would then have the responsibility of seeing that this list was brought before Parliament once in every year.

Mr. JOSEPH COOK.—That would insure the matter coming before Parliament.

Mr. HUTCHISON (Hindmarsh) [11.8].—I should like to say that, while I believe the amendments suggested by the Prime Minister are a great improvement upon the clause as it stands, I should have preferred the amendments to take a different form. What I intended to suggest was that the clause should read—

at such intervals as may be sanctioned by the Treasurer, provided that every interval of over twelve months sanctioned by the Treasurer shall be reported to the House.

Mr. DEAKIN.—I am suggesting that a list of the cases should appear in the Auditor-General's report.

Mr. HUTCHISON.—That will cover exactly what is required.

Amendment agreed to.

Amendment (by Mr. DEAKIN) agreed to—

That the following words be added :—

"Provided that a list of all such cases shall be published in the Auditor-General's report in each year."

Clause, as amended, agreed to.

Clause 11—

After section forty-five of the Principal Act the following section is inserted :—

"45A. The Auditor-General may, with the consent of the Treasurer, dispense with all or any part of any detailed audit of any accounts, but not with any appropriation audit of those accounts. The consent of the Treasurer shall be given only in cases in which he considers that there are circumstances which render a detailed audit under this Act unnecessary."

Amendment (by Mr. DEAKIN) agreed to—

That the following words be added :—

"Provided that a list of all such cases shall be published in the Auditor-General's report in each year."

Clause, as amended, agreed to.

Bill reported, with amendments.

Motion (by Sir JOHN FORREST) agreed to.

That the Standing Orders be suspended so as to allow the Bill to be passed through its remaining stages this day.

Report adopted.

Bill read a third time.

ADJOURNMENT.

ORDER OF BUSINESS.

Mr. DEAKIN (Ballarat — Minister of External Affairs) [11.11].—In moving—

That the House do now adjourn,

I desire to intimate that to-morrow it is intended to proceed with the Bounties Bill.

Mr. JOSEPH COOK.—Have the figures which the Minister of Trade and Customs promised to circulate in relation to that Bill been distributed yet?

Mr. DEAKIN.—They will be circulated with the papers to-morrow morning.

Question resolved in the affirmative.

House adjourned at 11.12 p.m.

Senate.

Thursday, 2 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

TARIFF COMMISSION'S REPORTS.

Senator CLEMONS. — I desire to ask the Minister of Defence, without notice—

If, to use his own language, the Government consider the interval between the 16th May last and the present date a proper time afforded them to properly consider the reports presented on the first-mentioned date by the Tariff Commission relating to the distilling and other industries, and whether they will submit such reports for consideration of Parliament this session?

Senator PLAYFORD.—I think I can say that we shall submit the reports this session, but I would ask the honorable senator to give notice of the question, so that I can write out a proper answer after consultation with my honorable colleagues.

TOBACCO MONOPOLY COMMISSION:

PUNISHMENT OF A WITNESS.

Senator Lt.-Col. GOULD.—A short time ago Senator Pearce drew attention to the dismissal of a man named Stone by the British-Australasian Tobacco Company, and the Minister of Defence said that he would cause an inquiry to be made into the whole of the circumstances, and lay a report upon the table of the Senate. I desire to ask the honorable senator, without notice, whether an inquiry has been made, and, if so, under what circumstances and with what result?

Senator PLAYFORD.—I forwarded the papers to the Attorney-General, but I do not know what the result is. I know that inquiries have been made, and possibly they are still being made, but I do not know the facts. If the honorable senator will give notice of the question, I shall get full particulars.

Senator Lt.-Col. GOULD. — I beg to give notice accordingly, and also to ask the Minister, without notice, whether he is aware that an arrangement had been made between the solicitors of the Tobacco Workers' Union and the managing director of the British-Australasian Tobacco Company for the purpose of having an inquiry made, but that the union afterwards declined to be parties to any inquiry?

Senator PLAYFORD.—I am under the impression that when Senator Pearce brought this matter before the Senate he made a statement to that effect.

MAIL SERVICE TO EUROPE.

Senator GUTHRIE.—I desire to ask the Minister representing the Postmaster-General, without notice, if he is prepared to lay upon the table of the Senate the cablegram giving Mr. W. H. Croker authority to sign the mail contract on behalf of Sir James Laing and Sons Limited?

Senator KEATING.—I would ask the honorable senator to give notice of the question.

Senator GUTHRIE.—I beg to give notice of the same question for to-morrow, but at the same time I desire to remind the Minister of the promise which he made yesterday to bring the matter before his colleagues, so that we could see the cablegram before the debate on his motion was closed.

MAIL SERVICE: TASMANIA.

Senator CLEMONS.—I desire to ask the Minister representing the Postmaster-General, without notice, whether the Government have any intention of altering the port of arrival for the mail steamers running between the mainland and Tasmania from Launceston to any other port?

Senator KEATING.—The Government have no definite intention with regard to the matter at present. Alternative tenders have been called for, and the determination of the port for landing and embarking mails will be governed very largely, if not entirely, by the responses to that call.

Senator CLEMONS.—Arising out of the answer, I wish to ask the Minister whether it is possible that the tenders that will be submitted to the Government can, under any circumstances, induce them to alter the port of arrival for the mail boats from Launceston to any other port? I hope that I have made my question intelligible. I want to know if it is within the consideration of the Government to prevent mail boats from going to Launceston.

Senator KEATING.—I cannot say because the circumstances are purely hypothetical at this juncture. The Postmaster-General has called for tenders for a mail service. The conditions of tender are specified, and the Minister will necessarily regard the whole of the circumstances in any particular tenders, and do his duty.

But at this juncture the circumstances are peculiarly hypothetical. Alternative tenders would not be called for unless such a possibility did exist. I may add that on the last occasion alternative tenders were called for.

Senator CLEMONS.—I should like to ask the Minister whether, if after receiving tenders the Government should consider seriously the possibility of diverting the mail boats from Launceston to any other port, it will give Parliament an opportunity of considering the matter, or whether it intends to accept a tender without reference thereto?

Senator KEATING.—The Government will follow the usual course, as it did on the last occasion.

Senator CLEMONS.—What is the usual course?

Senator KEATING.—The course that was followed on the last occasion.

Senator CLEMONS.—I would again ask the Minister if he can answer my question.

The PRESIDENT.—The honorable senator can only ask a question arising out of the answer to his previous question.

Senator CLEMONS.—I desire to ask whether the Government will refer the matter to Parliament?

The PRESIDENT.—The honorable senator has already asked that question.

Senator CLEMONS.—I leave the matter to Senator Keating. If he is content with his evasive answer—which means no answer at all—I shall say nothing further.

Senator KEATING.—I regret that the honorable senator should consider my remarks evasive. I think that, on the spur of the moment, I gave a great deal more information than any honorable senator could expect to extract from any Minister. If my honorable friend wants further information, I would ask him to give notice of the question.

PENNY POSTAGE.

Senator PULSFORD.—I desire to ask the Minister representing the Postmaster-General, without notice, if he will cause the paper which contains a report on the proposed penny postage by the Postmaster-General, and which I may say was distributed in the other House a few days ago, to be distributed amongst the members of the Senate?

The PRESIDENT.—I understand that all papers laid upon the table of the other House have been distributed.

Senator PULSFORD.—We have not received this paper, and the Budget papers were only distributed last night.

The PRESIDENT.—The honorable senator cannot fairly expect papers to be distributed much more quickly.

METEOROLOGY BILL.

Bill returned from the House of Representatives with an amendment.

PAPERS.

Senator PLAYFORD laid upon the table the following papers:—

Provisional regulations under the Commerce Act, Statutory Rules 1906, No. 52.

Military Forces, addition to paragraph 224 (medical officers) of the financial and allowance regulations, Statutory Rules 1906, No. 53.

MR. C. V. BEILBY.

Senator STANFORTH SMITH asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it true that Mr. Victor Beilby, a 5th class clerk, formerly in the Central Office, Melbourne, has been appointed 4th class clerk in the Records Office of the Post and Telegraph service, Perth?

2. Is it a fact that there were over 30 applicants for this position, every one or nearly every one of whom was senior to Mr. Beilby?

3. Did the Deputy Postmaster-General of Western Australia recommend some one else for the position?

4. Did the Commissioner certify that all these senior officials were incompetent to fill the position?

5. Can senior officers be passed over unless the Commissioner issues a certificate to the effect that they are incompetent?

6. Will the Minister lay all the papers connected with this appointment on the table of the House?

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

This matter comes within the province of the Public Service Commissioner, who has furnished the following answers to questions 1, 2, 3, 4, and 5:—

1. Yes.

2. Yes.

3. No.

4. No. The Commissioner certified that there was no available senior officer as capable of satisfactorily performing the duties of the position.

5. No certificate as to incompetency of applicants is required, but the Act provides that relative efficiency must be considered in making promotions, and that when a junior officer is recommended, a certificate must be issued as mentioned in question 4.

6. The papers are in Western Australia, but they will be obtained, and laid upon the table of the Library as early as possible.

COMMERCE ACT REGULATIONS.

Senator MULCAHY asked the Minister representing the Minister of Trade and Customs, *upon notice*—

1. Why the regulations under the Commerce Act have not yet been laid upon the table of the Senate?

2. Whether it is his intention to give the Senate an opportunity of considering and discussing such regulations within the time allowed by the Customs Act, section 271, sub-section iii.?

Senator PLAYFORD.—I laid these regulations upon the table a moment ago. The answers to the honorable senator's questions are as follow:—

1. A copy of the regulations will be laid on the table. It is pointed out that except as to Part II., they will come into operation on the 1st October. Part II., relating to imports, will come into operation on the 1st January, 1907.

2. Yes.

Senator MULCAHY.—When shall we have an opportunity?

Senator PLAYFORD.—If the honorable senator will turn to the Customs Act, he will find that there is a provision to the effect that regulations shall be published in the *Gazette*, and shall be laid before both Houses of Parliament; and, if either House passes a resolution within fifteen days disallowing any regulation, it will not come into operation. The honorable senator has only to give notice of motion to disallow any regulation to which he objects.

JUDICIARY ACT AMENDMENT BILL.

Senator Col. NEILD (New South Wales) [2.46].—I move—

That leave be given to bring in a Bill for an Act to amend the Judiciary Act 1903, so as to extend the right of appeal in connexion with indictable offences.

It is customary—almost invariably—when application is made to introduce a Bill for it to be allowed to go as formal. But I suppose it is necessary for me to say a few words of explanation on this occasion. I cannot produce a copy of my Bill, because I have not obtained leave to introduce it. The object that I desire to achieve is to follow the course of procedure now being taken in the Imperial Parliament, to allow appeals against conviction on matters of fact as well as on matters of law. Of course, there is a right of appeal on matters of law, but on matters of fact—no matter

how transparently wrong a verdict may prove to be on the production of further evidence—at present, there is nothing to be done but to seek the Royal pardon for an offence that has not been committed. While it is possible to litigate over a matter of £5 or £10, having appeal after appeal—while in respect of a bank note or a trifling matter of property, it is possible for a litigant to pursue his case through Court after Court—there is no right of appeal except on a bare question of law where a man's life or liberty is at stake. This Commonwealth has, in the course of five years, created an abnormal number of new offences. We have created them by the score in one Act after another. I simply ask leave for permission to bring in a Bill which will more adequately specify all that I desire to achieve, than I can possibly explain it at the present time. I hope that leave will be given. The Bill will then be introduced, and honorable senators will understand precisely what I desire to do. That will be more satisfactory than debating the Bill in advance.

Senator Sir JOSIAH SYMON (South Australia) [2.50].—There ought not to be a moment's hesitation in granting to my honorable friend, Senator Neild, the leave that he desires. As he has pointed out, it is the invariable parliamentary custom for motions of this kind to be treated as formal. The honorable senator would be at a considerable disadvantage in attempting to explain the provisions of such a Bill as he has indicated before copies of it were in the hands of honorable senators. But I should like to say that my honorable friend is undertaking—I knew that his sense of responsibility is very keen—a large matter. In the first place his real object seems to be to establish a Court of Criminal Appeal in relation, I take it, to Commonwealth offences.

Senator Col. NEILD.—We could not go further, of course.

Senator Sir JOSIAH SYMON. — My honorable friend quite appreciates the fact that in regard to the administration of the general criminal law we have no jurisdiction or control. Nor has the High Court; nor would it be desirable that the Commonwealth should interfere with the general administration of the criminal law of this country. I should like my honorable friend to consider, in preparing his Bill, how far there should be an appeal from the verdict of a jury on a

question of fact to Judges sitting on the bench. Of course, the underlying principle of the criminal law of England, which applies throughout the British Empire, is that a jury is the final arbiter on all questions of fact; and it will require grave consideration—which I am sure my honorable friend will give to it—to frame a measure that will not be at variance with that great principle, that can be carried out with due regard to the effective administration of criminal justice, and that at the same time will preserve the distinction between questions of law and questions of fact. At the present moment, certainly in my own State, there is no appeal whatever from the verdict of a jury in any case where there has been a criminal trial, except that the learned Judge may reserve some point of law for the consideration of the Full Court. That is the only possibility of appeal in connexion with criminal procedure. Therefore, my honorable friend's proposal is one out of which some important questions may arise. I am sure that he appreciates the issues, and that he will provide us with a Bill that will give us matter for grave consideration in connexion with the subject with which he has undertaken to deal.

Question resolved in the affirmative.

EASTERN AND WESTERN STATES RAILWAY COMMUNICATION.

Senator Col. NEILD (New South Wales) [2.55].—When notice of motion was given on my behalf by my colleague, Senator Gould, in regard to the appointment of a Select Committee to inquire into the desirability of constructing a railway between the Eastern and Western States of the Commonwealth, I was not aware of the intention of the Government to bring in a Bill dealing with the same subject. I was in New South Wales when Senator Gould was kind enough to give the notice for me. But I found yesterday that a Bill had been introduced in another place, and has now been sent up to the Senate, and the second reading is down on the paper for to-morrow. It would be wasting the time of the Senate and trifling with the public interest for me to submit this motion this afternoon when the whole subject will be discussed to-morrow. Therefore, I propose not to go on with my motion; but I wish to indicate that, should by any chance the second reading of the Kalgoorlie to Port Augusta Railway Survey Bill be carried, I will then, under the

Standing Orders, move for the reference of the Bill to a Select Committee. Therefore, I do not move my motion.

The PRESIDENT.—The honorable senator cannot make a speech, and then say that he will not move his motion.

Senator Col. NEILD.—I ask leave to withdraw the motion. I was not making a speech in the way of advocating the motion, but was explaining what I wished to do.

The PRESIDENT.—The honorable senator was either moving his motion, or he was out of order.

Senator Col. NEILD.—I am afraid I was out of order under your ruling, and I apologize for it.

The PRESIDENT.—Does any honorable senator second the motion?

Senator Col. NEILD.—I have not moved it.

The PRESIDENT.—The honorable senator has moved it. He had no right to speak at all unless he was moving the motion. The motion is not seconded, and, therefore, it falls to the ground.

DISTRIBUTION OF REVENUE AND EXPENDITURE.

Senator O'KEEFE (Tasmania) [2.58].
—I move—

1. That, in the opinion of this Senate, the true Federal spirit will not be created among the people of Australia until the present unfederal system of dealing with Commonwealth revenue and expenditure is abolished.

2. In pursuance of such purpose, all revenue and all expenditure should be shared by all the people of Australia on the basis of population; and under section 93 of the Constitution the bookkeeping system should terminate at the end of five years from the passing of the Uniform Tariff.

I shall be as brief as possible in submitting this motion, and shall not quote any more figures than are absolutely necessary for the purpose of proving my case. I admit at once that it may be charged against me that this motion, if carried, would act inequitably to some States. But while I reply that there is only one State that has any serious cause for objection to the motion, and while I admit that my proposal does appear to be inequitable to that State, the view which I take is that it is only by means of the bookkeeping system that perfect equity in the distribution of surplus revenue can be maintained. But does the present bookkeeping system achieve for us any real and true Federation? I say that it assuredly does not,

seeing that we have not any bookkeeping system for dealing with the expenditure. The Treasurer, in delivering his Budget in another place on Tuesday, mentioned a number of items of expenditure. Amongst them is a proposal to spend £37,000 in the construction of a telephone system between Melbourne and Sydney. No one, I am sure, will contend for a moment that the State which I represent will derive any benefit from that expenditure. I merely use this item as an illustration—I think a forcible one—to show that our present system of distributing surplus revenue under the bookkeeping system, and distributing new expenditure according to the population of the different States, is inconsistent, and utterly opposed to the true spirit of Federation. While those two systems are running side by side, it is impossible that there can be a true Federal spirit created amongst the people of Australia, and especially in those States which seem to suffer most. We know that the consuming power per head depends largely on the proportion of adult males in each State. The enormous discrepancy between the amount contributed per head to the Customs and Excise revenue in Western Australia, and the amount contributed per head in the other States, has been almost entirely due to the cause I have mentioned. We must remember, however, that there are large areas of unexplored country in South Australia, Queensland, and the far back portions of New South Wales, which may at any time attract a rush of population for the purpose of developing mining or other newly-discovered resources. It seems possible, and, in fact, probable, that for many years we shall be subject to changing conditions, with the accompanying result of an excess of males over females and children in particular States. To-day the excess is in Western Australia, but next year it may be in some other State, possibly Queensland, South Australia, or New South Wales, or even, to some extent, in the more thickly populated State of Victoria, or the smaller State of Tasmania. These conditions could not, of course, operate to so large an extent in the latter places, but we may find them present in the larger States as time goes on. The present dissatisfaction, which exists in Tasmania—I leave honorable senators to speak for other States—was foreseen by the keenest financial minds at the Federal Con-

vention; and in support of my contention I shall read some brief extracts from the report of the Convention debates. In my remarks under this head, I am subject to correction, because there are in this chamber several senators who were members of the Convention. Senator Symon, Senator Dobson, Senator Fraser, Senator Walker, and also the President, were members of the Convention, and they will recollect what took place. Sir George Turner fought strenuously from beginning to end for the *per capita* system of distributing the surplus revenue, and Sir Frederick Holder, who was also regarded as a financial expert, favoured that system, only accepting the bookkeeping proposal for five years as a compromise. Then I think I am right in saying that Senator Symon favoured the system.

Senator CLEMONS.—He will have to favour it now, at any rate.

Senator O'KEEFE.—Senator Symon, I think, opposed the provision for a bookkeeping system for so long a period as five years, and contended that it should be limited to three years.

Senator CLEMONS.—He was never more right than then.

Senator O'KEEFE.—That is so.

Senator WALKER.—The average contribution of the whole of the States was exactly the contribution of South Australia, so that it would have made no difference to that State if the *per capita* system had been adopted.

Senator O'KEEFE.—Sir John Downer regarded the book-keeping system as objectionable, and Mr. Deakin, the present Prime Minister, in that debate said that the financial position of the States should be made secure, and he was in favour of the *per capita* system after five years. A clause was first drafted providing that after five years there should be a *per capita* system of distribution, and Sir Edmund Barton submitted an amendment providing—

That after the first word of clause 93 the following words—"Five years from the imposition of uniform duties of Customs, all surplus revenue over the expenditure of the Commonwealth, shall be distributed month by month amongst the several States on the basis which the Parliament deems fair," be inserted.

In the debate that followed, Sir George Turner spoke as powerfully as he could in favour of the *per capita* system, and Sir William Lyne said that he would like to

see that system adopted as soon as Federation was an accomplished fact. Senator Fraser pointed out that the federation of Canada was begun with a *per capita* system; and it is interesting to quote the following remarks of this gentleman on that occasion:—

The sooner the distribution is made *per capita* the better, and we have only departed from that principle because of the serious difficulties that seem to confront us. In Canada the *per capita* system of distribution was adopted at the very start, and it has not caused any dissatisfaction. If this matter is left to the Federal Parliament, that may be an inducement to some of the States to be extravagant; they may waste their money, get into financial difficulties, and appeal to the Commonwealth Parliament to rescue them. If the *per capita* system of distribution is adopted, each State will know what its position is, and the sooner that is done, in my opinion, the better.

Sir William Lyne, in the course of the debate, said:—

I agree with what has fallen from the Right Honorable the Treasurer of Victoria. I should like to see the *per capita* distribution applied as soon as possible.

Sir JOHN FORREST.—You can't get it.

Mr. LYNE.—I would like it to take place the moment Federation is accomplished. I have heard some say that it could not take place until twelve months, but I hope the Convention will not agree to extending the period to ten years. Five years is a long time—a great deal longer time than a State should be called on to be bound, and go cap in hand to the Federal Treasurer.

Then Senator Walker spoke in approval of the application of a sliding scale to the distribution of the revenue after the first five years; and Sir George Turner, when he saw that he could not get his way, moved that the difference between the revenue collected in each State under their Tariff before Federation, and the amount they would receive under the Federal Tariff, should be made up to the State concerned. This was to guarantee the State Treasurers against any loss. Mr. Deakin then suggested a special Tariff for Western Australia for the first five years, and Mr. Isaacs, the present Attorney-General, contributed to the debate the following:—

Then we come to the proposal of Mr. Deakin. But before we consider that, or any proposal, I think that all we ought to do—the position is difficult enough—is to see that each State does obtain some guarantee on the face of the Constitution that it will not suffer any diminution of its revenue from what it received immediately before the imposition of the Customs duties.

Mr. Isaacs moved accordingly. I quote these extracts to show that the members of the Convention foresaw the great disar-

Senator O'Keefe.

rangement of the finances which must ensue in some of the States, owing to the operation of Inter-State free-trade. That disarrangement has been greater in two of the States—especially in Tasmania—than in the other States; and it is that fact which prompts me to submit this motion. I invite honorable senators, who are likely to oppose the proposal I now make, to note the amounts collected in Tasmania from Excise and Customs in the three years preceding Federation. In 1898 the amount collected from this source in Tasmania was £429,700; in 1899 it was £440,660; and in 1900 it was £492,459. Now observe the difference since Federation—the great loss to the Tasmanian Treasurer. I speak of this as a loss to the Tasmanian Treasurer as distinct from a loss to the people. In 1901-2 the amount collected from Customs and Excise in Tasmania was £315,540, though I think the Federal Tariff did not apply to the whole of that financial year; in 1902-3 the amount was £301,978; in 1903-4 it was £263,191; in 1904-5 it was £259,099; and in 1905-6 the estimated amount was £247,162, but I believe, though I am not sure, that there was a little increase on the estimate.

Senator CLEMONS.—The honorable senator might summarize the total loss, which is something under £1,000,000.

Senator O'KEEFE.—I shall do so later. That there is ample justification for a motion of this kind by a Tasmanian senator is shown in the fact that the revenue which has flowed into the Tasmanian Treasury for the needs of that State since Federation, has gradually dwindled from an average of £450,000, prior to Federation, to the amounts I have just mentioned. It must be patent to any one that such a serious disarrangement of the finances, particularly in a small State, the total revenue of which was, before Federation, only about £1,000,000, all told, must cause great trouble to the Government in finding the money necessary to carry on the work of the State. In this connexion it is interesting to look at a table submitted by Sir John Forrest, when making his Budget speech on Tuesday last, showing the gain or loss to each State in Customs and Excise revenue from 1st July, 1901, to the 30th June, 1907, on the basis of the revenue received in 1900 in each State. I may say that I do not regard that as a fair basis, because, in consequence of merchants loading up in

view of the Federal Tariff, the revenue received in the former year was rather greater than it otherwise would have been. New South Wales, under the Federal Tariff, has made a total gain of £7,475,188.

Senator PULSFORD.—Do not call that a gain. We were taxed all those millions extra.

Senator O'KEEFE.—I am not putting the case from that point of view. I have been careful to say that I do not call any loss a people's loss, but simply a Treasurer's loss.

Senator PULSFORD.—I understand.

Senator O'KEEFE.—I am arguing from the point of view of the States Treasurers, who have been put to great trouble by the disarrangement of their finances. The Treasurer of New South Wales has certainly had reason to bless Federation. If the figures I have read are correct, the Treasurer of that State has had quite a rosy time in the matter of finances.

Senator MILLEN.—The honorable senator is assuming that during the five years there would have been no natural increase in the revenue of New South Wales, had the conditions remained as they were prior to Federation.

Senator O'KEEFE.—I have to assume that for the purposes of my argument.

Senator MILLEN.—I am seeking information, and not contraverting the statement of the honorable senator.

Senator O'KEEFE.—I am simply showing the extra amount received by certain States over and above what would, under other circumstances, have been received, taking the last year prior to Federation as a basis. I should like to remind honorable senators from Western Australia that the figures I quote for that State have no reference whatever to the Western Australian special Tariff. That State has gained under the ordinary Tariff to the extent of £468,122.

Senator PEARCE.—At the expense of the Western Australian taxpayers.

Senator O'KEEFE.—I am not saying that this has been a gain to the Western Australian taxpayers. I have already said that I am putting the matter from the point of view of the States Treasurers. If it will satisfy Senator Pearce, I am prepared to admit that one of the reasons for which I advocated Federation in Tasmania was that I thought that in that State too much money was being raised

from Customs taxation prior to Federation, and I thought that the amount raised in that way would be less after Federation. I am dealing with this subject from the point of view of the Tasmanian Treasurer, whose financial arrangements have been so completely upset. The Western Australian Treasurer, if I must put it in that way, has been a gainer under the system adopted to the extent of £468,122 under the operation of the ordinary Tariff. Victoria has gained £19,431. Queensland has lost £2,608,208, and Tasmania has lost £908,112.

Senator MCGREGOR.—Why has the honorable senator left out South Australia?

Senator O'KEEFE.—I was not aware that I had done so. South Australia has gained to the extent of £59,337. I wish to make it clear that these figures include the Treasurer's estimate of revenue for the current financial year ending 30th June, 1907. These are the facts under the existing system, and it will be interesting to honorable senators to know what the position would have been under the *per capita* system of distribution of revenue. I shall give the figures for Tasmania for 1901-2, although, as that was the year in which there was so complete a disorganization of business, it can hardly be accepted as a fair basis. If the surplus revenue had been distributed on the *per capita* basis, Tasmania would have gained in that year £11,040. In 1902-3, she would have received an additional sum of £62,161; in 1903-4, £65,332; in 1904-5, £57,450; and for 1905-6, according to the estimate of the Treasurer, the amount which she would have received in addition would have been £52,786. Though Tasmania has suffered greatly in loss of revenue since Federation, Queensland has suffered in a much greater degree, and the Treasurer of that State must have been inconvenienced in his financial arrangements, even to a greater extent than the Treasurer of Tasmania.

Senator PEARCE.—Did the honorable senator quote what the loss to Western Australia would be under the *per capita* system?

Senator O'KEEFE.—I did not. I am quite satisfied that Senator Pearce will do that, and it is hardly worth while to give the figures twice over. I am prepared to grant that Western Australia would have shown a loss if the distribution had been *per capita*.

Senator DE LARGIE.—Has the honorable senator figures which show how much Tasmania has gained from the totalizator?

Senator O'KEEFE.—I ask the honorable senator not to put such totally irrelevant questions. I do not object to interjections, but a question of that sort is irrelevant. It is quite probable that Tasmania has not gained anything like as much from the totalizator as has Western Australia. It is notorious that the totalizator in Western Australia brings in more revenue than in any other State of the Federation. I have stated the amount by which Tasmania would have gained in revenue under the *per capita* system of distribution.

Senator DOBSON.—The honorable senator has given the figures only for Tasmania.

Senator O'KEEFE.—That is so, and it is because I desire to be brief. I might supply the figures for the whole of the States, but I take it for granted that honorable senators may be trusted to quote the figures which affect their own State.

Senator MILLEN.—It would make the honorable senator's statement more complete if he gave the figures for all the States.

Senator O'KEEFE.—While on this part of my subject, I may say that I have made a calculation to show the difference between the figures of the two systems of distributing the revenue. It should please Western Australian senators to know that in making this calculation, I have excluded that State, and have assumed, if that were constitutional, that the *per capita* system should be applied only to the other States, in order to meet the special circumstances of Western Australia.

Senator MULCAHY.—That is only what has been done during the last four years.

Senator DE LARGIE.—Is this an afterthought suggested by Senator Pulsford?

Senator O'KEEFE.—No, it is not. Under a *per capita* system of distribution, excluding Western Australia, Tasmania in 1901-2 would have lost £22,000. In 1902-3 she would have gained to the extent of £37,804; in 1903-4, £40,788; in 1904-5, £35,309; and in 1905-6, according to the Treasurer's estimate, the gain would be £37,359.

Senator PLAYFORD.—Those figures differ from mine.

Senator O'KEEFE.—I have been asked by honorable senators to quote the figures

for the other States, and I think it will be sufficient to quote those for Queensland. Under the actual distribution which has taken place, Queensland received in 1901-2 £904,775. If the surplus revenue had been distributed on the basis of population, she would have received £947,284, or an increase of £42,509. In 1902-3 Queensland would have gained by the *per capita* system of distribution to the extent of £142,974; in 1903-4, £132,439; in 1904-5, £163,828; and, according to the Treasurer's estimate for the current year, she would gain to the extent of £139,000. Honorable senators representing Queensland might, in the circumstances, be anxious to see some system adopted for the distribution of the revenue other than that which is at present in force.

Senator DE LARGIE.—Queensland has received a fair share as it is between bounties and other concessions.

Senator O'KEEFE.—Although, on the figures, Queensland as compared with Tasmania might appear to be in very much the worse position, there can be no doubt that that State has received a great deal of consideration in the matter of the bounties on sugar grown by white labour, which I ardently supported, and I am inclined to think that if there be a Cinderella in the Federation, it is Tasmania. In order that the position may be thoroughly understood, it is absolutely necessary, in dealing with this matter, to place side by side with the revenue figures the figures showing the actual expenditure and the expenditure debited to each of the States. From these figures it will be seen that the finances of Tasmania are affected in both ways. There has been, as I have shown, a very serious disarrangement of the finances of that State as the result of decreased revenue every year since Federation. But Tasmania has also been debited with expenditure very largely in excess of the amount which has been actually expended in the State.

Senator CLEMONS.—She has been paying for luxuries for New South Wales.

Senator O'KEEFE.—I direct the attention of honorable senators to the figures connected with the expenditure. Tasmania in 1901-2 was debited with a total expenditure amounting to £158,982, whilst there was actually expended in that year in the State, only £149,654, or some £10,000, in round figures, less than the expenditure with which the State was debited. In 1902-3 Tasmania was debited with

£154,521, whilst the amount actually expended was £140,604. In 1903-4, the figures debited were £182,654, actually expended, £168,098; in 1904-5, debited, £185,712, actually expended, £165,154; and for 1905-6, the actual figures are not yet available. Honorable senators will see that for every year during the past five years, Tasmania has been debited with sums varying from £10,000 to £20,000 in excess of the money actually expended in the State. I am therefore justified in saying that in a financial sense, the State which I represent has had to suffer in both ways. As I said at the outset, a number of new items of expenditure are included in the Treasurer's Budget speech, and I am satisfied that under the present system of allocating new expenditure according to population, Tasmania is likely to be a greater sufferer in the ensuing year than she was in the past. I may refer to one item of £37,000, which it is proposed shall be spent on the telephone line connecting Melbourne and Sydney. If this is a necessary service, it would be unfederal of me to object to it. But I can surely claim some sympathy for Tasmania in this respect. So long as these heavy items of new expenditure are to be distributed on the population basis, it seems distinctly unfederal that the present bookkeeping method should be continued, so far as revenue is concerned.

Senator DOBSON. — Has the honorable senator got any figures showing whether Western Australia has made a gain or a loss with regard to expenditure?

Senator O'KEEFE. — I have the figures; but I do not know why the honorable senator wishes me to pick out Western Australia more than any other State.

Senator DOBSON. — Because I recognise that she must have special terms if we are going to do away with the book-keeping system.

Senator O'KEEFE. — In 1901-2 the amount debited to Western Australia was £339,589, and the amount expended was £328,324. In 1902-3 the amount debited to the State was £365,000 and the amount expended was £348,000. In 1903-4 the amount debited to the State was £429,661, and the amount expended was £405,000. In 1904-5 the amount debited to the State was £400,464, and the amount expended was £397,728. I am not quite sure, but I think that the figures are exclusive of the expenditure on defence.

Senator DOBSON. — Then the figures are of no use for the purpose of making a comparison.

Senator KEATING. — They may be exclusive of the transferred portion of the defence expenditure.

Senator DOBSON. — That would bring things about square, but is it exclusive of defence expenditure?

Senator O'KEEFE. — According to the footnote it is not. I have not claimed that more money was expended in Western Australia than was debited to her. What I have claimed is that more money was debited to Tasmania than was expended therein.

Senator HENDERSON. — And the honorable senator tried to show that she was faring worse than other States.

Senator O'KEEFE. — Yes, because side by side with that system of distributing the expenditure is the book-keeping system of distributing the revenue. Cannot the honorable senator see the point? I am quite willing that "new" expenditure should be distributed on a population basis in Tasmania if he would agree that the Federal revenue should be distributed on that basis. Probably I have used sufficient figures to weary honorable senators, and I shall not weary them any longer in that way. I admit that Western Australia would seem to be treated unfairly if, after October next, we were to adopt straight away the *per capita* system of distributing the revenue. Even although the discrepancy between the consuming power of the population of Western Australia and that of other States is very great, it is gradually and rapidly diminishing. The last Budget shows that in that State the contribution per head to the Customs and Excise revenue has decreased from £5 16s. 4d. in 1901-2 to £3 12s. 5d.—that is estimated—in the current year, being a decrease of £2 3s. 11d. To show how nearly that approximates to the consuming power of the population of other States, I may mention that in the current year the Treasurer estimates that the contribution per head to the Customs and Excise revenue will be £2 4s. 7d. in New South Wales, £2 1s. 8d. in Victoria, £2 3s. in Queensland, £1 16s. in South Australia, £3 12s. 5d. in Western Australia, and £1 16s. 1d. in Tasmania. While I admit that as regards Western Australia the discrepancy in the contribution per head is very large, and that necessarily the adoption of the *per capita* system of distributing the revenue

would work a seeming injustice to that State, I submit that after October next there should be a financial re-adjustment in the interests of other States, particularly Tasmania. Now, how are we going to effect that re-adjustment without doing a seeming injustice to Western Australia? A suggestion has occurred to me. Certainly it originated with Senator Walker, because in poring over the debates on the financial clause of the Constitution in the Convention, I found that, after all the keenest financial minds had discussed the question from every possible point of view, and had agreed to the present system, Senator Walker was still of his original opinion. Here, perhaps, I ought to do justice to Senator Dobson by saying that one of the most statesmanlike speeches on this subject made in the Convention was made by him. Although I do not often agree with him in politics, still, I think that I ought to pay him that tribute.

Senator Sir JOSIAH SYMON.—When the honorable senator does agree his unanimity is wonderful.

Senator O'KEEFE.—Yes. Senator Dobson was just as far-sighted as were any of the financial men who sat in the Convention. If the other representatives of Tasmania had backed him up as they should have done, and not remained dumb dogs, as a good many of them did, I think—

Senator MULCAHY.—We should not have had a Federation.

Senator O'KEEFE.—I think that we should. At any rate, I believe that Tasmania might have got a fairer deal, and that special arrangements might have been made in the interests of her finances just as was done in the case of Western Australia. Now, how are we going, without doing an injustice to Western Australia, to readjust this financial system, which admittedly is causing so much dissatisfaction in the States, and which is a constant bar to the growth of the Federal spirit, which we all wish to see growing.

Senator FINDLEY.—The Tasmanians knew the conditions under which they entered the Federation.

Senator O'KEEFE.—If there is one State in the group which has benefited by the Federation, it is Victoria.

Senator MULCAHY.—And she has benefited particularly at the expense of Tasmania through pursuing a wise policy.

Senator O'KEEFE.—I am not jealous that Victoria has benefited in that way. It reflects credit upon her statesmen that before the consummation of the Union they had adopted a policy which afterwards enabled their manufacturers to swamp other States, and probably to knock out a few small manufacturers in Tasmania. Can we readjust the financial system without doing an injustice to Western Australia, and without, at the same time, putting her Government to a great deal of inconvenience such as other States have been put to? One way out of the difficulty has occurred to me, and I hope that it will be discussed by honorable senators from their particular point of view. Perhaps better suggestions may be offered for the solution of the difficulty. When the time arrives to take a vote I can say whether I shall submit my proposal or not. If we take the difference between the amount which Western Australia would have received under the *per capita* system during the last financial year, and the amount which she did receive under the present system, of course excluding her receipts under her special Tariff, we shall find that it amounts to £400,000. Would it not be fair to take that amount as a basis, and to say that the *per capita* system of distribution should come into force in October next, and that there should be made to that State a special vote for a period of five years, but decreasing by twenty per cent. in each year. In the first year, she would get one-fifth less than £400,000, that is £320,000, and in each following year she would get £80,000 less than in the previous year until the vote disappeared.

Senator HENDERSON.—Why not put in a provision that Tasmania shall get a special donation from Western Australia?

Senator O'KEEFE.—I am not asking for a special donation for Tasmania. If the representatives of Western Australia will only remember how the discrepancy in consuming power has been disappearing, they may come to the conclusion that it will continue to disappear at the rate of about twenty per cent. in each year during the next five years. Possibly, if it has disappeared by the end of that term, Western Australia will have nothing to complain about. What we do contend is that we should end the present unfortunate system of dividing the revenue in one manner and the expen-

diture in another. If any method can be devised or any suggestion thrown out during the debate which would be acceptable to the majority of honorable senators from other States, and would not work injustice to Western Australia, the discussion will not have been in vain. I ask honorable senators to remember that the State which I represent has been struck at both ends. Her Treasurer and her Governments have, for the last five years, been considerably inconvenienced—perhaps more inconvenienced than the Government of any other State except Queensland. We shall never have a real and true Federation until a true system of dealing with finance is adopted. I am a Federalist, and always have been. I am as sincere a Federalist to-day as ever I was. But I recognise that, until the present system is altered, it will be impossible to create a better Federal feeling in the minds of the Tasmanian electors than is there to-day. Wherever a Federal member goes on to the platform, in any portion of Tasmania—even in the remotest parts of the State, where one might think that the people would not take much interest in politics, and especially in financial questions—he invariably meets with an expression of the feeling that Tasmania is not receiving fair treatment. I always reply to such criticism: "It is simply constitutional; it cannot be altered, and you cannot, strictly speaking, call it unfair treatment." Then the argument used is, "The system should be altered in fairness to this State." It is impossible to make any elector in Tasmania see the fairness of a financial system which adopts two methods of distribution for revenue and expenditure. I hope that those honorable senators who address themselves to the motion will do so in the same spirit as I have endeavoured to maintain. I trust that those who think their States would be disadvantaged or unfairly treated if my motion were carried, even with the suggestion which I have thrown out, will try to look at the subject from the point of view of the people of a State where the disarrangement of the finances has caused so much trouble and complaint, and has prevented the growth of that Federal spirit which I am sure we all wish to see nourished.

Senator PLAYFORD (South Australia—Minister of Defence) [3.49].—I am sure that we have all listened to Senator

O'Keefe with a great deal of interest. He has placed the matter very fairly before us. I point out to him, however, that if he will turn to the Treasurer's Budget speech, delivered on Tuesday last, he will find that the Government has fully dealt with this matter. We realize the difficulties under which some of the States are laboring under the present manner of distribution. But any system except that which we have adopted would have been unfair to some States. The system recommended by Senator O'Keefe would have been grossly unfair to Western Australia. In some of the States the revenue derived from Customs and Excise amounts to £4 and over per head of the population; in other States it does not amount to half so much. If we were to distribute that revenue on a *per capita* basis, some States would therefore be robbed at the expense of others. Tasmania may think that she is injured by the existing system. Personally, I fail to see that she has been injured to any great extent. At the present time she is getting the whole of her share of the revenue collected from Customs and Excise after the Commonwealth has taken a proportion to cover necessary expenditure.

Senator O'KEEFE.—No, she is not.

Senator PLAYFORD.—Tasmania, I think, pays £1 16s. 8½d. per head, and Western Australia pays £4 5s. per head.

Senator O'KEEFE.—£3 odd, I think.

Senator PLAYFORD.—£4 5s. I have the latest figures, laid on the table of the House of Representatives by the Treasurer. On page 11 of the Budget papers for 1905-6 these figures are given.

Senator O'KEEFE.—I took a newspaper report, which shows that the amount paid in Western Australia is £3 12s. 5d. per head.

Senator PLAYFORD.—If the honorable senator's motion were carried to-morrow, an injustice would immediately arise to Western Australia far greater than any that he can now allege.

Senator CLEMONS.—Is the honorable senator quoting from last year's Budget papers or this year's?

Senator PLAYFORD.—From the papers for 1905-6.

Senator CLEMONS.—Senator O'Keefe quoted the latest figures.

Senator PLAYFORD.—The figures for 1906-7 can only be an estimate, not an ascertained amount.

Senator O'KEEFE.—It was the estimate I used. I said so.

Senator PLAYFORD.—I prefer to rely upon an actuality, not an estimate. I find that the figures for 1905-6 show that the Customs and Excise receipts for Tasmania per head of population in successive years from 1900 to 1905-6 were £2 16s. 6½d., £2 15s. 2¾d., £2 2s. 10d., £2 os. 8¾d., £1 18s. 1½d., £1 16s. 8½d., and £1 16s. 0½d. In Western Australia, however, the receipts in the first year were £5 6s. 2d. per head of the population. They rose to £5 16s. 4¾d. in 1901-2. In the next year they dropped to £5 8s., then to £4 13s. 6¾d., £4 4s. 11¾d., and £3 14s. 9¾d. So that apparently the consumption of Western Australia is gradually coming down to something like the level reached in the other States of the Commonwealth. It may come down further within the next five years.

Senator STANFORTH SMITH.—If the Tasmanians do not shoot we will come down.

Senator PLAYFORD. — These figures show the reasons why Tasmania is receiving so small an amount per head of population, and they also show why, if the distribution were made all over the Commonwealth per head of population, Tasmania would gain largely at the expense of her neighbours. Even supposing that an injustice is inflicted upon her now, which I do not conceive to be the case, if effect were given to Senator O'Keefe's motion a considerably greater injustice would be inflicted upon other States.

Senator O'KEEFE. — Is the honorable senator in favour of continuing the expenditure upon the present system?

Senator PLAYFORD.—The present is a hybrid system. The "transferred" expenditure, that is expenditure in connexion with services taken over from the States, such as expenditure in connexion with military matters—is put under one heading; and "other" expenditure is dealt with in a different manner. The "other" expenditure is divided amongst the State on a *per capita* basis. Western Australia is a go-ahead State, requiring a large number of new works. Since Sir George Turner provided that all new public works should be paid for out of "other" expenditure, Western Australia, so far as concerns money spent on public works, has apparently had more than her fair share. But it must be recollected that, although that may be the case, the State that is gaining least from this system is Victoria. Victoria has not

had anything like the amount of "other" expenditure within her territory that little Tasmania has had in proportion to population. At the present time we are building a fort at Hobart. The payment is debited to "other" expenditure.

Senator MULCAHY.—Building a fort at Hobart!

Senator PLAYFORD.—Yes.

Senator MULCAHY. — All that is being done is to provide for one gun on a hill!

Senator PLAYFORD. — We have to spend some thousands of pounds. That is not "transferred" but "other" expenditure.

Senator MULCAHY.—One gun to defend all Tasmania!

Senator PLAYFORD.—So far as concerns the distribution of revenue on a *per capita* basis a paper distributed by the Treasurer shows what the effect would have been if the distribution had been made on the basis of population. First the table shows the actual amount distributed, and then the amount that would have been distributed if on the basis of population. In the first year of the existence of the Commonwealth we find that New South Wales would have gained £192,534; Victoria £344,271; Queensland £42,509, and South Australia £67,902. Western Australia, however, would have lost, if the amounts paid to the State Treasurers had been distributed on the basis of population, £658,256 in that one year. Tasmania would have gained the very small amount of £11,040. In the following year the tables would have been turned against New South Wales, which, instead of a gain, would have experienced a loss of £171,696; Victoria would have come out with a gain of £373,089; Queensland with a gain of £142,974; South Australia with a gain of £173,306; Western Australia with a loss of £579,834; and Tasmania with a gain of £62,161. In the year 1903-4, New South Wales would have lost £71,659; Victoria would have gained £209,116; Queensland would have gained £132,439; South Australia would have gained £117,908; Western Australia would have lost £453,035; and Tasmania would have gained £65,231. If the matter be put in another way, and the gain or loss to the States shown if the actual distribution had been varied by charging new works and buildings on a population basis—what we are doing now—as compared with the result if the whole surplus had been distributed on a popu-

lation basis, New South Wales would have lost £78,533; Victoria would have gained £233,866; Queensland would have gained £144,996; South Australia would have gained £114,240; Western Australia would have lost £478,575, or still more than under the *per capita* system; and Tasmania would have gained £64,006. In the year 1904-5, there would have been a turn, I do not know for what particular reason, in favour of New South Wales, which State, under the *per capita* system in that year, would have gained £30,788, although previously she had suffered a loss, except in the first year of Federation. Victoria, in 1905-6, would have come down to a gain of £100,402; and Queensland would have come down to a gain of £95,215. South Australia, in that year, would have come out pretty well, with a gain of £122,636, and, therefore, the system would have suited my own State. Western Australia, however, would have come out with a heavy loss of £335,868. It is estimated that in the year 1906-7, New South Wales, under a *per capita* system, would come out with a loss of £173,089; Victoria with a gain of £104,643; Queensland with a gain of £155,668; South Australia with a gain of £141,139; Western Australia with less loss than she has ever experienced before, namely, £309,279. But Tasmania, it is estimated, would make a most marvellous jump to a gain of £80,000. I have now shown honorable senators what the position would be if we were to pass this motion—that New South Wales would lose heavily, and Western Australia would lose most disastrously. How would the result in the case of Western Australia be brought about? The Western Australian people, through the Customs, are paying per head into the Commonwealth Treasury, an amount considerably in excess of that paid by any other State; and under the system now proposed, money thus paid would be simply placed to the credit of the other States. I suppose that some people would call that robbery; at all events, it is much like robbery.

Senator KEATING.—The figures quoted do not take into consideration the *per capita* distribution of the transferred expenditure that would have to take place.

Senator PLAYFORD.—I have not touched on the question of expenditure, but only dealt with the receipts out of which the expenditure has to be made.

The discussion has special reference to Tasmania; and all I know is that that State is treated in precisely the same way as is every other State, so that there can scarcely be any complaint on that score. Tasmania is credited with the amount of Customs and Excise revenue she pays, less any sum which the Commonwealth Parliament may deem necessary for the purposes of Commonwealth administration; and she is debited with all transferred expenditure on a *per capita* basis, as are all the other States. For instance, the expenditure on Thursday Island is called "other" expenditure; and why? Because, originally, Thursday Island was fortified at the joint expense of most of the States; and it was contended that all the States should contribute to the maintenance of the fortifications, just as in the case of Albany. Then, again, we have taken over the administration of Papua, which costs £20,000 or £30,000 a year; and towards this expenditure Tasmania simply pays in proportion to population; in short, Tasmania is treated in exactly the same way as is every other State. If we adopt this motion, and alter the system, the result will be that Tasmania will dip her hands into the pockets of New South Wales and Western Australia; and I do not think that that is the desire of the people of Tasmania. Surely Tasmania does not want to use for her own special benefit money contributed by the people of New South Wales and Western Australia?

Senator MULCAHY.—Was that state of things not contemplated when we federated?

Senator PLAYFORD.—I am not going into the question of what was contemplated when we federated. We know that all sorts of things were contemplated; but the men who framed the Constitution were wise in their generation. They foresaw the difficulties, and knew that, unless they adopted the system of each State being credited with the amount contributed through Excise and Customs, and of each State paying its expenditure on a fair basis, the grossest injustice would be inflicted on certain of the States.

Senator DE LARGIE.—Do I understand the Minister to say that Tasmania pays a quota in the case of Thursday Island?

Senator PLAYFORD.—Tasmania, like every other State of the Commonwealth, pays on a *per capita* basis for the upkeep of the fortifications.

Senator MULCAHY.—And also for the upkeep of the fort at Fremantle.

Senator DE LARGIE.—Tasmania contributes neither in the case of Thursday Island nor in the case of Fremantle.

Senator PLAYFORD.—Tasmania contributes towards the cost of new works, and so forth. In regard to the expenses of New Guinea, she contributes exactly in the same way as Western Australia and the other States.

Senator DE LARGIE.—Tasmania does not contribute to the upkeep of the fortifications at Thursday Island.

Senator PLAYFORD.—Tasmania also contributes *per capita* to the cost of making the fort at Fremantle.

Senator O'KEEFE.—Why was the five years' limit put in the Constitution?

Senator PLAYFORD.—I do not know. I was in England, as Agent-General for South Australia, when the Federal Convention met, and I did not follow the discussions very closely. It appears to me, however, that the members of the Convention were able to present to the people of the various States a statement of how the revenue was to be derived and expended; and they concluded that this could not be done fairly on a *per capita* basis, but they left it to the Parliament to decide whether that basis should be adopted after a certain period. Senator O'Keefe has told us that Western Australia appears to be the "lion in the path."

Senator O'KEEFE.—The only stumbling-block.

Senator PLAYFORD.—I do not know how the honorable senator can call Western Australia the only stumbling-block, when we recollect that New South Wales would, under the system proposed, lose £173,089, in 1906-7, which, with the £309,000 already allotted to, would make a total loss of very nearly £500,000. But Senator O'Keefe practically suggests that Western Australia should be left out of consideration, and that we should then see how the figures would come out. Sir John Forrest, following the example of Sir George Turner, has afforded the Commonwealth information of the most valuable character relating to these matters. Amongst the tables laid before another place, when the Budget speech was delivered, was a statement comparing the amounts paid to the States Treasurers with the amounts which would have been paid if distributed on the basis of population, excluding Western Australia.

This table shows that under such circumstances New South Wales, in 1902, would have lost £43,685, Victoria would have gained £106,609, Queensland would have lost £46,123, South Australia would have gained £6,153, and Tasmania would have lost £22,954. It will be seen, therefore, that Tasmania would have started with a loss on this particular basis. Senator O'Keefe has suggested that we should practically exclude Western Australia. That, however, could not be done under the Constitution, which provides that in these matters there shall be uniformity. But, supposing it had been possible to exclude Western Australia, Tasmania, it will be seen, would have started with a loss of £22,954.

Senator O'KEEFE.—I said so; the Minister is only repeating the statement I made.

Senator PLAYFORD.—Although Tasmania would have gained under that system in the year following, the loss to New South Wales would have amounted to £399,892. We should here be met with another difficulty. The honorable senator would eliminate Western Australia, but other States would be very badly off under the system he proposes. Honorable senators must remember that I am quoting actual figures, and not merely estimates.

Senator O'KEEFE.—I used actual figures also.

Senator PLAYFORD.—Under the honorable senator's proposal New South Wales would have lost in 1903-4 £263,151; Victoria would have gained £77,506, Queensland £78,320, South Australia £66,537, and Tasmania £40,788. A wonderful change would have taken place in the next year, because, whilst Victoria in the previous years would have gained considerable sums, under this peculiar system of distributing the revenue, she would in 1904-5 have lost £39,999, New South Wales would have lost £148,241, Queensland would have shown a gain of £99,741, South Australia a gain of £53,190, and the gain by Tasmania would have dropped to £35,309. So the figures would run on, until the current year, for which an estimate only is given. Honorable senators will notice that in this table New South Wales is placed in exactly the same position as Western Australia occupies in the last table, because she would be the State to lose all the money under the system which Senator O'Keefe thinks would be so fair. Taking the esti-

mated figures for the year 1906-7, under this system New South Wales would lose £295,548, Victoria would gain £5,964, Queensland £112,742, South Australia £110,433, and Tasmania £66,409. I do not know that I need labour the matter any more. I have shown the exact position, and honorable senators are aware that the reason why Western Australia loses a larger sum than other States is that her population consumes per head dutiable goods to a much greater extent than do the people of the other States, and especially the people of Tasmania. I have shown, also, that if the system advocated by Senator O'Keefe were adopted its effect would be to inflict very grievous injustice on Western Australia. The real point is that the honorable senator cannot show that under the existing system any injustice is inflicted upon Tasmania. Tasmania receives the whole of the revenue from Customs and Excise collected in the State, less that which the Commonwealth spends, in just the same way as every other State does. So far as expenditure is concerned, it is not germane to the subject, and I need not deal with it.

Senator O'KEEFE.—It is most important.

Senator PLAYFORD.—In respect to expenditure, Tasmania is treated in precisely the same way as every one of the other States.

Senator O'KEEFE.—And yet during the last five years she has come off very badly.

Senator PLAYFORD.—There is no injustice to Tasmania, or to any of the other States. Tasmania is treated, with respect to expenditure on transferred services, and new expenditure, in just the same way as the other States. Where is the injustice? I can see none, and in the circumstances I think I may fairly ask Senator O'Keefe to withdraw his motion. The question is not one which the Government should shirk, and they do not propose to shirk it. When the five years is up, we shall be in a position to alter the mode of distribution. Honorable senators who have followed what has been taking place within the last few years are aware that meetings have been held between the States Treasurers and the Federal Treasurer, with the object of arriving at some mutual arrangement in connexion with the operation of the Braddon section of the Constitution, and the larger question of the taking over of the States debts by the Commonwealth. At one time the Braddon section was looked upon as a fearful blot on the Constitution, but the

States do not now look upon that section as a blot. It is looked upon now as a bright and shining light, and a safeguard rather than as a blot. What the States Treasurers say now is that the Braddon section should be continued in operation for the next thirty years.

Senator PEARCE.—At the last Conference they asked that it should be continued for ever.

Senator PLAYFORD.—I was not aware that they had gone that far. I am afraid that Judgment Day would intervene to prevent that. However, we are now told that the "Braddon blot" is no longer a blot, and should be continued in operation for ever. It is the duty of the Government to deal with these questions, and they have not failed to do so. If honorable senators will read the Treasurer's Budget speech, they will find in it a statement of the views of the Government on these questions. As far as the money to be returned to the different States is concerned, the Treasurer's proposal, which is acquiesced in by the other members of the Government, is that it shall be a fixed amount, instead of, as at present, an uncertain amount, dependent upon what is spent by the Commonwealth. The existing state of things in this respect is very unsatisfactory. If I were the Treasurer of a State, I know that I should be very much better pleased to be able to say that my revenue from Customs and Excise would be a certain sum. If I were uncertain as to what it would be, I should have difficulty in balancing revenue and expenditure for the State. What the Government propose in this respect is that, instead of continuing the present uncertain system, under which the amount handed to each State depends on the amount collected from Customs and Excise in each State, less the amount of Commonwealth expenditure, we should take the last five years' receipts in each State from Customs and Excise, deduct what might be considered a fair amount for Commonwealth expenditure, and strike an average. We should then be in a position to say to the Treasurers of the States that for the next five years they will get so much. An account would be kept of the amount received by each State, and, at the end of the next five years, we could continue the process.

Senator DOBSON.—Would not the States also receive a share of any surplus above the stated amount?

Senator PLAYFORD.—No. If after having said to the States Treasurers, "We will return to you a certain sum of money, based on a fair estimate of your receipts from Customs and Excise, less Commonwealth expenditure," we altered our Tariff so as to increase the amount derived from Customs and Excise revenue we should require to spend the increased revenue ourselves.

Senator Sir JOSIAH SYMON.—Only if the Customs and Excise revenue is increased for some special purpose?

Senator PLAYFORD.—Possibly.

Senator DOBSON.—There should be a distribution amongst the States of any surplus over and above the fixed sum.

Senator PLAYFORD.—The increase might be for a special purpose, towards defence, for building a fleet to carry our mails, or for any other undertaking that Parliament might approve. That would be a very much more satisfactory way of dealing with the matter. I do not propose to discuss the question of the taking over of the debts of the States, but that has also been dealt with in the Treasurer's Budget speech. The right honorable gentleman has submitted an exceedingly valuable memorandum on the subject, to which Ministers have given a great deal of consideration, and I think that it proposes a satisfactory system, under which we might work for years to come.

Senator DOBSON.—Is it proposed that the bookkeeping system shall continue for ever?

Senator PLAYFORD.—We do not wish the bookkeeping system to continue, and it will not be continued if we agree to pay to the States a certain fixed sum, but we must keep a record of the amount paid to each State. I think that the Government have submitted a scheme which offers a satisfactory solution of the difficulty.

Senator O'KEEFE.—The Government do not propose that there shall be any termination to the bookkeeping system.

Senator PLAYFORD.—Certainly we do.

Senator MULCAHY.—The honorable senator has been arguing the other way.

Senator PLAYFORD.—I have been saying that we propose to return a fixed sum to each State.

Senator O'KEEFE.—Exactly; and to keep a bookkeeping account for each State.

Senator PLAYFORD.—We shall, of course, keep a bookkeeping account for each State in connexion with the Customs.

Senator O'KEEFE.—For all time?

Senator PLAYFORD.—For all time, so long as we continue to collect Customs duties.

Senator O'KEEFE.—And return to each State the amount collected in that State.

Senator PLAYFORD.—No.

Senator O'KEEFE.—That is what the honorable senator said.

Senator PLAYFORD.—No, I did not say that. I said that we propose to return a fixed sum to each State.

Senator Sir JOSIAH SYMON.—The Government proposal is to substitute for the bookkeeping system and the present *per capita* distribution the payment of a fixed sum to each State.

Senator PLAYFORD.—That is so. It is proposed that that shall go on for five years, and the sum to be paid to each State will be based on actual contributions for the previous five years, less Commonwealth expenditure, divided by five. That will give the starting-point. Instead of paying, as at present, an uncertain amount to each State, we propose the adoption of the system in operation in Canada of paying a fixed sum to each State. I believe that that will be found to be a much more satisfactory way of dealing with the matter. I am sure that honorable senators will read the memorandum on the subject submitted by the Treasurer with a considerable amount of interest, and I think they will see that we have proposed a fair solution of the difficulties relating to the transfer of property, the taking over of the debts of the States, and the amount to be returned to the States as their share of the revenue derived from Customs and Excise. I ask Senator O'Keefe, possibly after the discussion has taken place on the subject, to withdraw his motion.

Senator DOBSON.—Does the memorandum suggest that we should never have a *per capita* distribution?

Senator MULCAHY.—There is no other logical interpretation of the honorable senator's speech.

Senator PLAYFORD.—I cannot go on indefinitely trying to knock things into people's heads. I may give them reasons, but I cannot give them something else.

Debate (on motion by Senator PULSFORD) adjourned.

CANTEEN BILL.

SECOND READING.

Debate resumed from 26th July (*vide* page 1848), on motion by Senator PULSFORD—

That the Bill be now read a second time.

Senator Col. NEILD (New South Wales) [4.29].—In resuming the debate on the second reading of this Bill, I should like, first of all, to direct the attention of honorable senators to the great difference in the attitude of the supporters and of the opponents of the measure. I do not do so in any unkindly spirit, but I think that I am justified and required to draw attention to something that was said by Senator Pulsford, in moving the second reading of this Bill, last week—

Senator PULSFORD.—The question is whether the Commonwealth as a Commonwealth shall encourage drinking among the soldiers.

Senator Colonel NEILD.—The canteen system does not encourage, but discourages drinking.

Senator PULSFORD.—After I have done Senator Neild will have ample opportunity to express his views in favour of full, free, and unlimited drinking.

The very fact that the honorable senator who was moving the second reading of the Bill made such a statement—no doubt in good faith, believing that he was advocating sobriety, while I was an advocate of drunkenness—indicates that he, equally with many of its supporters, are most unfortunately unacquainted with the subject with which they undertook to deal.

Senator PEARCE.—Bring him up to the bar of the Senate.

Senator Col. NEILD.—I am not making a complaint.

Senator PULSFORD.—Not the least complaint.

Senator Col. NEILD.—I am not making a complaint, but only pointing out that in his statement the honorable senator showed an absolute lack of knowledge on the subject upon which he undertook to legislate. The whole movement in favour of the measure rests upon the somewhat hysterical statements made in another place by gentlemen who do not profess to have any personal knowledge of its subject-matter. The opposition, on the other hand, has come from those who have carefully investigated the question, and shown by the recital of facts here how, in the interests of sobriety and good order, they strongly support the maintenance of the canteen system.

Senator DOBSON.—There are hundreds of decisions and dozens of opinions the other way.

Senator Col. NEILD.—We have not heard one quoted.

Senator DOBSON.—There are dozens of them.

Senator Col. NEILD.—My honorable friend will have an opportunity to quote them. I shall quote a few American as well as British opinions, the opinions of almost every regimental commander of the State from which I come, and of a great number of experienced officers. I shall also, by quotation, show the feeling amongst the non-commissioned officers of our Defence Force in connexion with this proposal. Practically all that we have had adduced here in support of the measure in the way of authority has been the recital of the opinions of some American officers, and some American legislation. I am going to show how enormously the canteen system, when it was introduced, advantaged the conditions in the American Army, and by parity of reason, we may suppose that the introduction and maintenance of the canteen system is for the advantage of the soldiers and other persons in our own Military Forces. But I beg honorable senators not to overlook this strong point: that the canteens of which we have knowledge, whether American or English, are practically those connected with the regular Army, and that only. In Australia, we have scattered about the States a regular Army of about 1300 men, including drill sergeants, one of whom is attached to a regiment or to a company here and there. We have no large number of regular troops, even approaching hundreds, in any part of the Commonwealth, I think, except in New South Wales. The greater number is, perhaps, to be found there. But, on the other hand, we have to do with a citizen soldiery, and the canteen business only applies to them during the period of the Easter training. Therefore, we cannot assume that the authorities that have held good, either *pro* or *con*, in America, or England, necessarily apply with any kind of aptitude to Australian conditions, though, to some extent, they do, no doubt. I would also point out the extreme difference that exists between the method of enlisting soldiers here and in England. In England, as long as a man has all the necessary height and chest measurements, and is healthy, he is taken on when they are recruiting. What

great trouble is taken about the character of men who are enlisted in our little permanent force in Australia! To obtain admission to the Royal Australian Artillery, for instance, a man has to be fortified with a sufficiency of references to fit him for the position of churchwarden in a cathedral. They will not take a man on merely because he is so many inches high, and so many round the chest, but they want a man of first-class character. That sort of selection does not obtain in recruiting for the British Army, nor, so far as I can ascertain, does it obtain in regard to the little American Army. It should be recollected that our main force is a militia force. The Government of the United States have nothing to do with the militia force. That is under the control of the States, and, therefore, there is no similarity between Australian and American conditions. There is a point which, from something he said in conversation with me the other day, I am sure the Minister appreciates very fully, but I have not heard it mentioned either in another place or here. I am not so sure about America, but certainly there is a marvellous difference between English and Australian conditions in respect of the licensing laws. The soldiers of England are under the same Government as controls the licensing of hotels, public-houses, and drinking booths. But in Australia, everything is altered. The Commonwealth may select a position for a camp for Easter training. There may not be a public-house in the neighbourhood, but the State, through its bench of magistrates, chooses to grant as many drinking licences, perhaps, as are applied for.

Senator BEST.—They would not, in the event of the carriage of a Bill of this kind.

Senator Col. NEILD.—My honorable friend is, perhaps, jumping to a conclusion without having given the matter sufficient consideration. I think he will see that no applicant to a bench of magistrates for a booth licence, or for the extension of a licence to sell in a tent at a given place, would say, "I am making this application in order to supply liquor to the troops which are coming here." He would never make any such representation as that.

Senator BEST.—No; but representations to the contrary would be made.

Senator Col. NEILD.—The applicant would make the representation that a very

large number of visitors would be coming from here, there, and everywhere to see the evolutions, and visit the camp, and that he wished to provide for their wants.

Senator DOBSON.—Probably he would not get a licence.

Senator Col. NEILD.—I cannot speak positively about what has happened in Victoria, but in New South Wales there is no difficulty in obtaining booth licences, and to do away with the canteen would be simply offering an incentive for additional applications.

Senator PEARCE.—Perhaps the canteen explains the disaster at Chowder Bay on that historic occasion.

Senator Col. NEILD.—I do not know anything about an accident at Chowder Bay, nor do I know whether there is a canteen there or not.

Senator PEARCE.—It was there.

Senator DOBSON.—Under the new Licensing Act of New South Wales would booth licences be granted as freely as they were applied for?

Senator Col. NEILD.—I do not say that, but they would be granted as freely as the magistrates might think it desirable to grant them.

Senator BEST.—Exactly, having regard probably to representations from both sides. The honorable senator may be sure that there would be protests made.

Senator Col. NEILD.—My honorable friend may be quite sure that the teetotal bodies would make every representation they possibly could in opposition, and I do not suppose that the Commonwealth authorities would have any *locus standi* in a magistrates' Licensing Court. In respect of any such affair, what right would they have to go there?

Senator BEST.—The Commonwealth law.

Senator Col. NEILD.—The Commonwealth law could not at present affect the licensing of public houses or the granting of extensions.

Senator BEST.—That would all depend. If there was any inconsistency between Federal and State law the former would prevail.

Senator Col. NEILD.—My honorable friend may be right in respect of some measure which has not yet been drawn, but his remarks are not in the slightest degree apposite to this Bill, which is brought in merely to stop the sale of spirituous liquors in military canteens and on military premises. I am talking about the

premises across the road, and the two things are not by any means analogous. I am speaking with some experience. I am not now, but for nine years I was a regimental commander. I commanded my regiment in regimental camps, where I was chief authority, and in general camps under superior authority. As a brigadier I have commanded several regiments in camps during the entire period of annual military training. During the whole of that time the head-quarters of my regiment were in the Victoria Barracks, and, therefore, all that went on there in connexion with canteens, officers' mess, sergeants' mess, and so on, was more immediately under my notice than under that of the very large majority of regimental commanders in New South Wales, whose head-quarters were elsewhere. During the whole of that time I had but once to deal with a case of drinking. I never had to deal with a case of drinking in camp, or with a case of drinking connected with a canteen of any sort. After the conclusion of a Saturday afternoon parade, a member of my regiment did not change his uniform upon reaching home, as men usually do. In the evening he went out in uniform, and at some public-house or public-houses he obtained more drink than was good for him, and brought discredit upon the uniform by being in the street drunk, or, at any rate, the worse for liquor. I dealt with him, and that was the only instance of a volunteer soldier overstepping the bounds, either in my own regiment or in the several regiments which I had the honour of commanding in a brigade that I had to deal with in a period of nine years. I am going to quote the opinions of other officers to the same effect. I think that, if inquiry be made, it will be found that the professional soldiers, the militia, and the volunteers of Australia are so singularly honorable in their sobriety that one can well understand that they feel very keenly this proposal to place them, as I believe they have indicated in some instances to the Minister, in the position of "lunatics, criminals, and aborigines."

Senator DOBSON.—Do not exaggerate like that.

Senator Col. NEILD. — Those are the terms of the resolution submitted to the Minister.

Senator DOBSON.—It is the language of exaggeration used by silly people.

Senator Col. NEILD.—My honorable and learned friend knows that prisoners in jail, lunatics in asylums, and aborigines are denied spirituous liquors. That is the position in which it is proposed to place our Military Forces. There is no exaggeration in the statement.

Senator STYLES.—The men can go outside and drink.

Senator Col. NEILD.—That is the extraordinary part of the proposal. They cannot drink under their own roof-tree, under discipline and authority, and with a limitation of hours. In passing I may state—I think I am right in saying it—that the canteen in the military barracks, Sydney, is only open from 12 till 1 o'clock in the afternoon, and from 5 till 9.30 at night. The men are not to be allowed to have a glass of beer in barracks under restriction and discipline, but they can cross the road and drink as much as they like.

Senator STYLES.—Can they not drink as much as they like in the canteen?

Senator PLAYFORD.—No. A man who shows the slightest sign of drunkenness is not allowed to have any drink.

Senator DOBSON.—They can drink as much as they can hold.

Senator Col. NEILD.—My honorable and learned friend should not make a statement of that kind. It is exceedingly wrong.

Senator DOBSON.—I mean that they can drink as much as they can stagger under.

Senator Col. NEILD.—The honorable and learned senator does not make that statement of his own knowledge. He simply repeats what somebody has told him, and it is untrue.

Senator DOBSON.—I did not say what they did, but what they could do. They can drink as much as they can hold without showing the effects.

Senator Col. NEILD.—My honorable and learned friend could stand on his head, but he does not do it. I am sure that neither the present Minister of Defence nor Senator Drake, a previous Minister of Defence, would advocate the closing of what canteen arrangements exist in Thursday Island, and compel the men when they wanted a glass of beer to go to one of the so-called hotels to be found there. Opposite to one of the walls of the barracks, in Sydney—I speak only of one wall, not of four—there are no less than five hotels, and at least one wine shop—I am not sure that there is not a second;

and within a short gun shot there are many other hotels to which the men will be driven if they cannot procure what they desire at the canteen.

Senator BEST.—What is now proposed is that an additional one shall be allowed to be there in the shape of a canteen.

Senator COL. NEILD.—No, the proposal is that the canteen that has existed without causing the slightest falling from morality or discipline shall be closed, and that men shall practically be compelled to go to houses where they can drink without any supervision, and without any care on the part of any one to see whether they drink to excess or not.

Senator STYLES.—Who checks the men when they drink in the canteens?

Senator COL. NEILD.—The non-commissioned officer in charge.

Senator STYLES.—He is to be trusted, I suppose, in all cases?

Senator COL. NEILD.—Can the honorable senator suppose that it is possible for me to state the exact capacity for responsibility of every man who may be a non-commissioned officer? I do not pretend to do so.

Senator MILLEN.—Instead of these questions being addressed to those who opposed the Bill, the onus is upon those who support it to prove their case.

Senator COL. NEILD.—Yes, one is asked to prove a negative. Nothing has been quoted in support of this Bill, except some American opinions of a general character, and certain statements that the Commonwealth ought not to promote the consumption of liquor. I do not think that the Commonwealth does. Certainly the Commonwealth does no more to encourage the consumption of liquor in military canteens than this Parliament does in the little place upstairs.

Senator PULSFORD.—Is it not rather American legislation than American opinions that have been quoted?

Senator COL. NEILD.—I intend to give some quotations from a work, which I am sure some honorable senator will cry out against because it dates back to the early nineties of the last century. But the very size of the work will show that it is not by any means ephemeral. It was published by one of the medical officers in the American Army, an M.D., and an A.M. I wish to quote from it at some little length with reference to canteens. I think it particularly my duty to read a few

paragraphs with reference to disease and crime. Of course, when I speak of crime, I mean military crime, not crime at common law. This writer says—

The purpose of the canteen, as officially announced, is to supply troops with goods at a low rate of profit and to afford rational recreation and amusement to all enlisted men. The sale of ardent spirits is strictly prohibited therein, but commanding officers are authorized to permit light beer and wine to be sold by the drink, on week days, in a room set apart for the purpose, when in their opinion such action is promotive of temperance. Gambling of any character is forbidden. Each canteen is managed by an officer selected by the post commander for his fitness for the position, he being allowed one or more enlisted men as assistants; under recent orders civilians only being allowed to serve as bar keepers. As showing the favour with which the canteen system was received by troops, it is only necessary to say that in 1804, five years after its inauguration, there were seventy-five canteens in successful operation in our service, and that during that year the total receipts were \$1,417,079.62; of which sum no less than \$304,640.91 were returned to the men as dividend profits, or about one dollar per month per man. During the year ending 30th June, 1808, the aggregate receipts of the exchanges in operation in the army amounted to \$1,621,398.67, and there was received as money on deposit \$189,258.81; making the total amount of money received \$1,810,657.48. There was expended for merchandise purchased, rent, fixtures and repairs, and expenses of operation, \$1,207,737.16—which, less deposits, gave a profit of \$323,661.51. From this amount donations to the funds of the several regimental bands aggregated the sum of \$9,154.51; to the maintenance of post gardens, \$1,550.17; to post libraries, \$640.06; the gymnasia, \$2,913.75; as prizes for the encouragement of athletic sports, \$3,336.41; and, after setting aside the sum of \$60,877.58 as a reserve fund to meet the anticipated expenses for at least one month, the sum of \$254,890.93 was returned to the members in the form of dividends. The effect of the introduction of the canteen system upon sick rates with respect to alcoholism, as shown by the reports of the surgeon-general, was prompt and marked. For the decade 1878-87, the average number of admissions for alcoholism and its direct results amounted to 64.28 per thousand of white troops. This rate diminished during the next ten years, in proportion, as canteens were gradually established at various posts, omitting fractions, in the following ratio:—44, 46, 44, 44, 41, 37, 34, 32, 31, 30.

Those figures show a reduction of considerably more than one-half in cases of alcoholism. Surely that fact is of value. Surely it indicates that canteens do not make for insobriety. I will quote another passage—

On observing the admissions for alcoholism for the seven years, 1885-91, which immediately preceded the general establishment of the canteen system upon a satisfactory basis throughout the army, it is found that a yearly average of

1,214.8 men found it necessary to apply for treatment from this cause; while for the six years, 1892-97, after canteens had been generally established throughout the army, an average of only 928.4 men required medical care as the result of alcoholism—a reduction amounting to 23.6 per cent.

Then there is a paragraph of a more general character, which, as applying to tropical countries, will be of interest in view of the remarks of some speakers—

In 1890, there were 17 posts, at which the admission rate for alcoholism exceeded 10 per cent. of the strength. In 1891, the number of such posts had decreased to 11, and in the six subsequent years diminished at the following rate—10, 7, 4, 5, 2, 2. This favorable showing for the army at large was duplicated in the case of each individual post; the introduction of the canteen, at a military station, in no instance failing to be promptly followed by a diminution of alcoholism. For certain stations this improvement was extraordinary. In 1889, Willet's Point had an admission rate for alcoholism of 222.97 per thousand. For 1890, the year during which the canteen was established at that post, it fell to 157.50, and in the next year was reduced to only 70.46. At Fort Spokane, the amount of sickness resulting from intoxicants was reported by the surgeon as having diminished 50 per cent. during the six months following the institution of the canteen. At Fort Douglas, in 1888 and 1889, the total number of admissions attributed to alcoholism amounted to about 85 per thousand strength; while during the period 1892-94, this rate fell to 52.95 per thousand strength—and such instances might be largely multiplied.

I may state that this is a quotation from *The Theory and Practice of Military Hygiene*, by Edward L. Munson, Captain, Medical Department, United States Army.

The cases of delirium tremens will be accepted by all as furnishing reliable data by which the gravity of the admissions for alcoholism may be determined.

This book, and another that I have here, published by the British Medical Institute, were sent to me by one of the very highest military medical authorities in Australia—a gentleman who has not only seen service under the British flag, but, before he became a naturalized subject, had seen service on the Continent of Europe.

Senator DOBSON.—May I ask the honorable senator if he is in favour of prohibiting the sale of spirits in canteens?

Senator Col. NEILD.—That is a mere matter of detail. I think I had better take the position which used to be assumed by a late Speaker of the New South Wales Legislative Assembly, and say that it is not my duty to answer hypothetical questions. Senator Dobson puts to me a question that is entirely hypothetical, because it has no possible connexion with any por-

tion of the Bill we are discussing. I am sure the honorable senator will not think me discourteous if I cannot answer every question.

Senator DOBSON.—All the information which the honorable senator has given relates to canteens in which spirits are not sold.

Senator Col. NEILD.—The writer I am quoting proceeds—

It is, therefore, of interest to observe that for the seven year period above noted, prior to the complete adoption of the canteen system, the average annual admissions for this cause, actual numbers, was 23.8; while for the six year period following the general establishment of this system, the average number of men admitted yearly for delirium tremens was 16.6—a reduction of 31.3 per cent. in this serious class of cases.

Surely a system that reduces alcoholism in so remarkable a manner, and reduces the number of cases of *delirium tremens* to the extent of 31 per cent., must have some of the merits claimed for it by those who think that the consumption of liquor, under discipline and responsibility, is much more likely to make for sobriety and good order than is indiscriminate consumption.

Senator DOBSON.—The whole of the value of the evidence depends on the facilities offered for drinking outside the canteen.

Senator Col. NEILD.—The writer proceeds—

It can scarcely be doubted that this remarkable decrease was chiefly influenced by the general substitution of beer, a milder beverage, which rarely produces delirium tremens, for distilled liquors the free use of which is well known to result in mental excitement and nervous exhaustion.

Senator DOBSON.—Then the whole of the honorable senator's evidence relates to a point on which he declines to express an opinion.

Senator Col. NEILD.—I think the honorable senator might wait. I should like to explain that I have felt the climate very much in the last few days, and I am now suffering from such a severe cold that it is a great labour for me to speak. Under the circumstances, I shall take it as a great personal kindness if I am allowed to proceed with fewer interruptions. As to insanity in relation to drink, the author states—

It is recognised that alcoholism and insanity are closely related, through the direct influence exerted by intoxicants in the production of mental aberration. Hence it is not surprising to find that the average number of cases of insanity, annually

coming under treatment, was 35.1 for the seven year period, 1885-91, prior to the complete establishment of the canteen system, and only 24 as an annual average for the six subsequent years, 1892-97. These figures show a reduction in insanity amounting to 31.7 per cent.

Now, as to some other results of the canteen system—

The canteen, for the maintenance of good order, in which a commissioned officer is held responsible, is an aid to discipline as well as to the health and morals of troops. It provides a resort which, while under thorough military control, offers inducements to the men to remain at home, and spend their idle time within the limits of the post; this condition obviously being far preferable to the one formerly existing, when the nearest and generally patronized places of amusement and refreshment were the grog shops, usually the gambling room and brothel annexes, which marked the limits of each military reservation. Except with the most dissolute class of men, the soldier is well satisfied to patronize the canteen to the exclusion of outside saloons; knowing, as he does, that he receives good value for his money in articles of excellent quality, and fully appreciating that the profits of the institution ultimately accrue entirely to his benefit, and are not, as with the case of outside establishments, diverted to the advantage of others.

As to the matter of good order amongst the troops, I think the figures relating to desertion would surely prove something. In the six years before the canteen system was established in the United States, the percentage of desertions was 9.18, while the six years following, the percentage was 4.53.

Senator MCGREGOR.—Does the author from whom the honorable senator is quoting say anything about the men having to pay more for liquor than the officers?

Senator COL. NEILD.—That is a point not involved in the question under discussion, but, as it has been raised, I shall not pass it by. Personally, I think that the practice to which the honorable senator has referred was most discreditable, indecent, and improper, for which those responsible were deserving of much rougher treatment than they received. In this book there is a table with which I shall not trouble honorable senators, but which is followed by these words:—

From the above table, it is observed that during the first year after the canteen system was officially established, the rate of desertions fell 30 per cent., while in the next year the rate was further reduced to 48 per cent. For the five years previous to the establishment of the first officially recognised canteen, the number of men annually deserting from the service, per thousand strength, amounted to 101; while for the eight years immediately subsequent to the

institution of this system, the annual number of desertions was reduced to 50 per thousand strength.

The writer goes on—

Drunkenness is certainly prevented by the constant military supervision to which the canteen is subjected. The men themselves are usually careful not to indulge in alcoholics to the point of inebriety; while such few individuals as are inclined to be forgetful of the dangers of excess will usually be restrained by companions, or by those connected with the establishment—who have no personal interest in promoting the sale of liquor, as does the saloon keeper of civil life—from passing the bounds of actual intoxication.

There is one other table to which I propose to refer, as showing the total number of trials and convictions in the Army for all causes, and the number of trials and convictions for drunkenness, and conditions arising therefrom. The table shows that for the six years before the canteen period the total number of trials and conviction of all kinds was 1,838, as compared with 1,605, or a reduction of 233, after the establishment of canteens. The total number of trials and convictions for drunkenness for the same periods were 372.5 and 160.6 respectively, a reduction of materially more than one-half. This table is of importance, as showing that the reduction was greater in reference to cases of drunkenness than in reference to general crime; and the fact is signally pertinent to this Bill. There was quite a moderate reduction in general crime, but an enormous reduction in drunkenness. I desire to occupy as little time as possible, but I hope that honorable senators recognise that I am speaking on a subject of which I have some knowledge, and in which I take some interest, and that I am no longer sufficiently actively connected with the Military Forces to have any personal interest in the outcome of this Bill. I do not think there are many, either inside or outside the Chamber, who would regard me as an advocate of either loose living or loose drinking, and, therefore, if I take a strong view, it is not because I believe in reckless consumption of liquor, but in the belief that what is proposed will be injurious rather than beneficial. Had I the least idea that the Bill would have the good effects that some honorable senators claim for it, I should give it my strongest support. But I am convinced that it will not do good, and that, on the contrary, it will do harm. It is for this reason I am adopting an attitude, which, no doubt, will get

me into hot water with a considerable number of very worthy people, who, knowing nothing whatever about the subject, will very much resent my action. I propose now to quote from a work from the pen of "Robert Caldwell, F.R.S., D.P.H., Lieutenant-Colonel, Royal Army Medical Corps. Formerly Medical Officer in Charge, District Laboratory, Meerut; Member of Committee on Field Sanitation in connexion with Surgeon-General's Report on South African Campaign; Medical Officer in Charge, District Laboratory and Isolation Hospital, First Army Corps." It cannot be claimed that this work is not of a recent date, since it bears the date 1905, and it was sent out to Australia, as is shown by a piece of paper pasted in it, in order that it might be reviewed by the distinguished gentleman who has lent me the volume so that I may make use of it here. The writer says—

Whether universal teetotalism is or is not desirable is too vast a subject to be entered on here. Whatever individual views may be entertained, there is no getting over the fact that the average man, whether soldier or citizen, will partake of alcohol as a beverage, and, this being the case, it is better to make the habit as little deleterious as possible, instead of violently reprobating a custom which, even if undesirable, is, nevertheless, indulged in by an enormous number of self-respecting people of both sexes, whose lives and conduct are absolutely above reproach. If the soldier has an uncomfortable canteen in barracks he will drink in the town, where the chances are he will consume bad liquor in company of corresponding quality, and where, being free from military control, he can indulge in libations and in a style of behaviour which would be impossible, or, at any rate, promptly followed by unpleasant consequences, within the precincts of an institution under official management.

Many canteens are the reverse of comfortable, being cold, bare, and often detestably lighted. To maintain uncomfortable and cheerless regimental institutes is the surest way to drive men into the town, and to drive men into the town invariably means an increase of drunkenness and crime.

Here is something with reference to the abolition of canteens, during the last three years, in the American Army. I propose to quote, as does Colonel Caldwell from—*The Military Medical Condition in Peking China*, by Captain Frederick M. Hartsock, *United States Army Journal of the Association of Military Surgeons of the United States*, October, 1904.

In the United States Army the absence of canteens has made itself seriously felt, and, at the same time, their good is fully appreciated.

The habits of the men depend largely on the nationality. I am sorry to say that although the Americans preserve most excellent discipline,

drunkenness is more prevalent among them than the other nationalities.

That is of some consequence, seeing that this Bill is based upon alleged American experience.

Senator DOBSON.—The writer is speaking of American soldiers.

Senator Col. NEILD.—Yes. He says further—

Possibly this is due to the lack of the canteen system with us. The British have a well-established post exchange where light beer is sold, and in connexion a club-room, which tends to keep the soldier in barracks and preserve sobriety. The French give a ration of wine; likewise the Italians and Austrians. The Japanese sell beer and saké in their compound, but never have a case of drunkenness. The Germans have a home like *Rathskeller* where beer and German foods are sold, and their drunkenness is nil. The Russians have no post exchange as the soldier only gets about 20 cents per month, and therefore has little to spend in liquor; but often the soldiers convive with other nationalities, and there is likely to be drunkenness if the liquor is obtainable.

I direct the special attention of honorable senators to what follows, because it describes the condition of affairs in America since the canteen has been done away with—

The American soldier, however, is forced to the low grogeries and dives, dozens of which exist on the outskirts of the legation quarter, and the result is he either imbibes an extra quantity of alcohol to last until he reaches the barracks or buys cheap whisky in bottles and secretes it for use in the garrison. The American soldier is the most sought after, as he has far more pay to spend than the other nationalities, and the result is the extra tendency to fall into the hands of these brothel and saloon keepers who especially cater to encourage this trade. I believe this accounts for the extra large venereal rate among our soldiers.

I make one other quotation, which, I think, will be the last, although there is very much in this volume I should like to read—

From the reports of the Surgeon-General of the United States Army, for the past twenty years it is found that alcoholism is not nearly so great an evil in the Army as it was prior to the establishment of the post exchange allowing the sale of beer and light wines to the soldier. From 1883 to 1888 the annual admission rate from alcoholism varied from 69 to 40 per 1,000. When the last figure was reached, the Surgeon-General reported in 1889—"There is here manifested a gratifying temperance movement which it is hoped the canteen system may render more actively progressive."

Surely we can place some reliance on the opinion of a Surgeon-General of an Army? Such an officer cannot be concerned in

promoting the miscellaneous consumption of liquor. The quotation proceeds—

And in 1890 prohibition on the military reservation has been suggested and tried, but this has immediately invited the establishment of dens of dissipation and disease just beyond the jurisdiction of the commanding officer.

I wish Senator Best were here to listen to that statement.

Licence on the reservation, in the opinion of our medical officers, is infinitely preferable to unbridled licence outside of it. It is believed that the canteen system will have a greater effect in reducing the statistics of alcoholism than any measure that has yet been tried.

I feel that I cannot trespass upon the time of honorable senators by a further quotation from these two very valuable works, but their temperate phraseology, and the sources of the information from which they are drawn, are of such a character as must commend the extracts I have made to the acceptance of those who have heard them.

Senator DOBSON.—But the canteens are still abolished in America, are they not?

Senator COL. NEILD.—I believe that they are. I am obliged to the honorable and learned senator for the question, because I was forgetting a point on which I wish to speak. It has been asked why, in view of the strong opinions expressed by army authorities, the canteen has not been re-instated in America. There is a very simple answer to that question. Any one who has any knowledge of American politics—and I am quite sure Senator Dobson has that knowledge, only, perhaps, he has not applied it—must be aware of the enormous influence of the drinking saloons in those politics. The head of the electoral committee in each electoral division in the United States is very commonly a boss saloon-keeper, and the influence of the American saloon is so great in American politics that one has no difficulty whatever in readily recognising that the saloon played its part in securing the abolition of canteens in America, and is playing its part in preventing them from being re-established.

Senator PLAYFORD.—Assisted by teetotallers.

Senator TURLEY.—That is always the case.

Senator COL. NEILD.—As it happens, assisted by teetotallers. I propose to make some statements on this particular matter with reference to this Bill. I do not for a moment suppose that any teetotal authority believes that in his advocacy of the Bill he is helping the licensed vic-

tualiser; but I shall show very conclusively that that view is entertained, and that there is good ground for it, in view of what has happened this year in connexion, at any rate, with the military camps in New South Wales. It is simply a case of "Great is Diana of the Ephesians." It is a question of getting rid of competition. I do not blame the saloon-keeper from his stand-point. If I were a saloon-keeper—and God forbid that I ever should be one—I suppose I should recognise the advantage of getting rid of the canteen. I know that all sorts of objections are raised against institutions standing on the same basis. It is objected that prisoners should be put to useful work in gaol, as that might result in taking good work out of other men's hands. I have been approached with objections to the military printing office at Victoria Barracks, Sydney. The printing of military orders is there carried out by an artilleryman who can set type, and I have been approached by printers, who have objected to that, on the ground that they should have the work, and that it interferes with their opportunity to obtain work. I can quite understand that licensed victuallers consider it a serious objection that a canteen should interfere with their trade across the road. It is only common sense. I have promised that I would give some local opinions. They will be found to more than support anything I have said. It will be convenient, perhaps, if, first of all, I quote some telegrams, all of which are very brief. I have a dozen or more here, along with some letters from regimental commanders and ex-regimental commanders, in New South Wales. The telegrams are in reply to the simple question I asked—

"Do you approve Canteen Bill?"

I do not propose to give the names of those who have sent these answers to my question. I shall give the names of the writers of some letters I have received, but I have no authority to use the names of the gentlemen who sent these wires. If, however, it is considered desirable, I am prepared to submit the actual telegrams to Senator Pulsford, in order that he may check my statements. These are the answers I have received. From a colonel—

Bill most objectionable for camps. Hardship on men more than officers, particularly permanent men.

From another colonel—

Against Bill. Unpopular. Create more crime.

From a lieutenant-colonel—

Every man in regiment violently opposed, grounds of discipline, efficiency, and comfort.

From another lieutenant-colonel—

Military canteens preferable to drinking in neighbouring public-houses.

From another lieutenant-colonel—

No. Entirely opposed to it. Letter posted.

From a major—

No. Consider it will be responsible for more crime than ever anticipated.

From a lieutenant-colonel—

Emphatically, no.

This gentleman is a total abstainer. From another lieutenant-colonel—

Strongly disapprove Canteen Bill. Will be extremely harmful.

From another lieutenant-colonel—

Strongly disapprove Canteen Bill. Will indirectly seriously affect good order.

From another lieutenant-colonel—

Disapprove abolition of canteens.

From the sergeants' mess of a very well-known and prominent regiment of the militia I received this telegram—

Strongly opposed to Canteen Bill.

From another sergeants' mess came this telegram—

Mess strongly opposed to Bill.

Here is an opinion from two colonels—

No; think canteens absolutely necessary.

Another colonel wires—

I think it will be a big mistake to do away with canteens, for reasons which must be obvious to every officer.

No doubt it will be convenient if I read a fairly long letter from a lieutenant-colonel, who, as he says, has had over twenty years' experience in the Permanent Military Forces. He is on the retired list under the age regulation. I know that he has been intimately connected with the military service, and has had a very extensive knowledge of the working of the canteen business. I allude to Lieutenant-Colonel Murray, late of the Royal Australian Artillery, who writes as follows:—

Military canteens—referring especially to the Liquor Department—are established for the purpose of enabling the rank and file (sergeants having, of course, the accommodation of their mess), to obtain the best possible quality at the lowest possible charge, in comfortable quarters, and in the congenial society of their own class.

Intoxication is guarded against by limiting the hours of sale by the strict injunction upon the canteen steward not to serve any man beyond a certain margin; and by the circumstances that a non-commissioned officer, called the "canteen

orderly," is detailed daily to attend the canteen to see that there is no irregularity or drinking to excess. No inducement is held out to the soldier beyond those stated; he is in no way tempted or solicited to patronize the canteen.

The liquor canteen is only open from 12 to 1 p.m., and 4 to 9.30 p.m.

The profits, which are cut down to the lowest possible margin, after payment of working expenses, are devoted to the benefit of the soldier either in the purchase of sport materials, such as cricket and football gear, &c., indoor games, newspapers and periodicals for the recreation room, or otherwise as may be suitable. Occasionally prizes are awarded for athletic contests, military sports, &c.

Writing after 26 years in the regular military service, during which I have been actively concerned in the administration of canteens, I am perfectly satisfied that such institutions are for the benefit of the men—that no young soldier was ever led into intemperance in a military canteen, for the reasons already stated, viz., strict supervision, no solicitation to drink, prevention of excessive drinking, limited hours.

If the canteen is closed the effect will be that the soldier, instead of obtaining wholesome liquor at the minimum price in a private establishment, conducted upon reputable lines, will go to a public house, where he will be served with inferior liquor at a higher charge, and where there will be every incentive upon him to drink to intoxication.

The inducement to remain in barracks will be removed, and he will have a direct temptation to loaf about the town. Drinking will be increased, not diminished, and the soldier will become liable to the evil effects which flow from such excess.

With regard to camp canteens, depriving men of the accommodation which the canteen affords, amounts to treating respectable citizen soldiers upon the assumption that they are unable to exercise any restraint over themselves, and that if they are provided with a canteen they will necessarily drink to excess.

To abolish camp canteens would be a step which I am quite sure will be resented in the highest degree by all except fanatic prohibitionists—

Senator FRASER.—That is nonsense. It spoils the whole letter.

Senator Col. NEILD.—There are in the world such persons as fanatics.

Senator FRASER.—Are advocates of temperance fanatics?

Senator Col. NEILD.—Not necessarily; but there may be fanatics in connexion with any cause. Even on a subject so sacred as religion it is possible for persons to be fanatical.

Senator FRASER.—Surely temperance is a good thing.

Senator Col. NEILD.—Of course I am not fathering every word that I read. I am merely giving information which I think honorable senators will be glad to have, because it is the sort of information which has been asked for.

Senator MACFARLANE.—It is only from the officers, though. It is not from the men, I understand?

Senator Col. NEILD.—I shall read directly some information from the men. Lieutenant-Colonel Murray goes on to say—

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Senator PLAYFORD.—No. If after having said to the States Treasurers, "We will return to you a certain sum of money, based on a fair estimate of your receipts from Customs and Excise, less Commonwealth expenditure," we altered our Tariff so as to increase the amount derived from Customs and Excise revenue we should require to spend the increased revenue ourselves.

Senator Sir JOSIAH SYMON.—Only if the Customs and Excise revenue is increased for some special purpose?

Senator PLAYFORD.—Possibly.

Senator DOBSON.—There should be a distribution amongst the States of any surplus over and above the fixed sum.

Senator PLAYFORD.—The increase might be for a special purpose, towards defence, for building a fleet to carry our mails, or for any other undertaking that Parliament might approve. That would be a very much more satisfactory way of dealing with the matter. I do not propose to discuss the question of the taking over of the debts of the States, but that has also been dealt with in the Treasurer's Budget speech. The right honorable gentleman has submitted an exceedingly valuable memorandum on the subject, to which Ministers have given a great deal of consideration, and I think that it proposes a satisfactory system, under which we might work for years to come.

Senator DOBSON.—Is it proposed that the bookkeeping system shall continue for ever?

Senator PLAYFORD.—We do not wish the bookkeeping system to continue, and it will not be continued if we agree to pay to the States a certain fixed sum, but we must keep a record of the amount paid to each State. I think that the Government have submitted a scheme which offers a satisfactory solution of the difficulty.

Senator O'KEEFE.—The Government do not propose that there shall be any termination to the bookkeeping system.

Senator PLAYFORD.—Certainly we do.

Senator MULCAHY.—The honorable senator has been arguing the other way.

Senator PLAYFORD.—I have been saying that we propose to return a fixed sum to each State.

Senator O'KEEFE.—Exactly; and to keep a bookkeeping account for each State.

Senator PLAYFORD.—We shall, of course, keep a bookkeeping account for each State in connexion with the Customs.

Senator O'KEEFE.—For all time?

Senator PLAYFORD.—For all time, so long as we continue to collect Customs duties.

Senator O'KEEFE.—And return to each State the amount collected in that State.

Senator PLAYFORD.—No.

Senator O'KEEFE.—That is what the honorable senator said.

Senator PLAYFORD.—No, I did not say that. I said that we propose to return a fixed sum to each State.

Senator Sir JOSIAH SYMON.—The Government proposal is to substitute for the bookkeeping system and the present *per capita* distribution the payment of a fixed sum to each State.

Senator PLAYFORD.—That is so. It is proposed that that shall go on for five years, and the sum to be paid to each State will be based on actual contributions for the previous five years, less Commonwealth expenditure, divided by five. That will give the starting-point. Instead of paying, as at present, an uncertain amount to each State, we propose the adoption of the system in operation in Canada of paying a fixed sum to each State. I believe that that will be found to be a much more satisfactory way of dealing with the matter. I am sure that honorable senators will read the memorandum on the subject submitted by the Treasurer with a considerable amount of interest, and I think they will see that we have proposed a fair solution of the difficulties relating to the transfer of property, the taking over of the debts of the States, and the amount to be returned to the States as their share of the revenue derived from Customs and Excise. I ask Senator O'Keefe, possibly after the discussion has taken place on the subject, to withdraw his motion.

Senator DOBSON.—Does the memorandum suggest that we should never have a *per capita* distribution?

Senator MULCAHY.—There is no other logical interpretation of the honorable senator's speech.

Senator PLAYFORD.—I cannot go on indefinitely trying to knock things into people's heads. I may give them reasons, but I cannot give them something else.

Debate (on motion by Senator PULSFORD) adjourned.

CANTEEN BILL.

SECOND READING.

Debate resumed from 26th July (*vide* page 1848), on motion by Senator PULSFORD—

That the Bill be now read a second time.

Senator Col. NEILD (New South Wales) [4.29].—In resuming the debate on the second reading of this Bill, I should like, first of all, to direct the attention of honorable senators to the great difference in the attitude of the supporters and of the opponents of the measure. I do not do so in any unkindly spirit, but I think that I am justified and required to draw attention to something that was said by Senator Pulsford, in moving the second reading of this Bill, last week—

Senator PULSFORD.—The question is whether the Commonwealth as a Commonwealth shall encourage drinking among the soldiers.

Senator Colonel NEILD.—The canteen system does not encourage, but discourages drinking.

Senator PULSFORD.—After I have done Senator Neild will have ample opportunity to express his views in favour of full, free, and unlimited drinking.

The very fact that the honorable senator who was moving the second reading of the Bill made such a statement—no doubt in good faith, believing that he was advocating sobriety, while I was an advocate of drunkenness—indicates that he, equally with many of its supporters, are most unfortunately unacquainted with the subject with which they undertook to deal.

Senator PEARCE.—Bring him up to the bar of the Senate.

Senator Col. NEILD.—I am not making a complaint.

Senator PULSFORD.—Not the least complaint.

Senator Col. NEILD.—I am not making a complaint, but only pointing out that in his statement the honorable senator showed an absolute lack of knowledge on the subject upon which he undertook to legislate. The whole movement in favour of the measure rests upon the somewhat hysterical statements made in another place by gentlemen who do not profess to have any personal knowledge of its subject-matter. The opposition, on the other hand, has come from those who have carefully investigated the question, and shown by the recital of facts here how, in the interests of sobriety and good order, they strongly support the maintenance of the canteen system.

Senator DOBSON.—There are hundreds of decisions and dozens of opinions the other way.

Senator Col. NEILD.—We have not heard one quoted.

Senator DOBSON.—There are dozens of them.

Senator Col. NEILD.—My honorable friend will have an opportunity to quote them. I shall quote a few American as well as British opinions, the opinions of almost every regimental commander of the State from which I come, and of a great number of experienced officers. I shall also, by quotation, show the feeling amongst the non-commissioned officers of our Defence Force in connexion with this proposal. Practically all that we have had adduced here in support of the measure in the way of authority has been the recital of the opinions of some American officers, and some American legislation. I am going to show how enormously the canteen system, when it was introduced, advantaged the conditions in the American Army, and by parity of reason, we may suppose that the introduction and maintenance of the canteen system is for the advantage of the soldiers and other persons in our own Military Forces. But I beg honorable senators not to overlook this strong point: that the canteens of which we have knowledge, whether American or English, are practically those connected with the regular Army, and that only. In Australia, we have scattered about the States a regular Army of about 1300 men, including drill sergeants, one of whom is attached to a regiment or to a company here and there. We have no large number of regular troops, even approaching hundreds, in any part of the Commonwealth, I think, except in New South Wales. The greater number is, perhaps, to be found there. But, on the other hand, we have to do with a citizen soldiery, and the canteen business only applies to them during the period of the Easter training. Therefore, we cannot assume that the authorities that have held good, either *pro* or *con*, in America, or England, necessarily apply with any kind of aptitude to Australian conditions, though, to some extent, they do, no doubt. I would also point out the extreme difference that exists between the method of enlisting soldiers here and in England. In England, as long as a man has all the necessary height and chest measurements, and is healthy, he is taken on when they are recruiting. What

great trouble is taken about the character of men who are enlisted in our little permanent force in Australia! To obtain admission to the Royal Australian Artillery, for instance, a man has to be fortified with a sufficiency of references to fit him for the position of churchwarden in a cathedral. They will not take a man on merely because he is so many inches high, and so many round the chest, but they want a man of first-class character. That sort of selection does not obtain in recruiting for the British Army, nor, so far as I can ascertain, does it obtain in regard to the little American Army. It should be recollected that our main force is a militia force. The Government of the United States have nothing to do with the militia force. That is under the control of the States, and, therefore, there is no similarity between Australian and American conditions. There is a point which, from something he said in conversation with me the other day, I am sure the Minister appreciates very fully, but I have not heard it mentioned either in another place or here. I am not so sure about America, but certainly there is a marvellous difference between English and Australian conditions in respect of the licensing laws. The soldiers of England are under the same Government as controls the licensing of hotels, public-houses, and drinking booths. But in Australia, everything is altered. The Commonwealth may select a position for a camp for Easter training. There may not be a public-house in the neighbourhood, but the State, through its bench of magistrates, chooses to grant as many drinking licences, perhaps, as are applied for.

Senator BEST.—They would not, in the event of the carriage of a Bill of this kind.

Senator Col. NEILD.—My honorable friend is, perhaps, jumping to a conclusion without having given the matter sufficient consideration. I think he will see that no applicant to a bench of magistrates for a booth licence, or for the extension of a licence to sell in a tent at a given place, would say, "I am making this application in order to supply liquor to the troops which are coming here." He would never make any such representation as that.

Senator BEST.—No; but representations to the contrary would be made.

Senator Col. NEILD.—The applicant would make the representation that a very

large number of visitors would be coming from here, there, and everywhere to see the evolutions, and visit the camp, and that he wished to provide for their wants. Senator DOBSON.—Probably he would not get a licence.

Senator Col. NEILD.—I cannot speak positively about what has happened in Victoria, but in New South Wales there is no difficulty in obtaining booth licences, and to do away with the canteen would be simply offering an incentive for additional applications.

Senator PEARCE.—Perhaps the canteen explains the disaster at Chowder Bay on that historic occasion.

Senator Col. NEILD.—I do not know anything about an accident at Chowder Bay, nor do I know whether there is a canteen there or not.

Senator PEARCE.—It was there.

Senator DOBSON.—Under the new Licensing Act of New South Wales would booth licences be granted as freely as they were applied for?

Senator Col. NEILD.—I do not say that, but they would be granted as freely as the magistrates might think it desirable to grant them.

Senator BEST.—Exactly, having regard probably to representations from both sides. The honorable senator may be sure that there would be protests made.

Senator Col. NEILD.—My honorable friend may be quite sure that the teetotal bodies would make every representation they possibly could in opposition, and I do not suppose that the Commonwealth authorities would have any *locus standi* in a magistrates' Licensing Court. In respect of any such affair, what right would they have to go there?

Senator BEST.—The Commonwealth law.

Senator Col. NEILD.—The Commonwealth law could not at present affect the licensing of public houses or the granting of extensions.

Senator BEST.—That would all depend. If there was any inconsistency between Federal and State law the former would prevail.

Senator Col. NEILD.—My honorable friend may be right in respect of some measure which has not yet been drawn, but his remarks are not in the slightest degree apposite to this Bill, which is brought in merely to stop the sale of spirituous liquors in military canteens and on military premises. I am talking about the

premises across the road, and the two things are not by any means analogous. I am speaking with some experience. I am not now, but for nine years I was a regimental commander. I commanded my regiment in regimental camps, where I was chief authority, and in general camps under superior authority. As a brigadier I have commanded several regiments in camps during the entire period of annual military training. During the whole of that time the head-quarters of my regiment were in the Victoria Barracks, and, therefore, all that went on there in connexion with canteens, officers' mess, sergeants' mess, and so on, was more immediately under my notice than under that of the very large majority of regimental commanders in New South Wales, whose head-quarters were elsewhere. During the whole of that time I had but once to deal with a case of drinking. I never had to deal with a case of drinking in camp, or with a case of drinking connected with a canteen of any sort. After the conclusion of a Saturday afternoon parade, a member of my regiment did not change his uniform upon reaching home, as men usually do. In the evening he went out in uniform, and at some public-house or public-houses he obtained more drink than was good for him, and brought discredit upon the uniform by being in the street drunk, or, at any rate, the worse for liquor. I dealt with him, and that was the only instance of a volunteer soldier overstepping the bounds, either in my own regiment or in the several regiments which I had the honour of commanding in a brigade that I had to deal with in a period of nine years. I am going to quote the opinions of other officers to the same effect. I think that, if inquiry be made, it will be found that the professional soldiers, the militia, and the volunteers of Australia are so singularly honorable in their sobriety that one can well understand that they feel very keenly this proposal to place them, as I believe they have indicated in some instances to the Minister, in the position of "lunatics, criminals, and aborigines."

Senator DOBSON.—Do not exaggerate like that.

Senator Col. NEILD. — Those are the terms of the resolution submitted to the Minister.

Senator DOBSON.—It is the language of exaggeration used by silly people.

Senator Col. NEILD.—My honorable and learned friend knows that prisoners in jail, lunatics in asylums, and aborigines are denied spirituous liquors. That is the position in which it is proposed to place our Military Forces. There is no exaggeration in the statement.

Senator STYLES.—The men can go outside and drink.

Senator Col. NEILD.—That is the extraordinary part of the proposal. They cannot drink under their own roof-tree, under discipline and authority, and with a limitation of hours. In passing I may state—I think I am right in saying it—that the canteen in the military barracks, Sydney, is only open from 12 till 1 o'clock in the afternoon, and from 5 till 9.30 at night. The men are not to be allowed to have a glass of beer in barracks under restriction and discipline, but they can cross the road and drink as much as they like.

Senator STYLES.—Can they not drink as much as they like in the canteen?

Senator PLAYFORD.—No. A man who shows the slightest sign of drunkenness is not allowed to have any drink.

Senator DOBSON.—They can drink as much as they can hold.

Senator Col. NEILD.—My honorable and learned friend should not make a statement of that kind. It is exceedingly wrong.

Senator DOBSON.—I mean that they can drink as much as they can stagger under.

Senator Col. NEILD.—The honorable and learned senator does not make that statement of his own knowledge. He simply repeats what somebody has told him, and it is untrue.

Senator DOBSON.—I did not say what they did, but what they could do. They can drink as much as they can hold without showing the effects.

Senator Col. NEILD.—My honorable and learned friend could stand on his head, but he does not do it. I am sure that neither the present Minister of Defence nor Senator Drake, a previous Minister of Defence, would advocate the closing of what canteen arrangements exist in Thursday Island, and compel the men when they wanted a glass of beer to go to one of the so-called hotels to be found there. Opposite to one of the walls of the barracks, in Sydney—I speak only of one wall, not of four—there are no less than five hotels, and at least one wine shop—I am not sure that there is not a second;

convenient form for the Committee to deal with the contract in that way.

The CHAIRMAN.—If it be the wish of the Committee that the clauses of the contract should be considered seriatim, I am certainly in its hands.

Senator GUTHRIE (South Australia) [7.48].—I desire to have a clear understanding, because, in my opinion, we are proposing to adopt an extraordinary procedure. I gave notice of my intention to move some amendments, more as an addendum to the contract than anything else. I intended to move that no contract will be acceptable to the Senate which does not contain special provisions for cool storage, and lay down the maximum freight to be charged on produce, especially in the cool chambers. We cannot interfere with the conditions of the tender, because they were distributed to the world, and ship-owners based their tenders thereon. There is a question of principle involved. The Minister, I think, dealt fully with the whole matter yesterday in submitting his motion.

Senator BEST.—Yes, but the conditions are all subservient to the terms of the contract.

Senator CLEMONS.—It is only the articles of the agreement that we can amend.

Senator GUTHRIE.—Exactly. When they were tendering, ship-owners had before them conditions of tender in which no provision was made for anything but the carriage of mails at a certain rate of speed, but the size of the ships has been brought into the terms of the contract—

Senator BEST.—The honorable senator's amendments mean the rejection of the proposed articles of agreement.

Senator GUTHRIE.—I do not think so.

Senator STANFORTH SMITH.—The honorable senator's proposals ought to have been embodied in the conditions of tender.

Senator GUTHRIE.—Exactly.

Senator Sir JOSIAH SYMON.—What is it that the honorable senator proposes to do?

Senator GUTHRIE.—If the honorable senator will refer to the contingent notices, he will see that my contention is that no contract should receive the approval of the Senate unless it provides for a certain amount of cool storage on each ship, the maximum freight to be charged on produce, and the use of a self-register-

ing thermometer in order to assure producers that a temperature low enough to preserve their produce to the port of discharge shall be maintained.

The CHAIRMAN.—The plan of procedure which I propose to adopt is that the Minister shall first move his motion. It is his intention to move afterwards a proviso to article 3 of the agreement, but if any honorable senator desires to move a proviso to article 1, I suggest that as soon as the Minister has submitted his motion that proviso should be moved, and similarly any proposed amendment to article 2 can be submitted. The Minister will then propose his proviso to article 3, and the Committee can pass on to the other articles of the contract.

Senator BEST (Victoria) [7.54].—I desire to suggest that if the Minister would move his motion down to the word "Brindisi," with the addition of the words "as set forth in the schedule hereto," we could then go through the agreement article by article, and if the Committee saw fit to make any alterations or amendments that could be done. The effect of adopting my suggestion would be that the agreement, as printed, would be definitely placed before the Committee.

Senator Sir JOSIAH SYMON (South Australia) [7.56].—I would suggest to the Minister that he should move his motion down to the word "Brindisi," with the addition of the words "as set forth in parliamentary paper No. 7."

Senator BEST.—So long as the paper is identified that is all I desire to secure.

Senator Sir JOSIAH SYMON.—It is for the Minister to say which suggestion he prefers to adopt. Of course, it might be more complete if he were to follow the suggestion of Senator Best. It seems to me that the plan of procedure which has been suggested by the Chairman is an effective and business-like one.

The CHAIRMAN.—If that course is acceptable to the Committee, I shall call upon Senator Keating to move his motion.

HONORABLE SENATORS.—Hear, hear.

Senator KEATING (Tasmania—Honorary Minister) [7.58].—I move—

That the Committee approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons Ltd., for the carriage of mails between Adelaide and Brindisi, as per schedule, with the following modifications:—

Senator Sir JOSIAH SYMON.—Of course, the Minister does not include the provisos to articles 3 and 15 of the agreement, but intends to move them afterwards? Otherwise some amendments might be shut out.

Senator KEATING.—I do not wish to embarrass the consideration of the matter by the Committee. We submit the motion in a form which will enable honorable senators to fully discuss the terms of the agreement. But I think it will meet the general wish if I do not attempt, at any rate at this stage, to repeat any of the arguments I advanced yesterday when submitting the motion in the Senate. I would say now that after having listened to the expression of opinion from various honorable senators, certain action has been taken by the Government. Honorable senators are, of course, very well aware that this contract, embodying as it does articles of agreement and general conditions of tender, has been signed by Mr. Croker as the representative of the contractors. Since the discussion yesterday, Mr. Croker has been communicated with by the Government, and he himself has communicated with his principals. I am in a position to state to the Committee now that so far as article 6 is concerned, we shall be in a position to amend it by striking out the last two lines of the article with the exception of the word "shall." That is to say, we shall delete the words—

Failing mutual agreement be determined by arbitration in the manner provided in the said "general conditions of tender."

It is proposed to insert after "shall" the following words:—

Be determined by mutual agreement, subject to the approval of Parliament by resolution.

I might as well say at this juncture that in order that I might be able to make this statement, it has been necessary for Mr. Croker to communicate by cable with his principals, and he is authorized on their behalf to vary the contract to that extent; and to that extent the contract when ratified will be acceptable to the other parties to it, and may be proceeded with at once.

Senator PEARCE.—What about article 11?

Senator KEATING.—That is all that I can say.

Senator GUTHRIE (South Australia) [8.4].—I move—

That all the words after "That" be left out, with a view to insert in lieu thereof the following words:—"in the interests of the producers,

no mail-ships' contract should be let by the Commonwealth Government until there is a guarantee as to the cool storage to be provided, the maximum freight to be charged, and a guarantee as to maximum temperature, so as to insure the effective preservation of produce shipped."

I do not intend to proceed with the second part of the amendment, of which I have given notice, providing that the contract shall not be assigned to any speculative or other company, and that Parliament alone shall sanction any proposed assignment of the contract, because the Minister has already stated that part of that provision has been agreed to.

Senator BEST.—I think the honorable senator makes a mistake when he says that the Minister has accepted the second portion of the amendment which he has circulated.

Senator GUTHRIE.—He has accepted a part of it. The Minister in his opening speech yesterday read correspondence from every one of the States of the Commonwealth, in which the States Governments were rather indefinite as to whether they would take any responsibility with a view to assist the producers in connexion with the Commonwealth mail contract. If the States Governments do not know their duty to the producers, let us show that the Commonwealth Government, at any rate, have the interests of the producers in mind.

Senator BEST.—This amendment would clearly burst up the agreement.

Senator GUTHRIE.—I question that.

Senator BEST.—It must.

Senator STANFORTH SMITH.—The matter of cool storage should have been mentioned in the tenders.

Senator Sir JOSIAH SYMON.—The honorable senator's amendment would negate the agreement.

Senator GUTHRIE.—Well, if it does—

Senator Lt.-Col. GOULD.—So much the worse.

Senator GUTHRIE.—So much the worse for the producers of the Commonwealth if the agreement is ratified without such an amendment. When, two years ago, the Commonwealth Government called for tenders for the carriage of mails between Australia and Europe, we inserted a condition that the vessels should supply a certain amount of space for cool storage. On this occasion tenderers, no doubt, had it in their minds that absolutely the same conditions would be required of them.

Senator STANFORTH SMITH.—No.

Senator TURLEY.—They knew the conditions under which they tendered.

Senator GUTHRIE.—Why should it not have been in their minds? There are other conditions which the Minister himself said in his speech that it was not necessary to insert, because they were in previous contracts. Some time ago a Royal Commission was appointed by the State of Victoria to inquire into the butter industry. It was found that the producers of Australia were being bled, not only by the ship-owners, but by agents. The revelations were so strong that, on application being made to the Commonwealth Government, it said, "We will make this a Royal Commission."

Senator STANFORTH SMITH.—That was only in order that evidence might be taken in two States.

Senator GUTHRIE.—The Royal Commission has since reported. What was the effect of its reports? Its first report was signed on the 2nd November, 1904. A further report was issued on the 24th January, 1905. In those reports the Commissioners absolutely state that it is essential that any mail contracts that are made shall contain provisions for the carriage of produce from Australia to London. If the States neglect their duty to the producers in this respect, that is no reason why the Commonwealth Government should fail in its duty.

The CHAIRMAN.—I hesitate to interrupt the honorable senator, but it appears to me that his amendment is, at this stage, contrary to the understanding at which we have arrived—that we should take the motion of the Minister, and make in the articles under consideration, in their proper order, any amendment that it was desired to introduce. If Senator Guthrie wishes to provide that accommodation shall be furnished for cool storage, he can at a convenient stage move to that effect. But if I allow the honorable senator to move the amendment to which he has been addressing himself as an amendment to the motion of the Minister, I shall also have to permit a number of other amendments. That would lead to a departure from the plan which has been suggested and adopted by the Committee. I urge the honorable senator to accept my suggestion that we should deal with article 1. If no honorable senator has any amendment to submit we shall pass the article, and proceed with others, until we come to that stage when

Senator Guthrie wishes to insert an amendment providing for cool storage.

Senator GUTHRIE.—I am prepared to accept your suggestion, Mr. Chairman. I do not care where the amendment is made, as long as I get it in. The last paragraph in article 1 of the general conditions of tender reads as follows:—

The term "Adelaide" shall mean the signalling station (known as "Adelaide Semaphore") at or off the port of the city of Adelaide in South Australia, until the outer harbor is completed and available.

The CHAIRMAN.—We shall deal first with article 1 of the articles of agreement, not with article 1 of the general conditions of tender.

Senator BEST (Victoria) [8.14].—I desire to point out that if Senator Guthrie wishes to make an amendment relating to the paragraph which he has quoted, he might lose his chance if he allowed article 1 of the articles of agreement to pass. It seems to me that he has to take advantage of his opportunity now. Consequently, he will have to move an amendment at this particular stage, or the article will have to be postponed.

Article 1 postponed.

Article 2—

For a period of ten years, from and after the first day of February, 1908, the contractors shall in the manner and subject to the conditions specified in the said "general conditions of tender" by means of mail ships between the ports of Adelaide and Brindisi (which port of Brindisi is hereby substituted for Naples mentioned in the said "general conditions of tender," and shall be deemed to be "the approved port in Southern Europe" therein referred to), and between the ports of Brindisi and Adelaide and between all other ports from which the said mail ships shall start or at which they shall call or arrive under the provisions of this agreement convey all mails which the Postmaster-General or any of his officers or agents shall from time to time, and at any time or times, require to be conveyed.

Senator STEWART (Queensland) [8.16].—I move—

That there be added to the motion—

Proviso to article 2—

On line 7, after the word "between," where it occurs a second time, to insert, "the ports of Melbourne, Sydney, Brisbane, and Hobart, and."

The reason I submit this amendment is that ostensibly this is a mail contract, whereas, in reality, it is both a mail and a cargo contract. When speaking on the subject last year, I declared myself opposed to the Commonwealth Government having anything to do with the carriage of

goods. I expressed the opinion that the Government should confine itself wholly to the carriage of mails, and that if the States wished to subsidize vessels for the conveyance of produce, they ought to provide the subsidy themselves. I still hold to that opinion; and if the Government had made this a purely mail contract, I should never have submitted this amendment. But I have come to the conclusion, taking the contract itself, and judging by the evidence contained in it, that it is more than a mail contract.

Senator MCGREGOR.—I think the Government have tried to get as near a mail contract as they could in accordance with the request of the honorable senator.

Senator STEWART.—In any case, I am satisfied that this is not purely a mail contract. I have come to the conclusion that the Government, fearing it would raise opposition if they provided that the vessels should call at Melbourne and Sydney, and not at Brisbane and Hobart, have intentionally omitted this condition from the contract, while substantially subsidizing the contractors to allow the vessels to call at Melbourne and Sydney. I may be wrong in that conclusion; but that is the inference I draw from the way in which the contract is made out. If I am wrong, and there is no idea of subsidizing the company for the carriage of cargo, why is there the stipulation that the steamers shall be of such a tonnage? One honorable senator told me to-day that the steamers will be of such magnitude that they will not be able to enter a single port in the Commonwealth.

Senator CLEMONS.—The honorable senator will except Hobart.

Senator GUTHRIE.—Not even excepting Hobart.

Senator STEWART.—The vessels will be able to moor somewhere outside Adelaide, but I am told that they will not be able to enter Sydney Harbor, and certainly will not be able to enter the Melbourne port.

Senator DE LARGIE.—And still the honorable senator is moving that the vessels shall call at those places!

Senator STEWART.—I am quite sure the vessels will not be able to get into Brisbane Harbor. Why, under these circumstances, am I moving that these vessels shall call at the ports I have named? If it be the case, as Senator Guthrie states,

that these vessels cannot enter any of the Australian harbors—

Senator GUTHRIE.—With the exception of Adelaide.

Senator STEWART.—If the case be as I have stated, the contract should be immediately set aside, and sent back to the Government.

Senator FRASER.—The contractor would then have an action for enormous damages against the Commonwealth for breach of contract.

Senator STEWART.—I am not stating from any knowledge I possess that the ships will not be able to enter our harbors; I am merely repeating what I have heard. In any case, I submit the amendment, because I believe this to be a compound contract—a mail contract and a harbor cargo contract. So far as I can make out, there is a deliberate attempt to deprive Queensland of the undoubted rights she possesses under the Constitution. By a subterfuge the boats are to go to Melbourne and Sydney, without the fact being mentioned in the contract, and, under such circumstances, Brisbane, of course, will have no claim.

Senator Sir JOSIAH SYMON.—What about the attractions of Queensland?

Senator STEWART.—Queensland will have to pay her share, whether the boats call at Brisbane or not. Senator Symon has asked what about the attractions of Queensland; and the question shows that the honorable senator has never been to that State.

Senator Sir JOSIAH SYMON.—I never have.

Senator STEWART.—Had Senator Symon visited Queensland, he would not have put such a question, because the attractions are so self-evident that no one who has seen them can fail to appreciate them.

Senator Sir JOSIAH SYMON.—The honorable senator misunderstands me; I mean that the attractions are so great that the vessels will go there without any stipulation.

Senator STEWART.—The trade attractions are great, and, I believe, will be greater. But the fact remains that, under this contract, the steamers are subsidized to call at four ports of the Commonwealth—Fremantle, Adelaide, Melbourne, and Sydney.

Senator TURLEY.—That is not so.

Senator STEWART.—That is the fact in substance. It is not so stated in the conditions; but, if this is a mail contract,

why stipulate for these huge floating hulks of 11,000 tons? Vessels half the size would, I suppose, be more than sufficient to carry the mails. Again, if this is merely a mail contract, why insist on the vessels continuing their voyage to the United Kingdom, after they have delivered the mails at Naples or some other port?

Senator TURLEY.—Why does the honorable senator not move to leave out the provision that the vessels shall go past Naples, and thus make this a mail contract?

Senator STEWART.—I am quite certain that such an amendment would not be carried, because the Government have made up their minds to enter into a mail contract.

Senator TURLEY.—Why does the honorable senator not try such an amendment?

Senator STEWART.—I prefer to do things in my own way. If Senator Turley desires to make this a purely mail contract, he ought to move in the direction he indicates. I have come to the conclusion that it is not possible, in view of the opposition that would be found in the Chamber, to make this a purely mail contract; therefore, I shall not attempt what I know I should not be able to accomplish. I am trying to get the Senate to agree to a proposal which I consider, in the circumstances, fair and reasonable—to state in the contract what is implied in reference to Melbourne and Sydney, namely, that the vessels shall not only call at these two ports, but proceed also to Brisbane and Hobart. I do not know that I am doing this in the right way, but I have taken the step which appears to me most likely to bring about the result I desire. I have given the reasons why I came to the conclusion that this is something more than a mail contract; and if those reasons appeal to honorable senators they will support me. On the other hand, if honorable senators regard this as a purely mail contract, they will not support the amendment. But from the internal evidence of this document, I have come to the conclusion that it means something very much more than a mail contract; and, that being the case, all the principal ports of the Commonwealth should be placed on an equality, so far as calling at each of them is concerned.

Senator KEATING (Tasmania—Honorary Minister) [8.27].—I hope honorable senators will not support the amendment, which, as those who were present yesterday when we discussed the matter will see, is

of far-reaching importance. In introducing this agreement, I pointed out that the Government had followed the course of calling for tenders for a purely mail contract. An expression of opinion to that effect was made in this branch of the Legislature, if not in another place, when we discussed the Orient contract last year. Honorable senators who have perused the general conditions of tender, and the articles of agreement, must recognise that, on the face of it, and in substance, it is purely a mail contract. If those persons who are going to provide the means of transit choose, as is only natural, to, at the same time, use the ships for other purposes, it is purely their own affair.

Senator STEWART.—Why mention the tonnage?

Senator KEATING. — Those persons have offered to give us ships of 11,000 tons; and, although such vessels may not be necessary in themselves for the purposes of the mails, is there any reason why we should refuse the offer? Senator Stewart was, I think, better minded last session than he is now on this subject. I can assure the honorable senator that the Government, in framing the conditions, were very much impressed with what the honorable senator then said.

Senator STEWART.—Like the honorable senator on another occasion, I then approached the question in "an attitude of inquiry."

Senator PEARCE.—The Government endeavoured to give effect to Senator Stewart's wishes.

Senator KEATING.—That is so. The honorable senator is reported at page 3666 of *Hansard* for last year to have said—

There is one objection, however, to this contract, which I think may be very fairly urged from the Commonwealth point of view. To my mind, it unnecessarily mixes up the conveyance of produce with the carriage of mails. We have nothing to do with the export trade of the various States. All we ought to interest ourselves in is the carriage of mails from Naples to Adelaide. No doubt it is extremely desirable that vessels coming here should take away produce on the most favorable terms, but that is not our business; it is the duty of the States to arrange that matter. Would the Commonwealth make an arrangement between different post-offices, within its jurisdiction for the carriage of goods as well as for the carriage of mails?

Later on he said—

Of course, if any matter could properly be brought within the category of mail matter, it would be the business of the Post Office to arrange for its transmission. But surely it

would not enter into competition with the railways in the carriage of wheat, or turnips, or potatoes! Under existing circumstances that class of business would be considered to be outside its sphere. The carriage of produce between Australia and Europe is in exactly the same category. No doubt it is desirable that we should have cold storage and low freights by steamers visiting the different ports at regular intervals. But it is the business of the States to arrange for the steamers to call. When we have arrived at a state of unification, it will then be the duty of the Commonwealth to make the arrangements in these matters. Until that event occurs, however, we ought not to interfere with the functions of the States. In the contract it has been expressly stipulated that whilst the mails are to be landed at Adelaide, the steamers must proceed to Melbourne and Sydney.

We provide in this contract that the steamers shall call at Brindisi, and, so far as Australia is concerned, at Adelaide. There is no provision made obliging the boats to call at any other port.

Senator BEST.—They are to call at Fremantle.

Senator KEATING.—They call at Fremantle *en route*.

Senator Sir JOSIAH SYMON.—They are not compelled to do so.

Senator KEATING.—Under the contract they may stay there for six hours.

Senator WALKER.—They are obliged to go on to London from Brindisi.

Senator KEATING.—They are obliged under the contract to go on from Brindisi to some approved port in Great Britain, and to leave from some approved port in Great Britain. The reason for that, as honorable senators are well aware, is that it is necessary to transport a certain portion of the mail matter by sea. If the heavier portion of the mail matter had to be transported overland across Europe the result would be a serious loss to the Post and Telegraph Department.

Senator WALKER.—Will the boats carry the heavier matter from Brindisi to London free?

Senator KEATING.—The subsidy covers that. If the bulky mail matter, on which low postage is charged, had to be transported across Europe by rail, the cost would be so great as to involve a heavy deficit to the Post and Telegraph Department on our mail service to Great Britain.

Senator BEST.—The conditions provide for the boats calling at Fremantle and Colombo also?

Senator KEATING.—Under the contract the boats stay at those ports for six hours *en route*.

Senator MILLEN.—If they did not call at Fremantle they would not be able to take the Western Australian mails.

Senator KEATING.—Of course they would not. The idea of the contract is that Adelaide is to be the terminal port for the eastern States, so far as the carriage of mails is concerned. If the boats did not call at Fremantle, it would be necessary for the Western Australian mails to be brought over to Adelaide. Senator Stewart has spoken as if the people of Queensland would necessarily have a grievance if the provisions of this contract were allowed to stand. As opposed to the honorable senator's suggestion, I venture to submit to the Committee some views that have been recently expressed in Brisbane. In speaking yesterday I said that on the last occasion on which we dealt with an English mail contract the Government and people of Queensland expressed an opinion that that contract was so framed, and its terms were such, that Queensland was unfavorably discriminated against. I have here an extract from a report of an interview with Mr. Kidston, the Premier of Queensland, which appeared in the *Brisbane Courier* of the 20th of last month. This report says—

Referring to the mail contract yesterday afternoon, the Premier made an important statement: "Mr. Deakin's action in the matter, so far as I can see, has been quite correct," he said. "He tried to get the several States to arrange to pay the subsidy for what might be called a commercial service, in addition to the mail service, and the Southern States naturally refused to agree with it. They knew quite well that they would get the steamers without it. Mr. Deakin was then left to provide for a postal service, terminating at Adelaide. I am giving the matter according to my understanding of it. Adelaide is the end of our railway system in Australia, and Queensland has no more right to complain than Victoria or New South Wales would have. But, as Mr. Deakin knew—and every one else knew—these steamers were likely to come on to Melbourne and Sydney for commercial reasons; and the fact that the agents of the company wrote a letter saying that they would do so does not alter the fact in any way, and did not constitute an engagement to do it in such a way, but it became a part of the mail contract. As I understand it, the mail contract was a separate thing, and the mail service was to terminate at Adelaide.

The report goes on further to say, quoting the words of the Queensland Premier:—

Mr. Deakin offered to negotiate on behalf of Queensland if she wished the steamers to come on to Brisbane. The only thing we could do was to say that if the company had any offer to make we would be very pleased to get it, and we would consider what seemed best to do in the interest of Queensland.

Further on in the same report Mr. Kidston is stated to have used these words:—

The only thing that would have justified us in complaining of the action of the Federal Government would have arisen if they had provided in the contract for other States to get an advantage from the service, in which Queensland was not sharing. So far as I understand at present, that has not been done. The Federal Government have simply completed what seemed to them a desirable postal contract; and although the arrangement may not suit us so well as if we had been included in the service, I cannot see that any intentional injustice has been done.

Senator MILLEN.—In other words, Mr. Kidston says that so long as we adopt Senator Stewart's earlier advice, we shall be all right.

Senator KEATING.—From the opinions he expressed we might assume that Mr. Kidston was satisfied that Senator Stewart's suggestion had been adopted. On the same day—the 20th July last—an article appeared in the *Brisbane Daily Mail* commenting on Mr. Kidston's views. I do not propose to read the whole of that article, but I shall make one or two extracts from it which serve to indicate that there must be in Queensland some opinions on this matter which do not coincide with those to which Senator Stewart has just given utterance. The writer of the article in the *Daily Mail* says:—

When the Commonwealth Government came to renew the service two or three years ago, it stipulated for cold storage, which gave Queensland an undoubted claim to an extension of the service to Brisbane. The people had a distinct and unanswerable grievance. But they have no grievance now that the subsidy is paid for a service purely for mail purposes, with Adelaide as the Australian terminus, in so far as oversea transport is concerned.

In the concluding passage of the article it is stated:—

Let us hope for the credit of our mercantile community that hysterical denunciations, such as have disfigured the press for some weeks past, will now cease. If the new service starts and is maintained as proposed, it will be a splendid thing for Queensland. She will get a full share of the postal benefit, and if she does not become the terminus of the line it will be the fault of her Government.

Senator STEWART. — Let the honorable and learned senator read the *Courier's* comments.

Senator KEATING. — I have not the *Courier's* comments before me, but I have read from the report of the interview with Mr. Kidston which appeared in that newspaper. Honorable senators will see that the suggestion that this is more than a mail contract has no more foundation than Sena-

tor Stewart's personal suspicion, if I may say so without offence to the honorable senator. Honorable senators must see that there is a feeling on the part of the State Government of Queensland that the grievance from which Queensland suffered, or thought she suffered, under the provisions of the previous contract, does not arise under the provisions of this contract. I hope that the Committee will not accept Senator Stewart's amendment, and that the honorable senator will be minded, as he was last year after hearing the expressions of opinion from other honorable senators, and will not press the amendment.

Senator Sir JOSIAH SYMON (South Australia) [8.41]. — I hope that Senator Stewart will not press his amendment to a division. It is perfectly plain, as the Minister has pointed out, that this is a mail contract. In the article in which Senator Stewart proposes to introduce his amendment, only the terminal ports in relation to the carriage and delivery of mails are mentioned—Brindisi at one end and Adelaide at the other. The moment one of these vessels leaves Adelaide the duties and responsibilities of the contractors under this contract will be at an end. Senator Stewart will find in sub-clause 2 of clause 5 of the general conditions of tender attached to the contract that permission is given to the contractors to go to other ports beyond Adelaide. The intention of the contract clearly is that the terminal port shall be Brindisi at one end, and Adelaide at the other. The only mention of other ports is the reference to Colombo and Fremantle.

Senator BEST.—*En route.*

Senator Sir JOSIAH SYMON.—As ports of call, as Senator Best says, *en route*. There is, of course, the idea that these ships will come here not merely to carry our mails, but also to carry our produce for the sake of trade. Does any one suppose that, lovely as Adelaide is, and beautiful and commodious as her harbor is, these vessels would remain there if they were given the opportunity to go on to Melbourne, Sydney, and Brisbane, for the purposes of securing trade? The desire of human nature for business and profit is no weaker amongst persons forming shipping companies than amongst other human beings, and I therefore submit that we may take it for granted that if the attractions of Queensland in the way of trade are sufficiently great, these

vessels will go to Brisbane, as well as to Melbourne and Sydney, in which case the object which Senator Stewart has in view will be sufficiently served by allowing these ordinary human motives to come into play. In the circumstances, we might very well leave the contract as it is, a purely mail contract, fixing the termini at Brindisi and Adelaide.

Senator MILLEN (New South Wales) [8.43].—I should like to ask the Minister what arrangements have been, or will be made for the conveyance of the heavier mail matter from Adelaide, Sydney, Melbourne, and Brisbane?

Senator Sir JOSIAH SYMON.—There is the railway service.

Senator MILLEN.—That is so, but I understood the Minister to say that there was a serious objection to the cost of carrying the heavier mail matter from the terminal port in Southern Europe across that Continent. I imagine that the same drawback would operate in the transport of the heavier mail matter from Adelaide to Sydney, Melbourne, and Brisbane. At all events, I ask the Minister what arrangement is to be made for the conveyance of the heavier portion of the mails eastward from Adelaide?

Senator KEATING (Tasmania—Honorary Minister) [8.44].—As was pointed out by Senator Symon and by others previously, it is only reasonable to expect that these ships will not confine themselves simply to the earning of the subsidy they will be entitled to receive under this contract. And, as he also pointed out, the general conditions of tender contemplate the possibility of the ships going beyond Adelaide, in which event they will be bound, without getting further remuneration, to carry mail matter.

Senator FRASER.—Under what provision?

Senator KEATING.—Under paragraph 3 of clause 4 of the general conditions of tender—

The contractor shall be at liberty at his own option to continue the inward voyage (that is from the United Kingdom) of any mail ship beyond Adelaide after calling at Adelaide and to commence the outward voyage (that is to the United Kingdom) of the said mail ship from any port provided she calls at Adelaide.

If the contractor for any reason continue the voyage of any mail ship employed under the contract to any port in Australia other than those provided for (Fremantle and Adelaide) he shall without being entitled to any further or additional payment convey any mails which the Post-

master-General tenders to him or his agents for conveyance to or from any and all such ports.

Senator MILLEN.—Failing that?

Senator KEATING.—An arrangement, I presume, would have to be made with the railways, or with a shipping company.

Senator GUTHRIE (South Australia) [8.47].—I intend to support the amendment. That this is more than a mail contract alone is shown by the fact that the Government insist that the company shall provide 11,000-ton boats. To carry our mails from Brindisi to Adelaide there is no necessity to have boats of that tonnage. Clearly, the boats are intended to carry something more than mails. The Commonwealth Government converted the Butter Commission, which had been created by the Government of Victoria, into a Federal Royal Commission, and it made two reports to the Governor-General. Regarding ocean freights, it said—

After much deliberation upon the evidence regarding ocean freights, we are of opinion that this is one of the most pressing questions concerning the butter industry. It is also a question of vital importance to the Commonwealth, inasmuch as the majority of our rural producers are interested in the export of butter. This trade, therefore, may now be recognised as one of the most important to the people of Australia.

The argument of the Minister was that the States Governments are not prepared to take up this question, but a Commonwealth Royal Commission reported in those terms to the Governor-General. Further, it said—

Since the inception of the export trade in butter, the carriage of this product has been practically in the hands of the mail companies. Whilst readily acknowledging the fact that the facilities offered by the mail companies assisted the butter industry at its inception, the present action of these companies in endeavouring to secure a contract for a number of years at a trivial reduction on the existing high rates, must be looked upon in the light of the evidence, as an attempt to monopolize the trade.

According to this report, the Peninsular and Oriental Steam Navigation Company and the Orient Steam Navigation Company were monopolizing the principal industry of Victoria.

Senator DE LARGIE.—And the honorable senator wants to clinch the monopoly!

Senator GUTHRIE.—No. I want the contract to set out that the proposed company shall provide a sufficient amount of cool storage, not only for the producers of Victoria and South Australia, but also for the producers of every State.

Senator DE LARGIE.—And the same freight from each port?

Senator GUTHRIE.—No. The contract ought to prescribe the maximum freight which the company could charge from the various ports. It is to start with a subsidy of £125,000 from the Commonwealth to compete against all the companies which are now engaged in this trade.

Senator Sir JOSIAH SYMON.—That ought to assist the contractors to break down the monopoly of which the honorable senator speaks.

Senator GUTHRIE.—Exactly; but in the contract there is no guarantee that they will provide any cool storage.

Senator PLAYFORD.—The honorable senator does not want a mail contract, then?

Senator GUTHRIE.—Only a short time ago, when we were asked to ratify the contract with the Orient Steam Navigation Company, the honorable senator stood up here and said that it should be not only a mail contract but an assistance to the producers, and it provided for cool storage.

Senator PLAYFORD.—I have not yet stood up to speak on this question.

Senator GUTHRIE.—Well, the other representative of the Government did.

Senator PLAYFORD.—We tried to get the States to agree, but they would not, and then we went in for a mail contract pure and simple.

Senator GUTHRIE.—No; because, in accordance with the conditions of tender, the contract with that company contained a special provision for cool storage. In the contract under consideration to-night, there is no such provision made. Unless it be made, it would be far better for the Commonwealth to get its mails carried on the poundage system, because the cost would be a good deal less than £125,000 a year.

Senator FRASER.—Under that system, we could not compel a boat to come here.

Senator GUTHRIE.—No. Unless we can compel the boats to come here, we had better resort to that system, as we should only have to pay for the carriage of the cargo, whether letters, or anything else, by weight. I think that Senator Stewart is absolutely right in his contention, and that if the representatives of Victoria, New South Wales, and Queensland are alive to the interests of their States, they will vote with him. It is suggested that the proposed company will send its boats from

Adelaide to New Zealand, where it may get another subsidy, to take in loading.

Senator MCGREGOR.—Why should it not if it carries out our contract?

Senator GUTHRIE.—There is no contract in existence yet. My opinion is that the proposal of the Government is really to hand over to a few speculators a concession to be traded off in the London market. The duty of Parliament is not to play into the hands of a few speculators, but to consider the interests of the people of Australia. On these grounds, I intend to vote for the amendment.

Senator BEST (Victoria) [8.56].—There are very many desirable alterations which I admit we should like to make in the articles of agreement. I suppose that a number of us sympathize with the desire of Senator Stewart, to bind the ships to call at certain ports, and with the contention of Senator Guthrie that cargo accommodation should be provided for. We should have been all the more satisfied if this had been not only a mail contract, but also a produce-carrying contract.

Senator DOBSON.—Let us make it one.

Senator BEST.—At the very beginning, every effort was made by the Government to achieve that object.

Senator MILLEN.—Generally, it takes two parties to make a contract.

Senator BEST.—Undoubtedly it does. If we impose terms to which the other side will not agree, there will be no contract.

Senator Sir JOSIAH SYMON.—At this stage, we could not convert this into a produce-carrying contract.

Senator BEST.—Of course we could not.

Senator Sir JOSIAH SYMON.—But the honorable senator said that provision ought to be made for cargo accommodation.

Senator BEST.—Undoubtedly. What we are dealing with now is a mail contract alone. What is the use of Senator Dobson suggesting that it should be turned into a different class of contract? That would involve the rejection of the agreement.

Senator GUTHRIE.—We do not want 11,000-ton boats.

Senator BEST.—If the amendment were incorporated it would become a different agreement, and certainly it would not be carried out. From the Minister we have an assurance that he did all he could to arrange for the boats to call at these ports, but that he failed to achieve that object.

We can readily understand that in order to secure the trade the boats will go to Melbourne and Sydney, and possibly to Brisbane. Surely Senator Guthrie must realize that the boats will also provide cargo accommodation with the necessary refrigerating apparatus in order to secure the trade, and to compete with the other companies.

Senator GUTHRIE. — They may compete for some trade other than the Australian trade.

Senator BEST.—The honorable senator need not be apprehensive as to the provision of cool storage.

Senator PLAYFORD.—We are absolutely assured by the contractors that they will provide an extraordinary amount of space for cool storage.

Senator BEST.—If that is the understanding, then, according to the terms of the agreement, it will be within the power of the Ministry to see that it is carried out when the plans of the ships are submitted for their approval.

Senator GUTHRIE.—To carry mails!

Senator BEST.—No; the plans of all new ships which have to be constructed have to be approved by the Ministry. The honorable senator may take it for granted that the company will provide cool storage accommodation. If we desire to have the contract, let it be adopted as nearly as possible in its terms, and do not let us attempt to turn it into a mail and produce-carrying contract.

Senator PULSFORD (New South Wales) [9.0].—I trust that not much more time will be spent in debating this point. The proposal to add these ports of call is really tantamount to a proposal to put the contract into the waste-paper basket. When I look at the articles of agreement, I am quite surprised at the unbusiness-like character of certain of the proposals from the point of view of the contractors. I do not think that we should risk what is now offered. I say that with very keen regret, on account of the probability—almost the certainty—that we shall shortly lose the services of the Orient Steam Navigation Company for the carriage of our mails. I do not like to see an old servant—a company that has faithfully for many years, during hard times, and with little remuneration, performed its duties — terminate its connexion with the Commonwealth.

Senator PEARCE.—Is this a requiem over the Orient Steam Navigation Company?

Senator PULSFORD.—I believe, however, that the proposals made are, from a business point of view, eminently in the interests of the Commonwealth, and I do not imagine that any honorable senator will spend much time in discussing such proposals as are now made.

Senator CLEMONS.—The honorable senator comes from New South Wales, where the vessels will go.

Senator PULSFORD.—I am prepared to rely upon the attractions of New South Wales to draw the vessels there, and think that the Brisbane people should do the same. As to the question of tonnage, about which Senator Guthrie has made some remarks, I ask him to remember that high speed implies great tonnage, and it is because we want high speed that these large vessels are found necessary.

Senator CLEMONS.—I do not think that that is correct.

Senator PULSFORD.—It may not be correct in the case of vessels that travel along the coast, or go over to Tasmania, but it is necessary in the case of vessels that are built to travel over practically half the world. We find that on the Atlantic the vessels that travel between twenty and thirty miles an hour are of immense tonnage. The larger the tonnage the higher the speed is the general rule for mail vessels, and that is the reason why we are to have large vessels on this service. I do not trouble very much about the term "11,000 tons registered tonnage." The provision is drawn loosely and improperly, but I have no doubt that it means gross tonnage. But that is one of the articles that I point out as being loosely drawn from the contractors' point of view. I believe that, on a strictly legal interpretation, the term 11,000 tons might be construed to mean net tonnage, which would require vessels of such large tonnage that they could not come through the Suez Canal.

Senator PEARCE.—That would be the contractors' loss, not ours.

Senator PULSFORD.—That is what I say. It is the contractors who stand to lose in that respect.

Senator FRASER (Victoria) [9.5]. — When speaking yesterday I certainly felt a little alarm about some of the articles of the contract. I am glad that the Minister has cleared away one of my difficulties. I feel very much relieved in that regard. I should have preferred to see an article in

the contract as to the vessels being compelled to call at Melbourne and Sydney. I should also be glad if there had been an article providing for cool storage. The Orient Steam Navigation Company at the present time is complying with the conditions that I have mentioned. The company is under contract to supply cool storage, and to call at Melbourne, Sydney, and Brisbane. I believe that the contract under consideration would not be affected to the extent of a one-pound note if the company were asked to do the same as the Orient Steam Navigation Company are doing now. But I see the difficulty that the Government has had. The Premiers of the States were communicated with, and asked if they would do anything in regard to the carriage of produce. I am very sorry that they did not do something, even if it was only to contribute a sum between them. But, that not having been done, the Commonwealth Government was relieved of responsibility to a great extent.

Senator GUTHRIE. — The Commonwealth Government represents the producers just as much as the Premiers of the States do.

Senator FRASER. — It does, and it does not. This is a mail contract. The carriage of produce is more the concern of the States than of the Federal Government. I recognise that.

Senator GUTHRIE. — Does not the honorable senator recognise that he represents the producers just as much as members of the States Parliaments do?

Senator FRASER. — I recognise that the vessels will come to Melbourne.

Senator GUTHRIE. — They cannot come to Melbourne. There is not water enough to allow them to come.

Senator FRASER. — Does the honorable senator mean to say that they will draw too much water to enable them to enter the port of Melbourne? I do not believe that the contract means anything but gross tonnage, and, for my own part, I consider that 11,000 tons is quite sufficient. I do not want to see 20,000-ton vessels coming here just now. Vessels of 11,000 tons registered tonnage could not turn round in Brindisi, and would have to pay £78,000 per annum in dues through the Suez Canal. There is no doubt, in my opinion, that 11,000 tons gross is meant in this contract; and that the term "11,000 tons registered" is a mistake.

Senator CLEMONS. — Made by whom?

Senator FRASER. — Made by the contracting parties. The very fact that the vessels are to be so large implies that they will carry cargo. They must, in order to make them pay. The amount paid to them by the Government would be a mere nothing if they did not earn a lot of money in carrying cargo. There is just a bare possibility that the New Zealand Government may subsidize the vessels. In my own opinion that is a remote contingency; but if I thought that there was any danger in that direction, I should vote for Senator Stewart's amendment. Believing that there is no danger, I must support the contract as it stands.

Senator MCGREGOR (South Australia) [9.10]. — I think it is very ungrateful of Senator Stewart after not only suggesting, but urging—in fact, entreating and pleading—on a previous occasion that the Commonwealth Government should contract for nothing but the carriage of mails, and that the vessels should stop at Adelaide, that he should express dissatisfaction with the proposed contract. Every honorable senator remembers how pathetic Senator Stewart was on that subject. His eloquent words burnt into the very soul of nearly every one who heard him. The Government, when an opportunity occurred, took up almost every one of his suggestions, and is now endeavouring to put them into a contract. According to what the Honorary Minister has read, the very Premier of Senator Stewart's State has been influenced by his pleadings and suggestions of several months ago. Yet the honorable senator is not satisfied. He ought to be the happiest man in Australia; unless, as on another occasion, he has met some man from North Queensland who has influenced him in quite another direction. I am sure that every honorable senator is anxious that a favorable bargain should be made with respect to cool storage with any company that contracts to carry our mails. But I differ from some honorable senators with respect to a contract of this description. The paper placed before us contains the conditions under which tenders were furnished. When the Commonwealth Government called for tenders, the offer was open to all the syndicates and private firms in the world. Certain conditions were laid down. Tenders were sent in under those conditions. Now the agreement comes be-

fore us, and some honorable senators object to it. These objections should have been raised when the conditions were being formulated. If any one could show that the terms of the contract are not in accordance with the conditions of tender, there would be some excuse for radical amendments. But honorable senators know very well, and I believe that the Government know very well, that if this agreement is not accepted, practically as it is, or if any material alteration is made in it, the contract will be set aside altogether. We shall then be in the same difficulty that we experienced some years ago, seeing that on 31st January, 1908, the present contract will come to an end. Senator Guthrie's objections are of a varied character.

Senator TURLEY.—The honorable senator complains that the ships are too big!

Senator MCGREGOR.—Or that our harbors are too small. For the last twenty-five years we have been hoping that the improvement in navigation between Great Britain and Australia would continue; but Senator Guthrie seems to be of opinion that the improvement has gone too far.

Senator GUTHRIE.—I do not say anything of the sort, and the honorable senator knows it.

Senator MCGREGOR.—I do not know anything of the kind. When the honorable senator objects to a tender for the carriage of mails, because the contractors provide vessels of a larger size with vastly greater accommodation—

Senator GUTHRIE.—No accommodation at all.

Senator MCGREGOR.—Does the honorable senator imagine that people build ships of that size for the purpose of carrying wind or ballast?

Senator FINDLEY.—Or merely to carry the Commonwealth flag?

Senator MCGREGOR.—People are building ships twenty times larger than some of those which at present carry our mails.

Senator GUTHRIE.—Fifty per cent. larger.

Senator MCGREGOR.—Let us say 50 per cent. Do people do that simply for the purpose of carrying the Australian flag, or a few hundred tons of mail matter? Does the honorable senator know that a company, with the capital and shipping facilities to carry out a contract of this character, would find the subsid-

£125,000 sufficient to pay only a very small proportion of their expenses.

Senator GUTHRIE.—What is the capital of the company?

Senator MCGREGOR.—I shall talk about the capital presently. People build ships of this character with the intention to work them to their fullest capacity, as they must be worked if they are to pay.

Senator GUTHRIE.—The ships are not built yet.

Senator MCGREGOR.—Senator Guthrie has expressed the opinion that the vessels will not be able to enter the port of Melbourne. Well, I do not suppose that the vessels will come up to Prince's-bridge, if only because the Queen's-bridge is in the way; I do not suppose, indeed, that it is intended to bring the vessels into the Yarra at all. But if there is not depth enough at Port Melbourne or Williamstown, surely, with the dredge that was obtained from England some time ago, the Harbor Trust or the Government could make the port capable of accommodating vessels of the kind. In the place from which Senator Guthrie comes, it was possible, some years ago, to wade across the river, whereas now vessels of the size which has been mentioned can be built and launched there.

Senator GUTHRIE.—It might have been possible to wade that river 150 years ago.

Senator MCGREGOR.—There is no necessity for Senator Guthrie to be alarmed about the size of the vessels. I do not think that the representatives of Sydney will agree with Senator Guthrie that vessels of 11,000 tons could not berth in Port Jackson. At the present time vessels quite as large, and drawing as much water as would be necessary for the proposed vessels, go into Sydney Harbor.

Senator GUTHRIE.—What are those vessels?

Senator MCGREGOR.—There is, for instance, the *Grosser Kurfurst*, which I saw lying at Circular Quay.

Senator GUTHRIE.—That is about half the tonnage of the vessels mentioned in the contract.

Senator MCGREGOR.—The *Grosser Kurfurst* is 13,000 tons.

Senator GUTHRIE.—The vessels under the contract will be 3,000 tons larger.

Senator MCGREGOR.—There are vessels belonging to the White Star Company which are probably as large, or, at

any rate, nearly as large, as the vessels will be under this contract.

Senator LT.-COL. GOULD.—The White Star vessels are 12,000 tons.

Senator GUTHRIE.—Yes, gross.

Senator MCGREGOR.—I am merely endeavouring to show how ridiculous Senator Guthrie's arguments are in regard to the tonnage of the vessels. I do not care whether the tonnage mentioned be net or gross; if the vessels were 20,000 tons it would be the duty of the different Governments in Australia to make provision for them, in the interests of the producers. Such arguments as Senator Guthrie has used do not weigh with me for one moment. According to the amendment, the vessels would be bound to call at Melbourne, Sydney, Brisbane, and Hobart.

Senator FINDLEY.—And yet the proposer of the amendment says that the vessels would not be able to enter the ports at those places.

Senator MCGREGOR.—I am not going to decry the shipping facilities of the Commonwealth. If those facilities are not equal to any in the world, they can be made so. Our natural advantages in this respect are greater than can be found anywhere else. If the ports at present are not able to accommodate vessels of the size proposed, they can easily be made to do so, because our ports, in their natural conditions, are superior to any to be found in the old world. I have not the slightest doubt that the vessels under this contract will always call at Melbourne and Sydney for the purposes of obtaining a full cargo. If this amendment were carried, the vessels would be compelled every trip to call also at Brisbane and Hobart; but honorable senators know very well that there are certain times of the year when no cargo can be procured at those ports. Under those circumstances, why should the vessels be compelled to call, when, it might be, they could only do so at great loss? We may rest assured that the vessels will call at every port where they can find cargo that will pay, and there is no need for any compulsion in the matter. The greater the number of shipping companies trading to Australia the better it will be for the producers of this country, because competition must result in reasonable freights.

Senator GUTHRIE.—How can any industry, such as the butter industry, for instance, be built up unless vessels call regularly at the ports?

Senator MCGREGOR.—Vessels do not call for butter when there is no butter to be got. I never knew a shipping company send vessels to a country for butter where they could get nothing but wheat, or send them for wheat where they could get nothing but rice. Each shipping company sends vessels to places where they can get the cargo that is wanted, and so it will be with the company under the contract. This is a serious matter, and I am endeavouring to show that we ought to adopt this contract. What those who support the amendment desire will be gained if it will pay the shipping company to call at the ports mentioned. Senator Guthrie has described this as a mere option agreement which is going to be hawked about Great Britain in order to form a company with the object of robbing the people of Australia. But the Government have given us an assurance—

Senator GUTHRIE.—Let the Government lay the full particulars on the table.

Senator MCGREGOR.—In endeavouring to effect a favorable bargain with anybody on the face of the earth, is it always the best way to expose everything? The Government will give the fullest information at the proper time; and in the meanwhile I am satisfied with the assurance we have received. Let us suppose that all Senator Guthrie's predictions come true, and that this business is a fraud from beginning to end; we are doing the best we can, and we should only be thrown back on the poundage system at the termination of the contract. Then if the public were dissatisfied with the poundage system we should be in a position to say that the Government had done all they possibly could, and that private enterprise having failed, it was an opportune time to charter a line of steamers of our own. The position would afford justification for such a proposal. We must remember that the contract is for the carriage of our mails from Adelaide to Brindisi, and that, so far as the producers are concerned, there will always be the competition of the Peninsular and Oriental Steam Navigation Company.

Senator GUTHRIE.—Yes; seven days later.

Senator MCGREGOR.—Another line of steamers would run once a fortnight, and the competition would guarantee fairly low freights and regular transport to

England. Suppose the company carries out this contract and does not go to Melbourne, Sydney, Brisbane, or Hobart, and it becomes evident to the people of the Commonwealth that the company is not doing justice to our producers, will they not rise up and say, "This is a contract which we think should continue no longer"? What, then, would be the position of the Commonwealth Government?

Senator FRASER.—They could not break the contract.

Senator MCGREGOR. — No; but they could carry it to its legitimate conclusion. If the company were not doing what was in the best interests of Australia, the Government would have power under the contract to say, "You are not doing what is right, and we shall therefore put into operation one of the provisions of this agreement. We shall take over your boats, and run them ourselves in the interests of the Commonwealth." Is not that a safeguard in the interests of the producers of the Commonwealth?

Senator FRASER.—The company might be very glad to sell the boats.

Senator MCGREGOR.—If we were glad to buy them, and they were glad to sell them, where would the trouble be? It is even now predicted that there will be cut-throat competition between the existing companies and the new company.

Senator FRASER.—All the better for the producers of Australia.

Senator MCGREGOR. — That is just what I was going to say, and I am glad that Senator Fraser, with his customary powers of perception, is able to see that.

Senator MILLEN.—I thought the honorable senator was opposed to competition?

Senator MCGREGOR.—I shall satisfy Senator Millen before I have finished. Suppose that the existing shipping companies agreed to carry produce at such low rates that in three or four years the contractors for this mail service would have to cave in? The same power would still lie with the Commonwealth Government to take over the vessels, and continue to run them. Then the cut-throat competition would be against the Commonwealth vessels, and if the producers of Australia saved £1,000,000 or £1,500,000 in reduced freights, could they not afford to pay a little in taxation to support vessels owned by the Commonwealth when it was by the competition of those vessels that they were enabled to secure the low rates of freight? I hope that

honorable senators will see that, so far as the cut-throat competition is concerned, it can do the Commonwealth no harm. I hope that the amendment, if not withdrawn, will not be carried, and that we shall do the best we can to have this contract agreed to. If it is agreed to the Commonwealth will be placed, so far as a mail service is concerned, in a better position than any of the States have ever occupied under a mail contract. Honorable senators will see that I support the ratification of this contract, not from any great anxiety to support the Government, or to defeat the opposition to the contract, but because I believe that, so far as the carriage of our mails is concerned, this agreement will be in the best interests of the Commonwealth, and that ultimately it is bound to be also in the best interests of the producers of Australia.

Senator DE LARGIE (Western Australia) [9.35].—I am quite in accord with the sympathetic remarks which Senator Pulsford made concerning the loss of this service by the Orient Steam Navigation Company. We have to remember that the Orient Steam Navigation Company is a white-labour company, and on that ground most honorable senators must have considerable sympathy with it in the circumstances. It is possible that they would prefer to have seen the Orient Steam Navigation Company in the position of the contractors for the new service, but there can be no doubt that if the size of the boats to be provided is any indication, the new company will give us a better service than the Orient Steam Navigation Company has supplied. Whilst the Orient Steam Navigation Company has failed to obtain the contract for the new service, they will have the comfort which every free-trader is every ready to give to the man who is cut out of a job, that they can turn their attention to something else for the time being. I do not know whether they will succeed in getting something else, but the opportunity to try for it will be open to them. I can agree with many of the remarks which have fallen from Senator Guthrie. I should like to have seen this contract made more of a cargo contract than it is, but apparently all the efforts of the Commonwealth Government to secure the co-operation of the States Governments to that end were in vain. They could not induce the States Governments to meet them, and were consequently obliged to make terms for a mail contract pure and

simple, and, with the exception of the reference to the size of the vessels to be provided, to leave all questions affecting the carriage of cargo out of consideration in the preparation of this contract. With respect to Senator Stewart's amendment, I believe that if it were inserted we might as well tear up this contract at once, as it would become necessary to start the whole of the negotiations over again. I am satisfied that if the amendment is accepted, it will be impossible for any one to deny another claim which will be brought forward, and that is the claim that the Vancouver service shall be continued to Fremantle for the benefit of Western Australia. If the one claim is granted, the other cannot be denied, and so the whole thing would be made ridiculous. Our business at the present time is to secure as good a contract as we can get for the carriage of our mails to and from the most convenient port in Australia, for their distribution and collection. In order if possible to awaken the consciences of some honorable senators, and particularly of Senator Stewart, I should like to say that rather than that the Committee should accept the amendment, I should prefer that the word "Adelaide" should be left out, with a view to insert the word "Fremantle." Fremantle is the first Australian port at which these boats will touch on the voyage from Europe, and why should they go beyond that port?

Senator GUTHRIE.—What would the honorable senator do with the mails after they reached Fremantle?

Senator DE LARGIE.—They could be distributed from Fremantle as they now are distributed from Adelaide.

Senator TRENWITH.—Hear, hear; by balloon.

Senator DE LARGIE.—I do not care about the means adopted for their distribution.

Senator MILLEN.—But the honorable senator would prefer the railway.

Senator DE LARGIE.—I should prefer the railway, and perhaps if the course I suggest were adopted, the consciences of Senator Stewart, and other honorable senators holding his views on the subject of the railway, might be awakened to its advantages.

Senator GUTHRIE.—The railway would take longer to bring on the mails than the steamer would.

Senator DE LARGIE.—I am afraid that Senator Guthrie in that statement has allowed his admiration for the sea to out-

weigh his better judgment. With reference to the honorable senator's suggestion that we should provide in this contract for maximum rates of freight, I am able to say that such a provision would suit Fremantle, because, notwithstanding the fact that Fremantle is the first port of call, and the nearest port to Europe, freights from Europe to that port are actually higher than from Europe to Adelaide.

Senator GUTHRIE.—That is due to the Fremantle combine.

Senator DE LARGIE.—It is due, not to the combine alone, but to the operations of all the shipping companies. It is notorious that freights to Adelaide are higher than to Melbourne, and I believe that in the same way freights from Europe are also higher to Melbourne than to Sydney. The proposal to fix freights would probably meet the views of commercial people in all of the Australian ports, but we know very well that, at the present time, such a proposal is impracticable, and it is useless to waste time in discussing it. If all these conditions are to be dragged into this contract it will be torn up, and we must begin negotiations for a new contract. I regret that, after further light has been thrown on the subject, reference should again be made to-night to the tonnage of these boats. We have had no fresh proof from those who hold that the registered tonnage of a ship is her net tonnage. Undoubtedly it is the gross tonnage.

Senator GUTHRIE.—Nothing of the sort.

Senator DE LARGIE.—Senator Guthrie, with all his knowledge of shipping, has actually failed to grasp the proper meaning of this term. I am the more surprised that the honorable senator should not understand the meaning of the term now, because a few months ago he did understand it.

Senator TRENWITH.—The honorable senator is getting older.

Senator DE LARGIE.—He is a few months older, and he has forgotten his own words in defining the meaning of the expression "registered tonnage." In looking over the evidence given before the Navigation Commission, I found that Mr. Paxton, of Sydney, was under examination by Senator Guthrie, in connexion with clause 421 of the Navigation Bill. That clause reads—

As to every ship registered at any port in the British dominions, the amount of tonnage specified in the certificate of register shall be the registered tonnage of such ships.

In order to clearly define what was the registered tonnage, Mr. Paxton suggested that the word "net" should be inserted before the word "registered" in the last line of this clause. He wished the clause to read "net registered tonnage," but Senator Guthrie said, in reply—

Senator GUTHRIE.—No, I asked questions, I did not give evidence.

Senator DE LARGIE.—We have it here in black and white, in the minutes of evidence given before the Navigation Commission, that the honorable senator, in reply to Mr. Paxton, said—

The clause says that the certificate of register shall be the tonnage of the ship, and that is the gross tonnage, not the net tonnage.

The honorable senator was actually assuring Mr. Paxton that the registered tonnage was the gross tonnage.

Senator TRENWITH.—When making a declaration as an authority.

Senator DE LARGIE.—The greatest shipping authority we have in the Senate at that time agreed that the registered tonnage was the gross tonnage.

Senator GUTHRIE.—No.

Senator DE LARGIE.—In these matters, fortunately, I do not need to depend upon the word of the honorable senator. The authorities I have consulted bear out my view and his own contention of a few months ago.

Senator GUTHRIE.—It was not my contention at all. How does a man generally cross-examine a witness?

Senator DE LARGIE.—For the information of the honorable senator, I shall read the following extract from the *Argus* of the 26th July—

Yesterday a representative of the *Argus* sought the opinion of a gentleman prominent in shipping circles on this question, and obtained the following statement:—"What we mean by registered is gross tonnage always. It is really the total measurement of the interior of the hull combined with that above deck. Lloyd's Register gives, in connexion with every steamer, first the gross tonnage, then the tonnage under deck—

Senator GUTHRIE.—Who said that?

Senator DE LARGIE.—A gentleman who is prominent in shipping circles.

Senator GUTHRIE.—What does that mean? Take the Merchant Shipping Act, which is an authority, and see what it says!

Senator DE LARGIE.—The name of this gentleman has been supplied to me, and if I were at liberty to disclose it, I am satisfied that the honorable senator would agree that he does know something about this question.

[78]

Senator GUTHRIE.—If he made that statement, he does not.

Senator DE LARGIE.—The gentleman goes on to say—

and, lastly, the net tonnage.

That is exactly what I contended last night.

Tonnage under deck means the total measurement under the weather deck. To arrive at the net tonnage you must deduct (1) the measurement of the houses on deck and the superstructure; and (2) the space taken up below deck by machinery, accommodation for the crew, and the bunkers.

Let us take an example. The *Moldavia* is one of the new 10,000-tonners of the P. and O. Company's fleet. Lloyd's Register gives her gross registered tonnage as 9,500 tons, her tonnage under deck at 7,202 tons, and her net tonnage as 4,928 tons. So you see, her net tonnage is only about half of the gross tonnage. Without doubt Sir James Laing and Sons referred to the gross registered tonnage when they contracted to supply steamers of 11,000 tons registered tonnage. The tonnage is measured by a formula. When shipping people speak of registered tonnage they always mean the gross registered tonnage.

Senator MULCAHY.—That is rubbish.

Senator DE LARGIE.—We can stand Senator Guthrie posing as an authority on shipping questions, but I think it does not become an *ex-drapeer* to question that statement.

Senator MULCAHY.—He is also an *ex-shipwright*.

Senator DE LARGIE.—This gentleman goes on to say—

As a matter of fact, all three classes of tonnage are registered. A steamer to have 11,000 tons net register, and 16-knot power, would require to be at least 20,000 tons gross register—a mammoth vessel.

I have taken the trouble to look up the definition of the word "registered tonnage" in some leading dictionaries. After explaining the method of measuring ships in order to arrive at the registered tonnage, *The Century Dictionary* goes on to say—

These, together, give the gross register tonnage—

I may mention that the words "gross register tonnage" are underlined.

each ton (called a register ton) containing 100 cubic feet.

Webster's Dictionary says—

There are in use the following terms relating to tonnage:—(a) displacement; (b) register tonnage, gross and net, and &c.

There is another dictionary which confirms my contention—

Gross tonnage expresses the total cubical interior space of a vessel; net tonnage, the cubical

space actually available for freight carrying purposes.

Senator MULCAHY.—Which is her proper registered tonnage.

Senator MACFARLANE.—Hear, hear.

Senator DE LARGIE.—When Senator Mulcahy is backed up by Senator Macfarlane on this question, *Webster* and all the other authorities ought to take a back seat. I am quite prepared, however, to abide by the definitions in these dictionaries. I am satisfied that the registered tonnage referred to in the contract is the gross registered tonnage, and, as the shipping authority whom I quoted says, shipping people always refer to the gross registered tonnage. It now remains for Senator Mulcahy to disprove what I said, and to make good his contention.

Senator MULCAHY.—To put up a better man.

Senator DE LARGIE.—I am afraid that it will need a better man than the honorable senator to refute these authorities.

Senator GUTHRIE (South Australia) [9.55].—There has been a considerable amount of discussion as to what "tonnage" means, and I have been quoted as an authority. Senator de Largie knows very well that I did not give evidence before the Navigation Commission, and that in cross-examining a witness the object of a question is to elicit what he does know. Surely he must remember quite well that I put crucial questions to Mr. Paxton to discover exactly what he did know. I questioned him about the net line, the load line, heaving the lead, the marks and deeps on the lead, and the tonnage question. All the authorities which have been quoted by Senator de Largie count for nothing as against the decisions of the Court on this point.

Senator DOBSON.—Does not Lloyd's Register count for something?

Senator GUTHRIE.—No. I am prepared to admit that there are two tonnages. Gross tonnage is absolutely a builders' tonnage, and is not registered.

Senator DE LARGIE.—Are not Sir James Laing and Sons builders?

Senator GUTHRIE.—In the contract they are described, not as ship-owners or ship-runners, or ship-contractors, but merely as ship-builders. The position I take up is that the tonnage referred to in the contract is a builder's tonnage. The way in

which it is arrived at is explained in *Rhodes's Steam-ship Guide*, an authority which is published in London, in these terms—

The "deadweight capacity" of a ship in the case of a cargo boat means the total weight she will carry, and includes cargo, coal, crew, and consumable stores. The following example will show how the total weight of a ship and her lading is made up:—

Total weight of iron and steel	...	...	3,059 tons
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Senator DE LARGIE.—What does the honorable senator call that?

Senator GUTHRIE.—That is the gross tonnage of a ship.

Senator DE LARGIE.—I thought that that was the displacement.

Senator GUTHRIE.—That shows the displacement.

Castings	...	...	30 tons
Cement	...	...	80 "
Ship outfit	...	...	210 "
Engines and boilers, and including water in boilers	...	...	500 "

Total	...	...	3,879 "
Total displacement	...	...	13,879 tons
Finished weight of ship	...	...	3,879 "

Deadweight	...	...	10,000 "
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Let us now see what the Merchant Shipping Act says.

Senator PULSFORD.—What does it matter?

Senator GUTHRIE.—I do not think that it matters two pins. The only point is, ought we, as custodians of the public purse, to agree to something in a contract when we do not know what it means? I take it that the best authority we can get on this subject is the Merchant Shipping Act, which operates in all British Possessions.

Senator TURLEY.—If we agree to the contract we shall know that it is 11,000 gross.

Senator GUTHRIE.—No; the contract says that it shall be 11,000 tons registered. *Chitty*, who is an authority on the Merchant Shipping Act, says—

There are two kinds of tonnage under the Act, viz., gross tonnage, which is the full measurement of the ship, and register tonnage, which is the net result after the deductions authorized by section 79 have been made from the primary or gross tonnage. Dues and charges are based on net or register tonnage, showing that net and registered tonnage are one and the same thing.

Senator DE LARGIE.—So is gross tonnage.

Senator GUTHRIE.—No; that is a different thing.

As is the ship-owner's liability in the case of a sailing ship, but in the case of a steam-ship that liability is based on the gross tonnage after deducting crew space where section 6 has been complied with.

Section 79 of the Merchant Shipping Act provides for deductions for ascertaining tonnage in measuring or remeasuring a ship for the purpose of ascertaining her registered tonnage.

Senator DE LARGIE.—We are not making a contract under the Merchant Shipping Act.

Senator GUTHRIE.—But the Merchant Shipping Act itself provides that it shall apply to the "whole of Her Majesty's Dominion, and to all places where Her Majesty has jurisdiction." The Royal Commission on Navigation, of which Senator de Largie was a member, did not touch that part of the Act, thereby acknowledging that the Commonwealth has no power to affect a single letter of it. Section 79 of the Act provides how the registered tonnage shall be arrived at. In the case of sailing ships allowance is to be made for space for the crew, space for storage of sails, and stowage. In the case of a steam-ship, allowance is to be made for the space occupied by the propelling power, the space necessary for the crew and for stores. When these factors are deducted from the gross tonnage you arrive at the registered tonnage of the ship. Yet Senator de Largie has stated that what I have asserted is absolutely wrong. He puts himself up as an authority above *Chitty*. If the honorable senator will go down to the wharf to-morrow, and board any British ship, he will find indelibly cut into the main hatch her registered tonnage. When any proof is wanted regarding the tonnage of a ship, it is not necessary to go to Lloyd's, or to look at the ship's papers. Her registered tonnage is cut with a chisel into the main hatch; and she is charged her dues in every port in the British Dominions on that tonnage. I intend to try to make it absolutely clear that 11,000 tons registered tonnage in this agreement means 11,000 tons registered tonnage within the meaning of the Merchant Shipping Act. I feel certain that if we could bring the Postmaster-General to the bar of the Senate, and examine him, the honorable gentleman would have to acknowledge that when he signed the contract he thought it meant 11,000 tons "registered,"

within the meaning of the Merchant Shipping Act, and not 11,000 gross. There is a considerable amount of mystery about this matter. If we were entering into a contract with an existing shipping company we should know whom we were dealing with. But what is our position now? We do not know who the contractors are. I asked the Minister yesterday to give us a copy of the cablegram authorizing Mr. Croker to enter into this agreement. It was not forthcoming to-day. I asked the question again, but we have no notification that we are to get the information. We are, completely in the dark, entering into a contract with Mr. W. H. Croker to supply us with a fortnightly service with vessels of 11,000 tons registered tonnage.

Senator BEST.—Do we not know that £27,500 has been deposited—£2,500 in cash, and £25,000 by bond?

Senator GUTHRIE.—We have proof of the deposit of £2,500.

Senator BEST.—And what about the bond?

Senator Lt.-Col. GOULD.—We do not know who has entered into it.

Senator BEST.—It is approved by the Government, at any rate.

Senator GUTHRIE.—Even if we accept it as a fact that £27,500 has been deposited, yet if these people fail to carry out their scheme, and take twelve months in which to fail, what will our position be? I want to make sure that there is somebody behind this contract other than Mr. W. H. Croker. If I am assured that there is a substantial company formed for the purpose of carrying out the contract, I shall be to a large extent satisfied.

Senator TRENWITH.—Does the honorable senator doubt the *bona fides* of the company?

Senator GUTHRIE.—I do. I say that there is no company.

Senator CLEMONS.—Surely we have evidence that there is a large company of ship-builders, who are prepared to build the steamers.

Senator GUTHRIE.—I have seen paragraphs in the newspapers—I suppose they were inspired—stating that this is a contract entered into by Sir James Laing and Sons Limited. They are described as ship-builders, not ship-owners. I do not know whether their articles of association allow them to enter into a contract of this description. The Minister, in reply to a question, informed me that they did not know, but

that they assumed the formalities were all right. What right have we, as custodians of the people's interests, to assume that the articles of association of Sir James Laing and Sons allow them to enter into such a contract? I asked Senator Keating if he would make such an assumption in the case of a private client of his own.

Senator STANFORTH SMITH.—We have a deposit of £27,500.

Senator GUTHRIE. — In a contract which will involve millions!

Senator BEST. — Have the Government no agents in the old country? We may be sure they have.

Senator GUTHRIE.—If the Government have agents there, the Parliament has not been so informed.

Senator CLEMONS.—The Secretary for Defence is there.

Senator GUTHRIE.—I understood from the press reports that the Secretary for Defence was sent Home to look after warlike stores, and not mail ships. We have been further informed by the press that the firm of Lord Armstrong and Company and Messrs. Vickers are associated with Sir James Laing and Sons. If the company formed is what is known throughout the British Possessions as a "one boat company,"—

The CHAIRMAN.—The question before the Chair is that certain words be inserted. I have given the honorable senator a good deal of latitude.

Senator GUTHRIE. — I shall connect my remarks with the proposal that the vessels shall call at Brisbane. Supposing that the contract becomes an accomplished fact, and one steamer is built by Lord Armstrong and Company, and another by Sir James Laing and Sons; under such circumstances, if one of these boats did not call at Brisbane, I should like to know whether the owners of the other boat would be in any way liable in connexion with the penalty that would be imposed for breach of contract? I am quite certain, from the paragraphs which have appeared in the press, that if this is going to be a "one-boat company," one firm will be in no way liable for any breach of contract by the other.

Senator Lt.-Col. GOULD.—One ship, one trip.

Senator GUTHRIE.—And liability for one trip only. If there is a guarantee that this is a *bonâ fide* tender, and that the contractors are in a position to carry out the

agreement, probably a good deal of my opposition would fall to the ground. At the present time, however, the contract appears to me to be an absolute shadow. There is as yet no company in existence, and we have no guarantee that the articles of association of Sir James Laing and Sons permit them to run vessels of the kind. My own opinion is that a company has yet to be floated, and that the contract will have to be assigned to that company per Mr. W. H. Croker. Under the agreement, the Postmaster-General has an absolute right to make that assignment; and I hope that when the time comes, we shall provide that it shall not be made without the sanction of Parliament.

Senator STEWART (Queensland) [10.22].—I should like to reply to the remarks of Senator Keating on the observations which I made on this subject twelve months ago. I adhere to every word I uttered on that occasion. I believe that the Government should undertake a mail contract only; but since they have seen fit to make it also a produce-carrying contract, I am not going to permit dust to be thrown in my eyes.

Senator TURLEY.—Where is it stated that this is a produce-carrying contract?

Senator STEWART.—That is exactly where the cunning of the document comes in. The understanding is so cleverly concealed as to be invisible to people who do not want to see it, but to others it is so plain that he who runs may read. Why is there this stipulation as to the tonnage of the vessels? It is ridiculous to assume that it is for the purpose of carrying mails. The Government stipulate not for one vessel, but for a whole fleet. The Government say to the prospective—and prospecting—company not only that they must build vessels of 11,000 tons, but must submit the plans and specifications to the Government representative. If there is no understanding that they are to be cargo vessels, why all these stipulations? The Prime Minister said that an arrangement, or understanding, had been arrived at *sub rosa*—though he did not use those words—that the boats were to proceed to Melbourne and Sydney; and he might have added that that condition was not included in the contract, lest the Queensland people should desire them to also call at Brisbane.

Senator TURLEY.—Is that true?

Senator KEATING.—That is the first I have heard of it.

Senator STEWART.—I do not know that these things are expressly mentioned in Cabinet, and, even if they were, there would be no record. Every Minister is bound in honour not to reveal what occurs at a Cabinet meeting. No honorable senator has yet attempted to explain why the Government insists on the stipulations I have mentioned.

Senator MCGREGOR.—Because the conditions were offered.

Senator STEWART.—The honorable senator must be very silly. If these conditions were offered, why are they included in the contract? Does any honorable senator imagine that the company is going to build vessels of this tonnage, and submit plans to the Government unless it expects to be paid? And is not the payment included in the subsidy?

Senator STANFORTH SMITH.—Certainly not.

Senator STEWART.—I shall not dwell longer on the question of the tonnage. I can understand Senator Smith, and honorable senators from South Australia, Victoria, and New South Wales, being perfectly satisfied with the contract—it is not “their funeral.”

Senator TRENWITH.—Why would the vessels go on to Melbourne and Sydney?

Senator STEWART.—Presumably because there is business to be got at Melbourne and Sydney.

Senator TRENWITH.—And the only reason why the vessels would not go to Brisbane would be that there was no business.

Senator STEWART.—If the honorable senator had listened he would have understood that my objection to the contract is that it is more than a mail contract, and if I am right in that, the vessels ought to be bound to go on to Brisbane and Hobart. If this is a mail contract only, the company's connexion with the Commonwealth should end at Adelaide and Brindisi. I have pointed out that the internal evidence of the contract itself convincingly proves to any man open to reason that a cargo contract is contemplated, as well as a mail contract. It is as plain as there in the terms of the contract as the nose upon a man's face. I have pointed out that it does not affect the representatives of Western Australia, South Australia, Victoria, or New South Wales, because the vessels will call at Fre-

mantle, at Adelaide, and probably also at Melbourne and Sydney.

Senator GUTHRIE.—They may or may not do so.

Senator STEWART.—They are not bound by this contract to call at Melbourne or Sydney, and our Victorian and New South Wales friends may find themselves in a difficulty some early morning. We have had some experience of the operations of shipping rings in Australia already. I remember that the Aberdeen Company was in the habit of bringing goods from Europe consigned to Queensland, and of actually taking them out of their vessels at Sydney to be sent on to Brisbane by other vessels, whilst the vessels in which they were brought to Sydney continued their voyage to Brisbane. That foolish and vicious action was compelled by the shipping ring. What security have we that this company which is now being organized will not be a member of the same shipping ring, and that as a consequence the fierce competition amongst the shipping companies, on which some of our friends seem to rely so strongly, will not vanish into thin air? It is quite within the bounds of possibility that the New Zealand Government will offer this company a subsidy, and that, as a consequence, instead of sending their boats on to Melbourne and Sydney from Adelaide, as some of our friends fondly expect they will, they will prefer to send them on to New Zealand, and thus place the producers of the eastern States in a most difficult position.

Senator TURLEY.—The honorable senator is proving that this is only a mail contract.

Senator STEWART.—What I have said does not prove anything of the kind. Senator Turley does not see anything in this contract but what he desires to see. I repeat that these vessels are not bound to go to Sydney and Melbourne, and that is just where the company are getting the better of our friends from New South Wales and Victoria. Honorable senators representing those States believe that in this contract they are getting the better of Queensland, and that is why they propose to agree to the bargain. But the company, while aiding and abetting them to outwit Queensland, are at the same time outwitting themselves. That is the position. A threat on the part of the company not to call at Melbourne and Sydney would compel the producers in the eastern States to come to any terms which the combine might exact. Any

one can see that, and even if honorable senators from New South Wales and Victoria do not care very much about the interests of Queensland, they should try to conserve the interests of their own State. Senator Keating was kind enough to tell the Committee what the Premier of Queensland thinks about the subject. I may inform the honorable senator that I had a conversation with the Premier of Queensland not very long ago, in which I believe I persuaded that honorable gentleman, much against his will, to my own way of thinking with regard to these contracts, and that is that they ought to be mail contracts pure and simple.

Senator PEARCE.—Was this last session?

Senator STEWART.—No, recently. The Premier of Queensland evidently has not realized that this contract is something more than a mail contract, and that is why he has spoken in the terms quoted by Senator Keating. The honorable and learned senator gave the Committee the benefit of the opinion of one organ of public opinion in Queensland, and I will read the opinion of another. Not that I care very much for either, because I very seldom agree with them, or they with me. Just in order to show that there is some difference of opinion in Queensland on this subject, I take the liberty of reading what the *Courier* has to say about it. I ask the special attention of honorable senators to the following article, which appeared in the *Brisbane Courier* of Friday, 27th June:—

The statement made that either the letter or the spirit of the new mail contract provides for Adelaide being the terminal port of call for the mail steamers received a flat contradiction from the Prime Minister's own explanation, as given in the House of Representatives. One need not question that it may, as he says, be the best mail contract—for the southern States—that has yet been entered into; but, so far as Queensland is concerned, no advantage whatever has been gained. The vessels, remarked Mr. Deakin, were to be constructed according to plans submitted to the Government, with a provision for more than three times the cold storage of the present liners. Here, then, is the assumption that the purpose of the contract is, not only the speedy and regular delivery of mail matter, but also the regular and speedy carriage of refrigerated produce from Australian ports to the markets of the United Kingdom. If the only question to be considered was the saving of time between Brindisi and Adelaide, the two terminal ports for the receipt of the mail bags, why should it have been deemed necessary to submit plans of the steamers to the Federal Government, and why should there have been any reference to the fact that the new steamers will have more than three times the frozen space of the present

steamers? From first to last, within and outside the terms of the mail contract, there is a clear understanding that it has as much to do with the carriage of produce as with the regular delivery of letters; and the boast made about increase of space has no meaning unless there is a definite assurance that the mail steamers will call at other ports as well as Adelaide. The same conclusion is reached by other lines of argument.

I ask honorable senators to pay particular attention to this part of the article.

Suppose, for example, that there has been any uncertainty as to whether the mail steamers would call at Melbourne or Sydney there would have been no meaning in the Prime Minister's reference to greater facilities for the carriage of Australian produce, as South Australia has not developed at such a rate as to require three times the frozen space for her products, and it is certain that the shippers of Melbourne and Sydney would not send the produce of their own States by subsidiary steamers for transshipment at Adelaide. It is only a quibble to say that the two southern ports were not specifically mentioned in the mail contract when its general terms imply the inclusion of these ports in any contract that might be accepted, and when Mr. Deakin has been given the private assurance of the agents of the new company that for commercial reasons the steamers would continue their voyage to Melbourne and Sydney. Another consideration must be duly weighed in connexion with the comparatively high subsidy to be paid. The only justification for such a subsidy is found in increased speed and better accommodation for frozen produce. There never yet has been a mail contract in which the two things have not been associated; and supreme folly would be shown in their dissociation. Where a subsidy has to be paid for the carriage of the mails it is surely cheaper and more efficient to arrange that the steamers which carry the mails shall also be thoroughly equipped for the carriage of frozen produce as the same canal and port dues have to be paid, and there is practically the same cost of working the steamers.

Senator MILLEN.—Is the honorable senator reading this in support of or in opposition to his own views?

Senator STEWART.—Partly in support of them. The writer of the article continues—

The principle here involved was practically recognised at the last general election when the present Queensland members and the Commonwealth Parliament painted fine pictures about the advantages that would be given to the States by a superior class of up-to-date steamers fitted with all the improvements that science could devise for taking frozen meat and butter round half the world. And the result of all this boastful talking and argument is that Brisbane has been treated as utterly unworthy of consideration, and that Queensland producers shall pay taxes in order to give the producers of other States advantages which they themselves do not enjoy. The splendid mail steamers of 11,000 tons, fitted to carry three times the former amount of produce, will call at Fremantle and Adelaide—by

compulsion; at Sydney and Melbourne—according to a definite understanding; but Brisbane, which commands a wider scope of country and greater natural resources than are tapped by any other Australian port, is asked to accept an arrangement in which there is neither compulsion nor understanding that Queenslanders would be given the same benefits conferred on other Australians. The people of southern Queensland must contribute in cash for a subsidy that will give the other States a fortnightly service of splendid cargo steamers; but if they want the same service they must arrange for a special subsidy. And yet, according to the Constitution of the Commonwealth, no differentiation is supposed to be made between State and State. In a matter of this kind, one might expect that Queensland's representatives will show a united and resolute front against the Federal Government. Their failure to do so should make electors pause and consider when the next appeal is made to the country.

I quote that article for what it is worth. As Senator Keating kindly gave us the *Daily Mail* on the subject, I have given the *Brisbane Courier* on the same subject. Honorable senators now have both sides of the shield presented to them, and can decide the matter in which ever way they please.

Senator Lt.-Col. GOULD (New South Wales) [10.44].—I do not know whether the Government propose to go on with the debate, or to adjourn at this stage. Three or four other honorable senators desire to speak, and I therefore suggest that the debate be adjourned.

Senator KEATING (Tasmania — Honorary Minister) [10.45].—I have no desire to stop the discussion of this question. We went into Committee to-night for the purpose of, perhaps, more expeditiously dealing with it.

Senator MILLEN. — I thought that the object was to facilitate discussion.

Senator KEATING.—I thought so too. It has given some honorable senators an opportunity to go over the terms of the contract, although, nominally, a particular article only is before the Chair. I sincerely hope that at the next sitting they will, as far as possible, endeavour to confine their arguments to the amendment before the Committee. I feel that it is my duty to state that, probably, any delay in the ratification of the contract may to some extent prejudice our prospects thereunder.

Senator Lt.-Col. GOULD.—The Government have the bond. Surely we are not expected to rush the thing through when the consideration of the contract occupied the attention of the other House for nearly a fortnight!

Senator KEATING. — I do not wish to block discussion. I merely desire to point out to honorable senators for their consideration—

The CHAIRMAN. — The honorable senator will have an opportunity of making those observations to-morrow. The question before the Committee is the insertion of certain words, and I ask him to do as he has invited other honorable senators to do, and that is to confine his remarks to that question.

Senator KEATING.—With the permission of the Committee, I should like to say a few words in assenting to report progress. I think it is desirable to offer one or two observations which may possibly cause them to expedite the consideration of this proposal to-morrow.

The CHAIRMAN. — The honorable senator will have an opportunity of making those remarks when he is asking leave for the Committee to sit again.

Progress reported.

Senator KEATING (Tasmania — Honorary Minister) [10.50].—I move—

That the Committee have leave to sit again to-morrow.

The consideration of this contract was begun at the earliest opportunity this week, and, of course, to-morrow will be our last day of sitting in this week. For some time the terms of the contract have been under the consideration of the members of each House, if not legislatively, at any rate privately. The contractors are at some distance from the scene of our deliberations, and they can only receive information by cablegram. From communications which have been received from the contractors, I have every reason to assume that they are informed to the effect that their capacity to fulfil the terms of this contract has been very seriously canvassed both inside and outside the Parliament of Australia. With regard to the amendments which it was indicated would be made in the Senate, and the amendments which have been made elsewhere, the Government have taken the precaution in each instance of securing in advance the signature of the representative of the contractors thereto, so that under no circumstances could it be said afterwards that the adoption of the amendments was a ground for them to abandon the contract.

Senator DOBSON. — Are we to make no amendments of which Mr. Croker does not approve?

Senator KEATING.—I do not say that. So far the policy of the Government has been to get an indorsement of any amendment before it has been approved, because it is quite possible that, upon the adoption of certain amendments, it might be open to the contractors to retire from the position they have taken up.

Senator DOBSON.—Let them retire, if they want to do so.

Senator Lt.-Col. GOULD.—It might be a very good thing for them to retire.

Senator KEATING.—And it might be very bad for us. I am pointing out these matters for the consideration of honorable senators.

Senator CLEMONS.—That suggests an inquiry into the nature of the bond.

Senator KEATING.—The Government instructed its representative in London to make certain inquiries, and the result of them is most satisfactory.

Senator Sir JOSIAH SYMON (South Australia) [10.53].—I think that we all reciprocate the Minister's desire that the consideration of this contract should be pushed on with, and I am quite sure that he will have no reason to complain in that respect. He must take a lenient view if he is in a critical humour, because, although the contract was under consideration elsewhere for a good long while, it has only been under active consideration here since yesterday afternoon. I think that a little consideration must be given to the Senate.

Senator KEATING.—We should like to get the contract dealt with in this week.

Question resolved in the affirmative.

ADJOURNMENT.

FEDERAL CAPITAL SITES.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator KEATING (Tasmania — Honorary Minister) [10.54].—I desire to inform honorable senators who have received from the Minister of Home Affairs an intimation that arrangements were being made for visiting the proposed Capital Sites, at the invitation of the Government of New South Wales, that some alteration has been made in the itineraries. Instead of Canberra being visited on the second occasion in conjunction with Dalgety, it will be visited on the first occasion in conjunction

with Mahkoolma and Molonglo, and on the second occasion Lake George will be visited in conjunction with Dalgety, and not, as originally intended, on the first occasion in conjunction with Mahkoolma and Molonglo.

Senator Lt.-Col. GOULD.—Will amended itineraries be sent out?

Senator KEATING.—I presume so. Question resolved in the affirmative.

Senate adjourned at 10.55 p.m.

House of Representatives.

Thursday, 2 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

MILITARY CANTEENS.

Mr. CROUCH.—I wish to ask the Minister representing the Minister of Defence a question with reference to a statement which appears in to-day's newspapers to the effect that the Minister of Defence intends to obtain an expression of opinion with regard to the Canteen Bill from the officers and men affected, and, further, that he has already obtained the opinion of the officers and men in Victoria and New South Wales. I should like to know whether the Minister will permit a referendum to be taken by secret ballot?

Mr. EWING.—Speaking from memory, I believe the opinion expressed by the officers and men in New South Wales was given voluntarily, and without Ministerial action. However, I shall bring the matter under the notice of the Minister, and shall probably be able to give the honorable and learned member full information to-morrow.

BRITISH OFFICERS IN NEW GUINEA.

Mr. BROWN.—I wish to ask the Prime Minister:—

1. Whether his attention has been called to a telegram in to-day's *Age*, stating that the High Court had delivered judgment in the case of *Strachan v. The Commonwealth of Australia*, in which plaintiff was non-suited on the plea that the Commonwealth was not responsible for acts committed by British New Guinea officials?

2. Was this plea of non-liability raised by the Commonwealth Government?

3. Was it known or supposed that this non-liability existed when Parliament was asked to vote the salaries of those officers?

4. Is it proposed to ask for a re-vote of salaries under the conditions disclosed by the decision?

5. Is it proposed to bring British New Guinea under Commonwealth control, and, if so, when is it proposed to take the necessary action to this end?

Mr. DEAKIN.—As I have not had an opportunity to see the questions, I should be glad if the honorable member would give notice for to-morrow.

PERSONAL EXPLANATION.

Mr. FOWLER.—I desire to make a personal explanation with regard to a statement which appeared in this morning's *Age* in connexion with the Tariff Commission, and which is, for the most part, a series of misrepresentations. The free-trade members of the Commission have asked for no concessions from the protectionist members, and, so far as I am aware, have received none. Instead of the free-trade members having been engaged, as is stated, in giving the finishing touches to their adverse conclusions, which have been in preparation for some days past, they have been co-operating loyally with their colleagues in the preparation of the reports, and expect to continue to work in co-operation with them until their labours are finished.

Sir JOHN QUICK.—I desire to say that the statement of the honorable member is quite correct. So far as I am concerned, as chairman of the Commission, I made no communication to the press that would justify any of the inferences to which the honorable member has referred.

HONORABLE MEMBERS.—Hear, hear.

EX-DRIVER FAY.

Mr. KELLY.—I desire to ask the Minister representing the Minister of Defence if any decision has yet been arrived at with regard to the claim of Ex-Driver Fay, and other kindred cases?

Mr. EWING.—The Minister of Defence felt that any action taken should be in connexion with some general scheme, instead of in respect to an individual case. The matter has been taken into consideration, and the Minister is now endeavouring to arrive at a solution of the whole difficulty.

SUGAR BONUS.

Mr. MAHON.—I find that the Treasurer has not included among the Budget papers a table showing the liability of each

of the States with regard to the payment of the sugar bonus. I should like to know whether he will supplement the information he has given us by including such a table?

Sir JOHN FORREST.—I think that there is among the Budget papers a statement showing the amount that each State will have to contribute, but, if not, I shall be very glad to supply the honorable member with the desired information to-morrow.

DIFFERENTIAL RAILWAY RATES.

Mr. GLYNN.—I wish to know from the Minister of Home Affairs whether it is a fact that competitive railway rates, against which special provision is made in the Constitution, are still in existence in some of the States. For instance, the charge made for carrying wool from the Darling River districts, from Echuca to Melbourne, is 25s. per ton, whereas the charge made in respect of Victorian wool carried over the same line is 42s. per ton. Then again, the charge made for the carriage from Broken Hill to Port Adelaide of wool that might otherwise go to river ports, is 46s. 9d. per ton, whereas £4 13s. 4d. per ton is charged for the carriage of wool from Oodnadatta to Port Augusta approximately the same distance. I should like to know, further, whether anything is being done to do away with these discriminations?

Mr. GROOM.—We have been assured by the railway authorities of the States that there are no rates in existence which conflict with the principles of the Constitution. The matter was incidentally referred to at the Premiers' Conference recently held in Sydney, and no complaints were made. One allegation was made with reference to certain rates charged in Queensland, and we wrote to the Queensland Government with reference to it. No reply was received, and a further communication has been sent to the State authorities. The honorable and learned member has now directed attention to further specific cases, which I shall have inquired into at once.

ELECTORAL ROLLS.

Sir LANGDON BONYTHON.—I should like to know from the Minister of Home Affairs whether he is making arrangements for the printing of the South Australian electoral rolls in Adelaide?

Mr. GROOM.—I think that a decision was arrived at whilst I was away during the last fortnight.

Sir LANGDON BONYTHON.—Nothing has yet been done?

Mr. GROOM.—If the honorable member will give notice of his question, I shall obtain an answer for him to-morrow.

Mr. CROUCH.—A statement is made in one of the newspapers this morning that there has been no collection of names by the police in Victoria for the purposes of compiling electoral rolls since 1901. I should like to know why Victoria should receive treatment different from that meted out to other States, where the police are now collecting names in connexion with the compilation of the Federal rolls. Does the Minister of Home Affairs think that Victoria is entitled to a special collection of names by the police, or does he intend to leave the work to certain moneyed leagues, which seem to be able to employ canvassers to make a house to house collection?

Mr. GROOM. — I have not seen any paragraph such as that referred to by the honorable and learned member. The statement is certainly incorrect. My predecessor, with a view to having the rolls in readiness for the general election, had a collection of names made by the police in Victoria, and, speaking from memory, the work was completed about the end of March, 1905. In view of the fact that the rolls had been so recently collected, no fresh collection was ordered; but instructions were given to the officers of the Department to take advantage of the State's rolls, or any other sources of information, with a view to bringing the Federal rolls up to date. In only one State—viz., in New South Wales—is there an annual collection of the names of electors, and we take advantage of that in order to supplement our rolls. Otherwise all the States are treated upon a uniform basis.

Mr. BROWN.—I wish to ask the Minister of Home Affairs—

1. Has his attention been called to the fact that a great deal of confusion exists, and that considerable disfranchisement obtained at the last general elections by reason of electors being allocated to polling places other than those at which they are accustomed to vote in State elections?

2. Whether he caused instructions to be sent to the police in New South Wales to rectify these anomalies as far as possible by allocating electors to their proper polling places?

Mr. GROOM.—Instructions were given to the police several months ago, in anticipation of the redistribution of seats in New South Wales, and, in fact, in all the

States concerned, to carefully allocate the electors to their proper polling places. In addition to that, the Department are having prepared maps of each electorate, which will indicate exactly the position of the various polling places. These maps will be exhibited to afford electors every opportunity before the general election to have their names placed upon the rolls for the polling places at which they desire to record their votes.

Mr. WEBSTER.—I desire to ask the Minister of Home Affairs what steps have been taken to overcome the difficulty of obtaining witnesses to the signatures of applicants for enrolment. At present, the police are unable to witness such signatures, and I wish to know whether any adult resident entitled to be enrolled is capable of acting as a witness?

Mr. GROOM.—In reply to the honorable member, I may say that a claim for enrolment has not to be attested at all. It is only an application for a transfer which requires to be attested, and any elector in any part of the Commonwealth can attest that, irrespective of whether he is a member of the household or not.

Mr. HUGHES.—That fact does not seem to be clearly understood by the police.

Mr. GROOM.—As there seems to be some doubt about the matter, I will see that a special instruction is issued, so as to prevent the possibility of any mistake occurring.

Mr. HUGHES.—Do I understand the Minister to say that the person who attests the application need not be an elector?

Mr. GROOM.—No. He must be an elector.

Mr. HUGHES.—Suppose that he is an adult member of a household in which there are no electors?

Mr. GROOM.—I have never heard of a case of that description.

LETTER CLEARANCES FOR BENDIGO.

Sir JOHN QUICK.—I wish to direct the attention of the Postmaster-General to the fact that letters posted in the pillar-boxes in Melbourne after 5.30 p.m. are not cleared in time for despatch by the newspaper train, and are consequently not delivered in Bendigo before the midday delivery, and to ask if the Minister can see his way clear to arrange for the pillar clearances to fit in with the early morning

mail, in accordance with the rule established by his predecessor, which was found to work very conveniently, not only for the residents of Bendigo, but for other country towns?

Mr. AUSTIN CHAPMAN.—I shall be very glad to give attention to the matter mentioned by the honorable and learned member, and meet the wish expressed as far as possible.

FEDERAL CONTROL OF NAVIGATION.

Sir LANGDON BONYTHON.—I wish to ask the Minister of Trade and Customs whether the Government intend to take over the control of navigation, as well as of the light-houses? My reason for asking the question is that on Tuesday last the Premier of South Australia stated that the Government did not desire the Commonwealth to take over one part of the service, and not the whole. They thought the light-houses and navigation ought to go together. If they did not machinery and expense would, he said, simply be duplicated.

Sir WILLIAM LYNE.—It is the intention of the Government to take over the control of navigation by-and-by. At present they propose to deal only with light-houses. The question of taking over navigation is one entirely apart from that relating to the light-houses, and the report of the Navigation Commission, and a number of important considerations, will have to be carefully weighed before action is taken.

Mr. DUGALD THOMSON.—To what extent are the light-houses to be taken over? For instance, will the Commonwealth take over the light-houses inside Port Phillip Bay, or only those outside?

Sir WILLIAM LYNE.—Speaking from memory, I think we shall take over only those that are outside Port Phillip.

ASSISTANT ADJUTANT-GENERAL.

Mr. KELLY.—In view of the fact that no provision has been made upon this year's Estimates for paying the salary of the Deputy Adjutant-General of our Military Forces, whilst a new office—that of Assistant Adjutant-General—has been created, I wish to ask the Minister representing the Minister of Defence whether the office of Deputy Adjutant-General is to be merged in that of the Inspector-General, or whether it is to lapse?

Mr. EWING.—With the permission of the honorable member, I should like to be afforded an opportunity to get a statement from the Minister himself upon the question. Probably I shall be able to do that to-morrow.

POST OFFICES: EMPLOYMENT OF BOYS.

Mr. HUGHES.—I wish to ask the Postmaster-General whether the inquiry which I put to him a week ago regarding the employment of boys as letter carriers has resulted in the decision of the Department to cease their employment, and whether he is aware that in North Sydney—the district to which I particularly directed his attention—the employment of lads has, and is, resulting in delay in the delivery and despatch of letters?

Mr. AUSTIN CHAPMAN.—In reply to the honorable and learned member, I shall be very glad to obtain a full answer to his question to-morrow. I may inform him that boys are not employed by the Department, except in cases of emergency. I believe that the conditions which resulted in their employment in the district to which the honorable and learned member specially refers has now been remedied. I will look into the matter and see if there are any special circumstances connected with it.

LETTER RATE IN WESTERN AUSTRALIA.

Mr. AUSTIN CHAPMAN.—Upon Tuesday last the honorable member for Coolgardie asked the following questions:—

1. What is the letter rate between adjacent towns, such as Kalgoorlie and Boulder, in Western Australia, per $\frac{1}{2}$ oz.

2. Does that rate apply to Cue and Day Dawn, which are approximately the same distance apart as Kalgoorlie and Boulder; and, if not, will he explain the reason why a higher rate is enforced on letters passing between Cue and Day Dawn?

The replies to the honorable member's questions are as follow:—

1. The letter rate of postage per $\frac{1}{2}$ oz. between Kalgoorlie and Boulder is 1d.

2. The regulations provide that the limits within which the town (or 1d.) rate of postage shall apply in the case of a city or town (other than the capital city of a State) shall be the area within a radius from the principal post-office of the city or town of 1 mile for every 3,000 inhabitants of the city or town and its suburbs, &c. This rate does not apply between Cue and Day Dawn, because the distance between those towns is approximately $3\frac{1}{2}$ miles, and the population between 2,000 and 3,000 respectively. The distance between Kalgoorlie and Boulder, where the penny rate is said to have been in force

since about 1896, is reported to be under 4 miles, while the population of the two places is approximately 17,000 and 13,000 respectively.

TELEGRAPH INSTRUMENT: ROYAL EXCHANGE, SYDNEY.

Mr. AUSTIN CHAPMAN.—Upon the 18th July the honorable and learned member for Parkes asked the following questions:—

1. Was it by his knowledge and authority that the telegraphic instruments connecting the Royal Exchange of Sydney with the General Post Office of that city had been suddenly removed without notice to the public?

2. Has not the Exchange in question been a telegraphic centre for the commercial community for many years, and was it not one of the most important and frequently used centres in the State of New South Wales?

3. Is he aware that telegrams from that part of the city have now to be sent to the General Post Office by messenger—a distance of over a quarter of a mile?

4. Is he aware that the tube connexion between the Exchange and the General Post Office is out of order, and incapable of use for the purpose for which it has been established?

5. Is he aware that the officials who had been in the Exchange some years, and had become acquainted with the special requirements of the mercantile community, have been removed from that centre, and inexperienced persons substituted?

6. Will he state the departmental reasons for these several changes, and for thus reducing the business conveniences of the mercantile portion of the Sydney community?

The replies which have been furnished are as follow:—

1. Yes, on the recommendation of the Deputy Postmaster-General, Sydney.

2. Yes.

3. Yes. Messengers are despatched from the Exchange about every six or seven minutes, provided, of course, telegrams have been lodged for them to convey. They at present use the trams, but, pending the completion of arrangements for installing a workable tube connexion between the General Post Office, Sydney and the Exchange, it is proposed to supply them with bicycles; when this has been done, the service will be accelerated, as it will be possible to arrange a fixed time-table of five minutes.

4. Yes. The tube connexion referred to was never taken over by the Postmaster-General's Department.

5. The only officers said to have been removed are a telegraphist, whose position became unnecessary under the new arrangement, and a mail boy, who was replaced by a messenger. Another telegraphist has been promoted to the position of postmaster in connexion with changes resulting from classification, but has not yet left the Exchange, pending the appointment of his successor.

6. The change was made because it was found that the old arrangement was unnecessarily expensive, and that a saving of £400 per annum could be effected by the alteration, after allowing for the cost of supplying bicycles.

CONTRACT AND UNOFFICIAL POST OFFICES.

Mr. SPENCE asked the Postmaster-General, *upon notice*—

1. What is the number of contract and unofficial Post-offices in the Commonwealth?

2. What rule, if any, guides the Department in deciding when an office shall be made an official one or when an official office shall be made a contract office?

Mr. AUSTIN CHAPMAN. — In answer to the honorable member's questions, I have to say that inquiries are being made, and answers will be furnished as soon as possible.

HOURS OF DUTY OF POSTMASTERS.

Mr. WEBSTER asked the Postmaster-General, *upon notice*—

With reference to the hours of service required from certain postmasters in Sydney and suburbs—

1. If, as stated in reply to a question by the honorable member for Canobolas, postmasters are permitted to use their own discretion as to absentsing themselves from their offices, will he state why a certain postmaster was subjected to a rigorous examination by the Appeal Board as to his absence from duty for an hour and a half?

2. Is he aware that postmasters are frequently called on the telephone by their superiors, and, if they do not reply to the call, are required to furnish an explanation?

3. Is he aware that it has always been understood that postmasters are required to attend to the early morning work so as not to bring assistants long distances, and thereby extend their hours of service, and that they are required to report themselves on duty to any call from Head Office up to the closing of the office at 8 p.m. Can he say how reasonable recreation can be obtained under those conditions?

4. If, as stated, postmasters are permitted to use their own discretion in taking time off, providing the work of the office is not interfered with, will he issue instructions to have this made a specific regulation, so that officers may know what are their rights in this connexion?

Mr. AUSTIN CHAPMAN.—In reply to the honorable member's questions, I wish to say that inquiries are being made, and answers will be furnished as soon as possible.

AUSTRALIAN HISTORICAL RECORDS.

Sir LANGDON BONYTHON asked the Prime Minister, *upon notice*—

What is the object of the provision of £650 in the Estimates under the Division "Offices of the Commonwealth in London," for the collection of Australian historical records, seeing that such records are at the present time being collected for the Commonwealth Parliamentary Library?

Mr. DEAKIN.—The answer to the honorable member's question is as follows:—

For some years New South Wales carried on the work of searching for and transcribing the original official records concerning the early history of Australia, which are to be found in manuscript in the Public Record Offices in London and elsewhere, with a view to making them available in Australia for local historians, students, and others. That work is now suspended.

The subject is dealt with by Mr. F. M. Bladen, of the New South Wales Public Library, in a report prepared for this Government, and printed in Parliamentary Papers 1903, volume 2, page 991.

It is now proposed that the Commonwealth should continue the work from the point at which it was left by New South Wales. An officer to be intrusted with the duties has not yet been selected, but it is intended to appoint some one with the necessary special knowledge and qualifications for the work.

It will be seen that the collection is not similar to that being undertaken by the Parliamentary Library, but it will form a valuable supplement thereto.

PAPERS.

MINISTERS laid upon the table the following papers:—

Memorandum by the Minister of Defence on the Defence Estimates 1906-7.

Statement of the amounts to the credit of clothing and contingent accounts of each corps of the Military Forces on 30th June, 1905, and the allowance for 1905-6.

Military Forces, addition to paragraph 224 (medical officers) of the financial and allowance regulations, Statutory Rules 1906, No. 53.

Provisional regulations under the Commerce Act, Statutory Rules 1906, No. 52.

PATENT MEDICINES, ARTIFICIAL FOODS, AND MEDICAL APPLIANCES.

Mr. THOMAS (Barrier) [2.53].—I move—

1. That, in the opinion of this House, in the interest of the health of the community of Australia, it is desirable that all patent or proprietary medicines, all infantile and artificial foods, all medical and surgical appliances which purport to cure or alleviate any disease to which the human frame is subject, should be critically examined on entry into the Commonwealth—

- (a) To ascertain their contents and composition.
- (b) To ascertain their value from a curative stand-point.
- (c) To ascertain their value as a food.
- (d) To ascertain their value as remedial agents.

2. That it is further desirable that the exact pharmaceutical composition or construction should be set out clearly on the label or package, of each bottle, tin, box, or parcel and a clear definition be given of the ailment they profess to cure or alleviate.

3. That in the event of the description on the bottle, tin, box, package, or parcel being false or

misleading to the purchaser, then all such articles shall be refused admission into the Commonwealth, and all such as have been landed and not cleared shall be forfeited and destroyed.

I do not think it is necessary for me to speak at any considerable length upon the present occasion, because I believe that public opinion is unanimous that some action should be taken upon the lines indicated in this motion. Although the vested interests of the proprietors of patent medicines are considerable, I think that the people have come to the conclusion that a great deal of fraud is perpetrated in connexion with the sale of such medicaments, and that much misery is produced by their consumption. I believe that honorable members are extremely anxious that everything possible shall be done to maintain the health of the community. I recognise that we cannot cover the whole of the ground in this connexion, because the Commonwealth cannot prevent the sale of any article which is manufactured locally. In other words, we can deal only with imports. I understand that during the past few months the Victorian Parliament has placed upon the Statute-book a law calling upon all persons engaged in the vending of patent medicinal lotions to advertise their contents.

Mr. JOSEPH COOK.—The second paragraph of the honorable member's motion is complied with to the full nowadays.

Mr. THOMAS.—Is it complied with, so far as imports are concerned?

Mr. JOSEPH COOK.—Yes. Upon a box of "bile beans" or Beecham's pills the virtues of those articles are clearly set out.

Mr. THOMAS.—But their contents are not declared, and that is what we wish to ascertain. If we pass a resolution affirming that everything imported in the way of patent medicines, drugs, &c., shall have its composition publicly notified, we shall bring about such a state of things that within a very short time every one of the States Governments will practically follow in the footsteps of Victoria. Outside of this State, I understand that there are other countries which have enacted similar legislation. For instance, in Germany and Japan persons wishing to vend patent medicines must openly declare their contents. If these medicaments were harmless their sale would not be of such importance. But from the evidence that we have read from time to time, we are forced to the conclusion that the consumption of many of them is very injurious to the general public.

Mr. JOSEPH COOK.—The honorable member does not suggest that they are all harmful?

Mr. THOMAS.—I do not go so far as that. I say that some are exceedingly harmful. In this connexion I propose to read a few extracts from letters which have been forwarded to the Government by Mr. Beale. I think that we are indebted to that gentleman—who, I understand, is a citizen of Sydney—and who, during his recent trip to England, exhibited a great deal of interest in this matter, and collated some very valuable information. In answer to a communication which he sent to a very prominent physician at Home, he received the following letter:—

Dear Sir,

In reply to your questions *re* the effect of poisonous drugs sold under secret formulae, I beg to give the following emphatic and decisive answers:—

1. From general, and, I may say, universal, constant, and persistent knowledge, there can be no shadow of doubt that the wholesale prescribing of drugs of this class does lead to an enormous sale of the same, with a proportionate consumption.

2. There most distinctly is a debasement of morals as a direct consequence; of this I have personally seen and known many examples.

3. To my certain knowledge and belief, there is such a debasement as can only be described by the word debauchery, especially among women, resulting from the use of these articles. The evil therefrom is of very grave national importance. It has increased of late years, and is still increasing.

4 and 5. There is a widespread and probably lasting injury done to infants and young children by the indiscriminate use of narcotics, though I personally hold a very strong opinion that it is not so much injury as death which is inflicted upon them, a death which is invariably ascribed to some other cause.

6. Under no heading at all can I approve of nurses and mothers administering such drugs to nurselings and children. It is a wicked and bad practice from any and every point of view.

7. There is a very large increase in the use of synthetic remedies as so-called headache powders, &c. These are dangerous to the heart, and cause many fatal accidents. They should never be administered except under strict medical supervision.

8. I am quite convinced that the amount of suffering and the number of deaths are grossly out of proportion to the publicly recorded cases. Not a tithe of the cases ever get into print as such. I should be pretty certain that not even 1 per cent. of the mischief is recorded, or even suspected, by the average layman.

I have not the slightest objection to these opinions being made as public as necessary.

(Signed) FRED. J. SMITH, M.D., F.R.C.P.,

Physician to the London Hospital, Editor of *Taylor's Medical Jurisprudence*, Pathologist for fifteen years to the London Hospital.

In a letter which he sent to the Right Hon. Herbert J. Gladstone, Mr. Beale wrote—

To add to this, recently I received a report from a friend in Washington, showing that thousands of children died every year through these medicines, and the tragedy of it is all the more intensified because the stuff is administered by mothers who do not know the effects of the mixtures they are giving their children. I am of the opinion that laws should be made that it would be required to show what patent medicines contained. It should be set down that all drugs containing alcohol and narcotics, and other patent drugs, should have the percentages of these drugs printed on the labels of bottles. If not, the shadow of the undertaker will mingle with that of the medical profession.

I propose to read one or two other extracts from some of Mr. Beale's communications to the Prime Minister. For instance, in one of these he says—

It is an inflexible rule of the British Medical Association that no remedy shall be secret. Plainly that is to the public interest. More than that, it is an urgent demand on humanity. No such maxim could be upheld, still less enforced by a public body, through generations, unless it were an actuating principle in the common life of its members.

He goes on to state that—

Last evening I received information in a private note from the Governor-General of Canada relating to other matters, that the Dominion Parliament has appointed a Committee from both sides of the House to prepare legislation to remedy the evil of uncontrolled sale of secret drugs. He himself has addressed a medical society in strong denunciation of the homicidal traffic.

The following resolutions were passed at the semi-annual meeting of the Board of the College of Physicians and Surgeons of the Province of Quebec in July, 1904:—

That the attention of the Federal Government be called upon the mis-uses, serious accidents, and numerous losses of life resulting from the present trade of patent medicines and pharmaceutical preparations, and that the Government be requested to have Parliament pass the required legislation, so as to exercise an effective control on the sale of these medicines and preparations.

That, in the opinion of the College of Physicians, the sale of any such preparations should not be allowed unless each package or each bottle bears the name of the remedy, the quantity of each dose, as well as the name of the manufacturer, the seller, and the price.

It would be an easy matter to read further quotations from reports of commissions, which have dealt with this question, and also from the writings of medical men; but I do not think it is necessary to do so. It would certainly be highly advantageous to the public if these articles were plainly marked, so as to indicate of what

they were composed. In the case of a sound preparation no difficulty would be placed in the way of the carrying out of this proposal, whilst no one should be permitted to publish "puff" advertisements calculated to foist on the public that which is valueless. When I was in Sydney—I think it was in January last—I received a letter from a man in the Cobar district, with whom I was not acquainted, inquiring as to the efficacy of a certain patent medicine. It seems that my name had been associated with an advertisement relating to Pink Pills. Some one in Broken Hill had stated that he was a life-long friend of mine, and that he had signed before me a statement that he had been cured by taking Pink Pills. An advertisement to that effect appeared in the *Evening News*, and this resident of the Cobar district, who was, unfortunately, suffering from consumption, wrote to me inquiring whether the statement was true, saying that if it were he would test the efficacy of the pills. I at once replied that I had never met a man who had been cured of consumption by taking Pink Pills. It is simply scandalous that vendors of pills should be permitted to advertise that persons have been cured of consumption by using them.

Mr. FISHER.—It is a villainous fraud on the public.

Mr. THOMAS.—Quite so. It is tantamount to the selling of goods under false pretences. I trust that the day will come when punishment will be meted out to those who send such advertisements to the newspapers for publication, and also to those who actually publish them, for they must know that they cannot be true. If a man sells milk containing a certain percentage of water, he is liable to a penalty. It is only reasonable that he should be punished, for the lives of children given adulterated milk are undoubtedly endangered. But we need to do something more. If we allow infantile and artificial foods to be imported and used when they really contain no nourishment, the result must be very serious. These foods are given to children in good faith by their mothers and nurses, with the result that, in some cases, the little ones are practically starved. I have no definite figures as to infantile mortality in Australia, but a few days ago I read a very interesting speech delivered by the Right Honorable John Burns, before a National Conference which met in England to deal with the question

of infantile mortality, and in that speech some remarkable figures were given. Mr. Burns stated that no less than 100,000 children die in England every year from neglect, carelessness, or thoughtlessness. He pointed out that the details of children less than twelve months old were more numerous than those occurring between the ages of one year and eighteen years, and that from 30 per cent. to 40 per cent. died in the first five years, so that, in the words of Mr. Burns, the weakest, smallest, and dearest carried the burden of death. I have no figures—

Mr. FISHER.—The time has passed when it is necessary to quote figures bearing on this subject.

Mr. THOMAS.—That is so. Although the infantile mortality in Australia is, perhaps, not so great as in England, I have no doubt that it is still very serious. I am not one of those who would lay at the door of patent medicines and infantile foods the deaths of all our children. There are other contributing causes; but, at the same time, I think I am correct in stating that these foods play a very serious part in the massacre of the little ones. We hear in Australia a great deal about the need for encouraging emigrants from the old country to settle on our lands. That may be very desirable, but we can do a great deal in the direction of increasing our population by taking steps to save the lives of our children, many of whom die soon after birth. It may not be possible to give full effect to some of my proposals; there may be a difficulty in ascertaining the exact value of some infantile and artificial foods, or the value of certain patent medicines as remedial agents. If that be so, it would be idle to press those matters. Doubtless, however, the medical men who are members of the House will be able to throw some light on that phase of the question. In any event, it is possible for us to see that all imported articles of the kind described in the motion shall have clearly set out on their labels what are their component parts. In addition to infantile and artificial foods, and patent medicines, there are other articles, alleged to alleviate suffering, with which we ought to deal. I regret that the Government should have given way some time ago in regard to the delivery of letters addressed to Messrs. Freeman and Wallace. It is a pity that they should have permitted letters of that firm to be transmitted through the post. I think that Messrs. Freeman and Wallace are even a

greater fraud than "Tattersall." Some persons—perhaps one in 20,000 or 30,000—obtain something for their money when they invest in a ticket for one of Tattersall's consultations, but no one has derived the slightest benefit from the things advertised by Messrs. Freeman and Wallace. It would be well if the law required that such goods shall bear a label showing exactly what are their component parts. I believe that the public desire that infantile foods and everything in the way of patent medicines shall bear labels describing their ingredients, so that they may know what they are buying. It will be remembered that some time ago some condensed milk was imported into Victoria, and that, when seized by the authorities and analyzed, it was found that children fed on it would practically be starved. We cannot make our provisions in regard to the sale of foods too drastic. A nation's greatest asset is, not its silver and gold, nor its land and houses, but the healthy and strong men, women, and children who form its people. I believe that, if the examination suggested in the motion is strictly carried out by the Government, it will tend to make our population healthier and stronger than it is.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [3.17].—I think that the Government already have power, under the Commerce Act and its regulations, to do all that the honorable member for Barrier wishes us to do, and if there is any weak point, the deficiency can be made good by the exercise of the powers conferred by section 52 of the Customs Act.

Mr. McWILLIAMS.—I take it that the object of the motion is to insure that care will be taken to enforce the provisions of those Acts.

Sir WILLIAM LYNE.—I understand that that is the object of the mover, and it can do no harm for the House to pass the motion. Indeed, the carrying of it will probably do good, by emphasizing the necessity for strictly enforcing the provisions of the Commerce Act, and of the regulations made under it, in the particular cases to which reference has been made. The matter was brought under my notice before the introduction of the Commerce Bill, by Dr. Mackellar and Mr. Beale, who, in Sydney, as members of a Royal Commission, obtained very important evidence in regard to it. I have not seen the whole

of that evidence—some of it, I believe, has not been published and distributed—but I have read parts of the report which show the necessity for strictly prohibiting the importations of certain articles, because they are a menace to infantile life. Under the Commerce Act a trade description must certify, amongst other things, as to quality and purity. Great objection was taken to the use of the word "purity"; but, in using it, I had in mind the need for prohibiting the importation of medicines and infant foods which were not pure and of good quality. Section 7 of the Act provides for the making of regulations to prohibit the importation or introduction into Australia of any specified goods unless there is applied to them a trade description of such character, relating to such matters, and applied in such manner, as may be prescribed. All goods imported in contravention of any such regulation may be detained by the Collector, and, by direction of the Minister, seized as forfeited to the King. Under section 8 all imported goods to which a trade description is required to be applied found in Australia, in the package or cover in which they were imported, without the prescribed trade description, will, until the contrary is proved, be deemed to have been imported in contravention of the Act, or of the regulations under it. That is as far as the Constitution allows this Parliament to go. It therefore remains for the States to see that goods are not sold therein under false trade descriptions, or if they are injurious to the public health. I believe that in Victoria and New South Wales Acts are now in force preventing the sale of goods harmful to the public health. Section 9 of the Commerce Act prohibits the importation by any person, under a penalty of £100, of goods to which a false trade description is applied. When the measure was being considered in Committee, it was held that trade secrets connected with imports should not be divulged, and therefore section 16 now reads—

The regulations under sections 7 and 11 of this Act shall not prescribe a trade description which discloses trade secrets of manufacture or preparation, unless, in the opinion of the Governor-General, the disclosure is necessary for the protection of the health or welfare of the public.

Mr. LIDDELL.—Does not the Minister know that all reputable firms disclose the nature of the contents of the proprietary medicines which they sell? It is the quack firms which do not do so.

Sir WILLIAM LYNE.—I am merely directing attention to the powers which the Government possesses under the Commerce Act.

Mr. FISHER.—If they are not sufficient, the Government should ask to have them increased.

Mr. DUGALD THOMSON. — They are ample.

Sir WILLIAM LYNE.—I think that they are ample. In Part II. of the provisional regulations under the Commerce Act, regulation 6, clause 2, paragraphs *a* and *b*, it is declared that—

In the case of medicines prepared ready for use, and containing 10 per cent. or more of ethyl alcohol, if the average dose recommended exceeds one teaspoonful (60 minims), the trade description shall set out the proportion or quantity of alcohol in the medicine.

In the case of medicines prepared ready for use, and containing any of the following drugs (or the salts or derivatives thereof), viz.:—opium, morphine, cocaine, heroin, stramonium, nux vomica, cannabis indica, bromides, sulphonal, trional, veronal, paraldehyde, or any synthetic hypnotic substance, phenazonum, phenacetinum, or acetanilidum, or any allied synthetic substance, chloral hydrate, belladonna, cotton root, ergot, or any abortifacient, the trade description shall set out the names of all such drugs so contained.

If such medicines are imported, and their trade description does not comply with those provisions, their importation may be prohibited, and they may be forfeited, while, if they have been imported, the laws of the States can, in the interests of the public health, regulate their sale.

Mr. THOMAS. — We wish the Government to exercise these powers.

Sir WILLIAM LYNE.—They will be used, and, if they are found to be deficient, we can fall back on section 52 of the Customs Act.

Mr. FISHER.—What is needed is, not so much the prohibition of undesirable imports, as the ascertaining of what the imports actually are.

Sir WILLIAM LYNE.—It is necessary that we should have power to prohibit the importation of undesirable goods. It would be of no use to be able to ascertain their nature, if we could not prohibit the importation of any likely to be harmful. Under section 52 of the Customs Act, power is given to prohibit the importation of a number of classes of goods set out in paragraphs numbered *a* to *f*, and, under paragraph *g*, of "all goods the importation of which may be prohibited by proclamation." I feel that it would not be

proper to use that power except when the public health was menaced. The honorable member for Barrier has done right in the public interest in directing attention to this matter, and the passing of the motion will strengthen me in giving effect to the wishes of Parliament in this respect.

Motion (by Mr. McCOLL) negatived—

That the debate be now adjourned.

Mr. SALMON (Laanecoorie) [3.29].—I listened with interest to the speech of the Minister of Trade and Customs, and, although I agree with him that the powers given under the Customs and Commerce Acts are very stringent, I have not seen evidence of a desire, on either his part or that of the officers under his control, to put them into operation, with a view to effecting the objects which the mover of the motion has in view.

Sir WILLIAM LYNE. — The regulations under the Commerce Act have not yet taken effect.

Mr. SALMON.—I do not think that the Minister is prepared to use the powers which have been conferred upon him unless he is backed up by a resolution of the House, similar to the motion under discussion.

Mr. DUGALD THOMSON.—When the measure was before us he said he would do so.

Mr. SALMON.—I hope that by means of this resolution we shall be able to induce him to take the necessary action. This is another socialistic proposal of the honorable member for Barrier.

Mr. WILSON.—Not at all. It merely provides for State control.

Mr. SALMON.—It is distinctly and entirely socialistic, but, notwithstanding that, it has my strong sympathy.

Mr. WILSON.—And mine also.

Mr. SALMON.—I do not think that there will be the slightest difference of opinion in this matter among the members of the profession to which I have the honour to belong. Any one who has been in practice for any length of time in this country must have been horrified by the effects produced by dosing people, and especially young children, with so-called patent medicines. Under the laws of most other countries, it is necessary to disclose the ingredients of any concoctions for which protection is sought, but under the so-called patent medicine regulations it is not necessary to divulge the contents. In England the makers of patent medicines

are protected upon the payment of a certain fee in respect of every parcel offered for sale. The fee is generally paid by affixing a British revenue duty stamp. Honorable members and the public generally can have no idea of the extent to which the trade in patent medicines is carried on. The honorable member for Barrier has wisely brought within the scope of his motion, not only patent or proprietary medicines, but artificial foods used for invalids and infants, and medical and surgical appliances. It is in connexion with the last two of these that the greatest amount of fraud takes place. We have a number of so-called remedies in the form of patent and proprietary medicines which are unmistakable frauds. Even their names are deceptive. In some cases they are intended to indicate that they contain an ingredient which is entirely absent from their composition. I do not intend to act as an advertising medium for these frauds upon the public, but I shall describe some of them sufficiently to indicate their general character. The most largely-advertised preparations are the most fraudulent. They are rarely, if ever, innocuous. Some of them contain deadly poisons, and in other cases alcohol is distributed to an extent of which the revenue officers can have no conception. A case recently occurred in Queensland.

Mr. FISHER.—The same preparation is being sold here, but we happened to catch the guilty parties.

Mr. SALMON.—Every credit is due to the officials who took action. A well-known firm of general providers, who have establishments in Victoria, New South Wales, and Queensland, were brought before the Court for selling liquor without a licence. They were supplying a so-called remedy, which upon examination was proved to contain over 42 per cent. of proof spirit, and less than 5 per cent. of any other traceable constituent. The bottle bore directions to parents to administer the so-called medicine to infants in doses of a teaspoonful three times per day before meals. I would ask any father of a family whether he could without dismay contemplate the idea of giving a child of tender age a teaspoonful of proof spirit three times per day. The constituents of these patent medicines are not sufficiently well known. They frequently contain drugs for which a taste is rapidly acquired, and much injury is done by inducing a craving for a very injurious nar-

cotic. We have done something recently with a view to remove temptation from persons engaged in one branch of the Commonwealth service, but we are not taking any action to prevent injury to our young children by so-called medical preparations, inducing in them a taste for alcohol or drugs which it may be difficult to shake off. A number of preparations on the market which are widely advertised, are supposed to contain certain ingredients and to possess certain magical properties. The cold-blooded analyst has, however, brushed aside many of the pretensions put forward by the vendors of these concoctions. One solution which is widely used, and is freely advertised, has been shown to contain 99 per cent. of distilled water. This preparation is sold at a very high price, and contains no ingredient of any value. In the United States of America, where the drug habit has undoubtedly become established far more firmly than in Australia, and where fraudulent preparations have an even wider, although, perhaps, a not more lucrative, market than here, certain investigations have been made by officials of the Post Office Department and the Bureau of Chemistry. In regard to one preparation, "Aquamiel," the following particulars are given:—

This remedy was exploited by the Mexican Remedy Company, claiming it to be "The Miracle of Nature." "A magical bust developer and the most marvellous flesh-producing, blood-enriching, tissue-forming preparation the world ever knew." "Permanent development guaranteed." "Aquamiel is a product of the famous Maguey plant of Mexico . . ." An analysis showed that it consisted of—

Water	...	97.33	per cent.
Alcohol by volume	...	2.00	per cent.
Ash	...	0.028	per cent.
Sugar	...	0.14	per cent.
Bitter residue and saccharin	...	0.50	per cent.

The solution was coloured with caramel and sweetened with saccharin. An investigation showed that the product was not manufactured from the purported Mexican plant, but was a concoction of some laboratory. It cannot fulfil the remotest claim as a bust developer. "Aquamiel" is absolutely worthless, and the representations made concerning it are false and fraudulent.

Then, in regard to "complexion tablets," the following is stated:—

A remedy under the above caption was analysed, and found to contain a deadly poison known as "nux vomica." The unfortunate incident connected with this case is that the remedy was not marked as to the poisonous nature of its composition, and a mother into whose possession the remedy came, carelessly placed it within reach of her two and a half year old child, with

the result that the child consumed a number of the tablets, and died as a result of strychnine poisoning.

We have in the Commonwealth a very much advertised preparation, which contains podophyllin, senna, and ginger. Podophyllin is one of the active poisons, and only within the last two or three days a case was reported in which a man lost his life through taking an overdose of the drug. The preparation to which I refer is "Californian syrup of figs." It contains no preparation from figs, but merely the ingredients I have mentioned. Then there is the so-called consumption cure, which is described as follows:—

The chief active agent in this compound is claimed to be "*cannabis sativa*," but an examination showed that the active agent in reality is opium. The only possible virtue that resides in opium as a cure for consumption is that it frequently affords the unfortunate patient some relief, but as far as a cure is concerned this agent is absolutely worthless. It is not only worthless so far as a cure for consumption is concerned, but it tends to make an opium fiend of the person who uses this "consumption cure." I can imagine no more lamentable spectacle than that presented by a person in the last stages of consumption flying to remedy after remedy in the hope of being cured. One of the most distressing features of the disease is the optimism which induces patients to fly to so-called remedies, and these are frequently of a particularly dangerous character. It is high time that the Government stepped in and protected them. Here we have an instance in which use is made of a drug which we have expressly excluded from the Commonwealth. Another so-called remedy, called liquid electricity, is described by the experts who have examined it as follows:—

The company dealing in this remedy used a number of essential oils in its preparation, together with capsicum and a small amount of alcohol. The chief ingredient in this mixture was capsicum. On this undoubtedly was dependent the value of the remedy, which was probably the basis for calling it "liquid electricity." Red pepper in itself is a very good medicinal agent, but it is wide from the truth to claim that with such a simple mixture as this it is possible to cure consumption and similar affections. I have had myself an experience in this connexion. A so-called electrical apparatus was submitted to me. It consisted of a small cone which was, apparently, made of aluminium. This cone, it was asserted, merely required to be dipped into a liquid and then inserted in the ear to cure deafness. I had the liquid examined, and found that it was composed principally of red pepper. Honorable members can

readily understand that the cone thus prepared, when inserted in a sensitive organ like the ear, would produce a certain warmth. That warmth was supposed to be engendered by the application of electricity. I believe that the cost of the article is about 30s., whereas its commercial value is 3d., and its remedial value absolutely *nil*. Then there are such articles as methylene blue, radiumite, star pennyroyal pills, and magic foot drafts. The last named consist of pieces of oilcloth covered on the unfinished side with a border of adhesive mixture, whilst the central portion is covered with a plaster composed of poke root, 30 per cent.; pine tar, 62 per cent.; and cornmeal, 8 per cent. These drafts are said to be "a great cure for rheumatism," and it is alleged that "100,000 people from every State and Kingdom on earth have been cured of rheumatism of every kind, and from whatever cause, by magic foot drafts." Any one with any knowledge at all will understand that there is absolutely nothing in these pads to warrant such claims and representations. There is no curative element whatever contained in the pads which, when absorbed into the blood will neutralise the poisons which cause the rheumatism, and so effect a cure. Then there is another alleged remedy for rheumatism known as vibro discs and tablets. This remedy is claimed to be the only sure cure for rheumatism. It is alleged that it differs materially from all other remedies inasmuch as it is made up of rare and costly agents, one of which is stated to cost \$40 per ounce. An examination showed that the remedy consisted of nothing but ordinary drugs, none of which is recognised as having any material curative effect for rheumatism. The method of applying the medicine was by fastening to the sole of each foot a pad which contained in one case a disc of copper, and in the other a disc of zinc, and it was the claim of the promoter of this remedy that the two discs so placed would generate a current of electricity which would course through the blood of the system and in this way carry with it, to the soles of the feet, the poisonous elements secreted in the body which produced the rheumatism. Upon testing this alleged claim, it was found that no current of electricity was generated, and that the scheme and alleged remedy were nothing but a device to defraud. There are a number of other so-called remedies, but I do not propose to weary honorable

members by reference to them. There is one which has a very large vogue in the Commonwealth, and which is manufactured in Australia. This, of course, will not come within the scope of the motion under consideration. But I trust that the time is not far distant when the States will take up this matter and insist that articles in the way of medicines which are manufactured in the Commonwealth shall also bear a proper description of their contents upon the label. For the remedy to which I refer, marvellous results are claimed. It consists of broom and the spirit of juniper. The broom of course is a very good bitter, and we all know what the spirit of the juniper tree is. A good teetotaller taking a dose of this medicine is really drinking gin and bitters. Of course there are some patent preparations which are undoubtedly valuable. I do not wish honorable members to imagine for a moment that I condemn all patent medicines. But, inasmuch as I refrained from advertising those which are valueless, I shall also abstain from advertising those which are valuable.

Mr. FISHER.—Is it not a fact that the best patent medicines contain upon the label a description of their composition?

Mr. SALMON.—Yes. The best artificial foods also supply chemical analyses, many of them being conducted in Government laboratories. I feel sure that legitimate traders will not resent an attempt on the part of this Parliament to have the formulæ of their various preparations made public. In Chicago a leading drug journal recently stated—

People who are being dosed with recognised poisons have a right to a knowledge of the kind and quantity, which should be made to appear on the label. All other preparations should, as a condition precedent to their sale, be submitted to the State Board of Pharmacy for registration, as required under the law of France.

It has been said that the American States are the only places where we can point to legislation of this character. But I would point out that there is a very effective law operating in France, and we also know that similar legislation was enacted in New Zealand some time ago. The journal in question continues—

We do not believe in the rule of secret monopoly preparations, because neither a secret nor a monopoly in medicines is conducive to medical progress or independence, and, hence, to the welfare of the people.

I have here certain suggestions which have been made in America, and which I think would be valuable to the Minister and his

officers in framing the necessary regulations under those portions of the Commerce Act which deal with this particular matter. With regard to artificial foods, I think that the greater portion of them are imported, and might be dealt with by the central authorities. Repeated analyses have proved that in a very large number of cases those foods really produce starvation. Instead of partaking of the nature of foods, they constitute a drain upon the system. The attempt at assimilation causes an amount of waste which is worse than actual starvation. That is to say, the infant which is fed upon them loses its life more rapidly than it would if it were not fed at all. In a country like Australia, to which we are striving to attract population, it is of vital importance that the children who are born into the world shall not be murdered—for that is what it really amounts to—by the use of the fraudulent patent foods which are now placed upon our markets. The records of our coronial inquiries show that children are done to death ignorantly by those who are responsible for their care and well-being, although not ignorantly by those who supply these so-called foods. The proprietors must know that these artificial foods are worse than valueless. Not only do they fail to sustain life, but they cause death. To my mind, we can do nothing more important than enact legislation which will have the effect of preserving the infant life of the community. Unfortunately, we are living under such conditions that many mothers do not find it convenient or necessary to suckle their children. As a result, the latter are deprived of the food which nature has intended for them, and the chemist has entered the field in an endeavour to supply the deficiency. But where one man is attempting to build up a perfect synthetic food, we have a number of conscienceless adventurers who are thrusting upon the market all sorts of so-called artificial foods which are nothing less than poisons. It is in this direction specially that the Government should take immediate action. One has only to read the daily press to be apprised of that fact. Whilst I honour the press, I do think that our large newspapers abuse their magnificent opportunities by allowing their columns to be utilized for the purpose of advertising abuses of this character. Where it is shown by criminal prosecutions

that certain articles are being placed upon the market, the consumption of which is detrimental to the health of the community, I think that the proprietors of these great journals should pause before accepting advertisements extolling the alleged virtues of such articles. In Victoria, mainly through the action taken by the honorable member for Bourke, who represented the Australian Natives' Association in that regard, Parliament passed a short Act to suppress obscene advertisements. That legislation got rid of a great plague spot upon our national character. It prevented the publication of advertisements which, in many cases, constituted an inducement to do evil. In my opinion, the Post Office might render a great service to the community by causing a more careful scrutiny to be made of the various publications which pass through it from year to year. I hope that something will be done in that direction. The testimonials which are published regarding the curative properties of many patent medicines are in most instances fraudulent. The honorable member for Barrier has quoted some cases in this connexion. But he is not the only honorable member who has had an experience of that character. Within the past few days another honorable member was waited upon by a canvasser who desired him to supply a testimonial in favour of a particular remedy. His reply was that he knew nothing whatever of the composition of that remedy. He was then asked if he would verify the statements of a number of his constituents who had supplied testimonials, and he declined to do so. A couple of days later he was once more waited upon by the canvasser, who showed him the testimonials in question, and requested him to verify them, offering him, as an inducement to do so, the sum of two guineas. When the honorable member requested the canvasser to leave, the latter, who possessed a distinctly American accent, said, as he made for the door, "If you will supply your photo as well, I will give you three guineas." That individual was shown off the premises at once; but, in my opinion, he should have been lodged in gaol. The incident which I have related actually occurred within the precincts of Parliament itself, and it merely goes to show how these testimonials, which are disseminated broadcast, are obtained. It is well known that any struggling country newspaper reporter who wishes to make a guinea or two has merely to visit some

out-of-the-way place and induce one of its residents to declare that he has tried a certain remedy with most marvellous results. He very frequently gains his object. Having interviewed the alleged patient, he is required to write a glowing account of the latter's personal appearance, and of his residence—indicating, possibly, the colour in which his front garden gate is painted—and his restoration to health through the patent nostrum—and for this service he receives a couple of guineas. That is the amount which is regularly paid to reporters who procure such testimonials. Such a practice should not be tolerated. Unfortunately, under the law as it stands, we cannot deal with these cases; but I hope that the time is coming when the health and well-being of the community will be our first care, and we shall place upon the statute-book a law providing that such things shall not be permitted. We have no higher duty to perform. I trust that the outcome of this motion—which, I am sure, will be carried unanimously—will be that we shall enter upon a new era, so far as this system is concerned, and that our people will be protected in a very different way from that which has hitherto prevailed.

Mr. FISHER (Wide Bay) [4.3].—This debate has opened most auspiciously.

Mr. REID.—What is the honorable member's experience of patent medicines?

Mr. FISHER.—It is that they are what some colonials would describe, with many adjectives, as "frauds." I am afraid, however, that if we proceed on the lines that have been suggested this afternoon, we shall be seriously interfering with the rights of private enterprise.

Mr. DUGALD THOMSON.—The law against murder interferes with private enterprise.

Mr. FISHER.—It certainly limits the opportunity of the offender to repeat the offence. I thank the honorable member for his interjection, since it reminds me that the man who commits murder generally does so in such a way as to lead to his detection, whereas the pious frauds, who, in some cases, spend thousands in advertising their nostrums, and so delude unfortunate invalids, manage to escape.

Mr. HUTCHISON.—Some of them recover in spite of the medicines, which, as the result of such advertisements, they are induced to take.

Mr. FISHER.—If the advertisements were confined to facts no objection could be

taken to them. That, indeed, is all that we ask. We say that these articles should bear labels showing exactly what are their ingredients. It is well to know from the speech of the honorable member for Laanecoorie, and also from interjections that have been made, that the medical men in this House are unanimous in regard to this question.

Mr. DUGALD THOMSON.—I do not think that there has ever been a difference of opinion in regard to it.

Mr. FISHER. — Then we are unanimously of opinion that the evil is a great one. That being so, why should we permit it to continue?

Mr. JOSEPH COOK.—There is no opposition to this motion, and I do not know why the honorable member should delay its passing. He is obstructing the proposal of one of his own party.

Mr. FISHER.—I took occasion recently to speak very strongly on this question in the State of which the honorable member for Parramatta is a representative, and I am prepared to back up the statements I made. We have no power to interfere with the administration of the health laws of the States; the Minister knows that, unfortunately, we have practically no power to deal with this matter within any one State—that our action must be confined to importations.

Mr. DUGALD THOMSON.—And to transfer from State to State.

Mr. FISHER.—That is one reason why this question should be discussed. I am pleased to say that Queensland has done good work in preventing the sale of adulterated foods and of patent medicines which are worse than useless. I hope that all the States will take similar action. The people themselves desire that this step shall be taken, and it is difficult to understand why these evils should be allowed to continue year after year. The Minister says that he has ample powers to deal with these articles. I believe that his powers are certainly greater than they were prior to the passing of the Commerce Act, but at the same time I would point out that it is not sufficient for him to say that we have the right to stop importations. By the exercise of that power, he will, in my opinion, do only half the work that is before us. It is necessary that almost every doubtful article shall be examined. Although we indirectly employ a State

analyst, we have no Government analyst for the Commonwealth. We require a much larger staff to attend to these matters, and such an expenditure would be fully justified.

Sir WILLIAM LYNE.—We employ an analyst in each State in connexion with the Customs Department.

Mr. FISHER.—We have no Commonwealth Government analytical laboratory in which this work could be carried out, although it is true that we have analysts—and very capable men they are—in each of the States, who could make the necessary analyses. The Minister will agree with me that so far there has been no systematic attempt to analyze these patent medicines and foods. It is true that when special attention has been directed to a particular article action has been taken, and a great work has been done in this regard by Victoria. The Government of this State, as well as their analysts and other public officers, deserve the greatest credit for what they have done to preserve the health of the people, and under the Pure Foods Act, recently passed by the State Parliament, they will be able to do still better work. It becomes us as the Parliament having control of the Federal side of this question to see that we do not lag behind any of the States Legislatures in embodying in our laws the public sentiment in regard to it.

Mr. CULPIN (Brisbane) [4.10].—I wish to address myself briefly to this question. The Minister of Trade and Customs has told us that he has ample power to regulate the importation of patent medicines, and he referred to section 2, sub-section *b* of the Commerce Act regulations, under which it can be made imperative for the ingredients to be stated on each package, but it seems to me that we need to do something more than require that such preparations shall bear labels showing the drugs used in their composition. The labels should indicate their pharmaceutical composition. If a provision to that effect were passed, and occasional analyses were made, the health of the people would be fairly protected, so far as the use of these articles is concerned. I think that it would be well to omit from the motion paragraphs *b*, *c*, and *d*. Doctors differ, and if we made an inquiry as to the value of any of these articles as remedial agents, we might have one medical man expressing one view as to their curative properties,

and another giving an entirely different opinion. What we need to provide is that the people shall have a knowledge of what they are using when they take these patent medicines and foods. If we prescribe that the packages and labels shall bear a statement as to their pharmaceutical composition, I think that the system will be found to work satisfactorily.

Mr. HUGHES (West Sydney) [4.12].—I desire to support the suggestion of the honorable member for Brisbane. It is very desirable that the people should be allowed an opportunity to ascertain what these patent medicines contain, but I do not think that their judgment should be in any way fettered. It is rather a curious commentary on the profession to which my honorable friend belongs that after three or four thousands years of continuous experimenting upon their unfortunate fellow citizens, they have to admit that some medical men believe in one thing and some in another. Unhappily, that admission does not rest upon the honorable member's bare statement. It is a fact that all those who do not belong to the medical profession have learned to their cost. I am very sorry that the Minister has not power to insist upon another very necessary reform—and that is that all prescriptions shall be so written that an ordinary human being may know what they are. At the present time the quantity of *aqua pura*—

Mr. LIDDELL.—I should like to know, Mr. Speaker, if the writing of a doctor's prescriptions has anything to do with the question before the Chair?

Mr. SPEAKER.—I do not think that the honorable member has departed from legitimate argument.

Mr. HUGHES.—I am very pleased that my remarks are so *apropos* as to cause the honorable member to rise to a point of order. I regret that the Minister has not power to insist that all prescriptions shall be written in English so that we may know what they are. I speak with some degree of feeling, since I had occasion to notice how prescriptions written for my family varied from day to day. One thing alone was constant, and that was the price. The effect owing to my foresight was happily not quite what the medical attendants expected, because I placed the medicines dispensed according to these prescriptions where they were likely to do the most good—on my lawn—with the result that they

apparently withered the rising grass to an extent that to a man with an artistic eye was absolutely appalling. What we need to provide is that the people shall know what these preparations contain. It is not for us to consider what they do with them. If a person who has reached adult years chooses to think that the taking of a certain quantity of chloroform or of podophyllin will do him good, let him do so. If he passes away, as the result of using these things, that will be an excellent reason why his wife and family should not kill themselves from the same cause. And so such a man will, in his own little way, raise one of these monuments which do some service to mankind. As to the desirability of passing this motion, one only needs to go into a drug store to see the enormous quantity of drugs of various kinds that are taken—and taken, so far as I can see, with absolutely no beneficial result. But I am not going to condemn all patent medicines. I understand that the Minister pins his faith to one particular brand to which he flies upon occasions, with the most gratifying results. I do not know whether he is inclined to make known the brand, but if he is, now is the time for him to do so. I notice that the honorable member for Kooyong is looking with a certain degree of anxiety and hope towards the honorable gentleman, but, although I have endeavoured to induce the Minister to divulge the brand, he has hitherto refused to do so. There are, happily, patent medicines which do a great deal of good. In spite of what the honorable member for Laanecoorie has said about patent medicines and quack practitioners, I venture to assert that on the whole the medicines that are dispensed by regular practitioners will bear as little examination as will those handed out by quacks. I am inclined to think, however, that the practitioner relies more upon water and on the beneficent interference of the Deity than he does upon drugs. That is a comparatively recent innovation. Formerly, it was the custom of medical practitioners to barbarously mutilate a man by bleeding him. That was considered to be the only method by which one could achieve anything like a reasonable degree of health and strength. Nowadays, if a medical man suggested such treatment, he would be regarded as a barbarian. No doubt the day will come when

the present generation of doctors will be considered to have been little further skilled in the science of medicine than were the medicine-men of the Red Indians. While surgery has made startling strides, medicine is in its swaddling clothes, and is kept there by such silly practices as the illegible writing of prescriptions in words, supposed to be Latin, which no Latinist could decipher or understand. Three words alone stand out plainly in the ordinary prescription—the word *recipe*—and, if the patient is foolish enough, he follows the advice, and takes the medicine—and the words *aqua pura*, that element always being present in liberal quantities. I know that the Minister holds the views which I am now uttering, and has that contempt for the medical profession—of course, not for the individual doctors who compose it—which it deserves. No doubt, the profession is a beneficent one. It has done a great deal of good. Our cemeteries are proof of that. But it is obvious that its members have yet a great deal to learn. That is shown by the statement of the honorable member for Brisbane, who, after a lifetime of experiment, tells us that if a patent medicine contains aloes, or calomel, or soap—which I believe to be the foundation of certain pills—there is room for difference of opinion as to its probable action. I should have thought that there could be no difference of opinion on that subject, but, after his pronouncement, shall not venture to express my views on the point. I hope that the honorable member for Barrier will accept the emendation suggested by this eminent authority, so that we may do what will be at once desirable and sensible.

Mr. SPENCE (Darling) [4.20].—I can hardly conceive that there should be any difference of opinion as to the need for action such as is contemplated by the motion; but, although the subject has been discussed rather fully, I wish to direct attention to a particular phase of it, in the hope that the Legislatures of the States will profit by our example, as they did in connexion with the Commerce Act, and do their part towards the removal of a great evil. There are patent medicines made up on very effective formulæ, and I know that the chemists who had to make up the prescriptions of a leading medical man connected with certain friendly societies charged more for doing so than they charged for making up other prescriptions, because he was in the habit of prescribing proportions of patent medicines, holding

them to be compounds of value. Such patent medicines, however, are very few. I believe, too, that the patent medicines which are harmful in themselves are also few. But the advertisements by which patent medicines are recommended tend to mislead the public, and there is associated with them an element of fraud. Mention has not been made during the discussion of the systematic manner in which the Australian people are raised by American patent medicine firms. These firms often carry on business under the name of some doctor, whose prescriptions they profess to sell. These doctors may or may not have an existence; it is not worth any one's while to go to America to investigate the matter. The companies send out circulars, offering to those who receive them certain inducements to send back the addresses of friends or neighbours who may be suffering from any ailment given in an accompanying list. These lists are so comprehensive that scarcely any of the ills to which flesh is heir are omitted from them. When addresses have been secured in this way, cleverly-worded letters are sent out, for the writing of which special staffs are engaged. These letters are calculated to appeal strongly to sensitive persons, and to excite their imagination in respect to their physical condition. By these means, a large sum of money is annually extracted from our people for the purchase of drugs and compounds, which are probably useless, and in many cases exceedingly harmful. No doubt, many of the compounds sold for internal as well as for external application contain large quantities of alcohol. The costly advertisements which appear in our newspapers, the pamphlets with which the country is flooded, and the scale on which the business of the patent medicine companies is conducted, are indications of the immense profits which must be made in the business, and, no doubt, a great deal of misery is caused to sensitive persons by descriptions of symptoms which make them think that they are suffering from diseases. The health of thousands is ruined, and their pockets emptied, by those who sell these much-vaunted cures. The practices of these firms are virtually fraudulent, and as such should be put down by law. What the honorable member for Barrier wishes to do is to enlighten the public. I hope that the Legislatures of the States will make it a misdemeanour to deceive the public in regard to statements the truth

of which the average man cannot determine for himself. Very few persons are capable of analyzing a patent medicine, and the average man cannot pay to have an analysis made for him. No doubt, the Australian public needs educating on the subject of drugs. There seems to be a wrong impression as to their value in securing health. I had some years of experience in hospital management, and am satisfied that many of the outdoor patients who came to be examined and prescribed for had practically nothing the matter with them. In some cases their discomfort may have arisen from having eaten too large a dinner on the previous day. I know that one medical man had the courage to tell many of his would-be patients that this was the case, but, as his outspokenness seemed likely to produce a diminution in the subscriptions, another doctor was procured, who used to prescribe largely what was practically only coloured water. He was able to run the hospital for twelve months at an average cost of 10½d. per patient, indoor and outdoor, and, of course, the indoor patients were really sick. Those who got the coloured water were perfectly satisfied, and, no doubt, in conversation with their neighbours, enlarged upon the beneficial effects of the medicine given to them. I remember a case in which for years a lady received a bottle of medicine from the chemist every week, paying him 2s. 6d. for it. One day she called at the shop for it, and, as the chemist himself was out, the assistant made it up for her from the original prescription; but, on taking it, she became quite angry, and said that she had been given the wrong medicine. What she had really been having was something quite harmless. No doubt, many druggists' shops are licensed poison shops. Leading medical men admit that they do not believe much in drugs. They consider their use beneficial upon occasion, but condemn the practice of taking them generally. No doubt, if the public knew the ingredients of patent medicines, they would often refuse to buy them, because they would say, "We will not pay 2s. 6d. for what does not cost twopence to make." The results of investigations in the United States of America have proved that, in many instances, prescriptions are not properly made up by the chemists. Although the medical men who prescribe have ordered the use of certain drugs, these drugs are often not used, sometimes to the serious

injury of the patient. However, as it is desired to take a vote on the question before the notices of motion are called on, I shall not prolong my remarks, although I should like to say a good deal more on the subject.

Question resolved in the affirmative.

INDUSTRIAL LEGISLATION: AMENDMENT OF THE CONSTITUTION.

Mr. MAUGER (Melbourne Ports) [4.30].

I move—

That, in the opinion of this House, all necessary steps should be taken, before any general election, to pass a Bill for the alteration of the Constitution, to enable the Commonwealth Parliament to enact uniform industrial laws, so that at the time of the election the Bill may be inexpensively submitted to the electors, as provided in section 128 of the Constitution.

I brought forward a similar motion last session, when I directed the attention of honorable members to the fact that opinion had undergone a considerable change since the holding of the Federal Convention, at which it was decided not to bring industrial legislation under the control of the Commonwealth. Sir William McMillan, when he occupied the position of leader of the Opposition, acknowledged that he had very considerably changed his views, and expressed himself in these words:—

I hold generally that everything that affects the rights and liberties—especially the industrial rights and liberties—of the community ought to be in the hands of the National Parliament.

At another stage of the same speech he said—

I do not think these great subjects should be settled, except by the National Parliament.

I contend that the same Legislature that has the power to protect the manufacturer by imposing effective Customs duties, should also be in a position to protect the employes by enacting industrial legislation. In other words, protection is only half effective if it secures the home markets to the manufacturer, without providing for adequate wages, fair conditions, and clean environment for the whole of the employes. This is being recognised to a fuller extent every year. It is quite true that in Victoria industrial legislation has been fairly effective, but even in that State it has many limitations. I find that in forty trades employing 44,000 operatives Wages Boards have been appointed; but there are still 19,000 factory operatives to whom no protection has been afforded by means of industrial legislation. The latter employes

are, for the most part, engaged in industries that are protected, and are carried on mainly in shires and boroughs where the Factories and Shops Act cannot reach them. Others are employed in trades in respect to which no application has been made for the appointment of Wages Boards. The application of industrial legislation in Victoria has been considerably hampered during the last two years by the very far reaching amendment recently adopted by the State Legislature. When the honorable member for Gippsland was at the head of the State Government, a resolution of the Assembly was sufficient to insure the appointment of a Wages Board, but now, it is necessary for both branches of the Legislature to approve of an application. The result is that since the amended Act was passed not a single new board has been brought into operation.

Mr. BROWN.—Why?

Mr. MAUGER.—Because of the difficulty of obtaining the approval of the Legislative Council. I believe that, from the time the Act was brought into operation, less than half-a-dozen applications for the appointment of Wages Boards have been approved by the Legislative Council. The late Sir Frederick Sargood was instrumental in inducing the Council to agree to the appointment of a few boards at the outset; but the greater number were appointed during the time that a resolution of the Assembly alone was required. At present the operatives engaged in some thirteen trades desire to be brought under the operation of the Act, but the Victorian Government do not seem inclined to take the steps necessary to secure compliance with their wish.

Mr. McWILLIAMS.—Have the Legislative Council rejected any applications?

Mr. MAUGER.—No proposals have been made recently on account of the difficulty of securing the approval of both Houses. Another great drawback is that the Wages Boards are under legislative instruction to be guided by the average wage paid in the industry, and upon that basis to fix the minimum wage. Honorable members will understand how objectionable, and even unworkable, this provision becomes in a case such as that of the tobacco industry. The honorable and learned member for Wannon stated some little time ago that the operatives in the tobacco factories had refused to agree to the appointment of a Wages Board. As

a matter of fact, however, they have not done anything of the kind, but have reported that in the present condition of affairs a Wages Board would be absolutely useless. A large combine has a practical monopoly of the whole trade, and there is no employer outside of the combine whose operations are sufficiently large to justify a Wages Board in adopting the remuneration paid to his workers as a basis upon which to fix a fair or minimum wage. If the Board were required to take the average wage ruling in the trade at present they would very closely approach sweating conditions. I have here a list supplied to the operatives by the officials of the tobacco combine, from which I learn that men of 23, 38, 32, 26, and 44 years of age, are receiving an average wage as low as £1 16s. per week. I call that a very unfair wage, especially in view of the fact that the tobacco combine is making enormous profits.

Mr. McWILLIAMS.—Do the operatives work full time for the wages indicated?

Mr. MAUGER.—Yes. The list to which I refer is most interesting and instructive, and I should like honorable members to examine it. The tobacco operatives have been trying for a long time to secure something like reasonable wages, and honorable members will see by reference to the list that there is no ground for the statement of the honorable and learned member for Wannon that they are being fairly paid. There are about half-a-dozen men who receive from £2 2s. to £2 10s. per week, but the average wage is under £2 per week.

Mr. FRAZER.—In 1904, only one operative earned sufficient to render it necessary for him to pay income tax. At that time the amount exempted was £125.

Mr. MAUGER.—Whilst much good has been accomplished by the Wages Boards, and whilst the very persons who at first opposed them now strongly support them, the present machinery is not sufficient to insure full protection to the workers. Therefore, even in Victoria, which is in the very van of progress, there is reason for transferring the duty of enacting industrial legislation from the State to the Commonwealth Parliament. If protection is given to the great tobacco trust, we ought to see that the operatives are paid reasonable wages. No one can say that they are being fairly paid at present. Upon one occasion a mayor of Melbourne urged

that the wages paid to miners in Victoria should be reduced. I suggested that if he put his robes on one side, donned mole-skins, and worked in a mine for a time, he would probably change his opinion. When the honorable and learned member for Wannon speaks of £1 16s. per week as a fair average wage, he cannot appreciate what he is saying.

Mr. FRAZER.—The payment of low wages enables the tobacco combine to make larger donations to the anti-Socialists' fighting fund.

Mr. MAUGER.—Whether they donate or not, they ought to be compelled to pay reasonable wages. In the other States far stronger reasons exist why industrial legislation should be taken in hand by the National Parliament. I have received a communication from the secretary of one of the trade societies in Sydney, who informs me that in the clothing, millinery, and other trades, where there is really no fiscal protection, the condition of affairs is exceedingly bad. He states that sworn testimony shows that in a large clothing factory in Kent-street the employes complain bitterly not only of the insanitary condition of the factory, but of the fact that for months and months they have averaged only 7s. 6d. for forty-eight hours' work. It is also stated that sweating of a pronounced character obtains in factories, warehouses, fashionable millinery and drapery establishments. It is mentioned, moreover, that the Arbitration Act works slowly—so slowly that some workers are tired of waiting for it to become operative so far as they are concerned. Proposals have been made there to adopt a system of Wages Boards, similar to that existing in Victoria.

Mr. McWILLIAMS.—When the Arbitration Act was under discussion, it was stated that the Wages Boards were a failure.

Mr. MAUGER.—There was some diversity of opinion as to which was the better method of settling trade disputes. There is no doubt as to which is the more effective and prompt means of settlement at present. There are dozens of trades in Victoria which are fairly well protected, whereas those engaged in similar callings in New South Wales have little hope of securing redress for their grievances under the slowly operating arbitration legislation in force there. As Mr. Harrison Ord points out, in Victoria, the Wages

Boards do not depend upon trades unions, but in New South Wales, if there are no trades unions, there is no protection to the workmen. In Victoria, there are a number of trades which are fully protected, but in which the employes are not organized into unions. In my opinion, the first essential is strong and effective organization. But the next best thing is reasonable hours and conditions, and fair wages. I do not know that it is wise to make those conditions depend entirely upon the existence of trade unions. At any rate, it is a fact that in New South Wales, the operatives—especially in the clothing trade—are averaging considerably less than are the employes who are engaged in that trade in Victoria. Not only should this Parliament deal with this question in the interests of the employes, but also in the interests of the manufacturers. I contend that the manufacturers all over the Commonwealth should start off from scratch. The manufacturer in New South Wales should not be allowed to pay his employes low wages, and work them long hours under bad conditions, as against his competitor in Victoria. All manufacturers ought to pay the same minimum wage, and work their operatives the same number of hours in those clean surroundings which are necessary to a healthy industrial life. That is not the condition which exists in New South Wales, where the machinery for remedying these evils exists, although, unfortunately, it cannot be applied. But what is the condition in those States which possess no machinery of that sort? It is even worse. In South Australia, I find that since I last addressed the House upon this question, a considerable development has taken place—the employers having expressed their willingness to agree to the establishment of Wages Boards upon Victorian lines. Why have they consented to do this? Because, at the present time, the Wages Boards in Victoria are inoperative. The Factories Act is really a dead letter. To establish Wages Boards under those conditions merely means placing upon the statute-book legislation which will be inoperative. Therefore, the employers of South Australia are really prepared to concede nothing. Only this week representative operatives informed me that in the clothing, boot, and milling trades in South Australia sweating is rampant.

Mr. FRAZER.—That evil is not peculiar to South Australia.

Mr. MAUGER.—It is peculiar to all countries in which there is no industrial protection. I am sorry that it is not confined to South Australia. I mentioned that State because of the very remarkable change which has recently taken place there. Its Chamber of Manufactures has expressed a desire to adopt Victorian legislation upon what it calls "safe lines." I have shown what that expression means. In Queensland, I regret to say, the position is no better. In New South Wales, the Chamber of Manufactures recently directed the attention of its members to the fact that most unfair competition was taking place between Queensland and New South Wales manufacturers, because, whilst many of the latter were working under the awards of the Arbitration Court, in Queensland the manufacturers were free to pay just what wages they chose, and to work their employes very long hours. I am not here to plead the cause of the manufacturers. I am pleading for what is known in Victoria as the "new protection." That is the only protection that any reasonable man can advocate. A system of protection which merely protects the manufacturer is worth nothing either to the country or to the industry in which he is engaged. It is because I want to see this "new protection" applied to Queensland, for example, where sweating is rampant, that I urge this Parliament to take the matter up. In Tasmania, I am sorry to say, there exists no legislation of an industrial character. Quite recently, that was made very evident. A bishop of that State emphasized the fact that in many protected trades a large amount of sweating is carried on, that inordinately low wages are paid, and that the conditions under which the operatives labour are most unfair to Victorian manufacturers.

Mr. McWILLIAMS.—Victoria is dumping goods into Tasmania every week.

Mr. MAUGER.—I am speaking of the industrial life of the operatives in the island State. I have already quoted a striking instance in regard to brush making. In the jam industry in Victoria, employers pay the miserable minimum wage of 30s. per week to adult males.

Mr. McWILLIAMS.—That is much lower than the wage which is paid in Tasmania.

Mr. MAUGER.—The honorable member will find that it is nothing of the kind. If it were he ought to welcome legislation

which would bring the industry in Victoria up to the standard which exists in Tasmania. In this State the wages paid in the jam industry are as follow:—Adult males, 30s. per week; males over eighteen, but not more than twenty-one years of age, 17s.; males over sixteen, but not more than eighteen years, 12s.; lads under sixteen years of age, 9s. Females of eighteen years and upwards receive 14s. per week. These are the wages paid in a protected industry—an industry out of which large fortunes have been made in Victoria.

Mr. FISHER.—The manufacturers enjoy a protection of £14 per ton.

Mr. MAUGER.—Some of the most wealthy men in Melbourne to-day are jam manufacturers, and before this law was enacted they were paying shameful wages.

Mr. BAMFORD.—The present rates are not very liberal.

Mr. MAUGER.—Of course they are not, but they are infinitely better than they were.

Mr. TUDOR.—The reason that the employes in the jam industry receive a low minimum wage is that one of their representatives upon the Board went wrong.

Mr. MAUGER.—The men are not blameless in these matters. I know of operatives at the present time who are contracting themselves out of this very law. I do not for a moment affirm that the employers alone are to blame. If men were alive to their own interests they might do a great deal to assist the administration of the Act. But my point is that there are jam manufacturers in Victoria who are amassing fortunes, and who, nevertheless, pay miserable wages. I am sorry to say that in some instances they give freely to the churches and to charitable institutions money which would be far better employed in the payment of reasonable wages to their operatives. But, although the wages current in the jam industry in Victoria are so low, the position is still worse in Tasmania. The operatives there receive no protection whatever. I wish that the honorable member for Franklin would read the account of the insanitary conditions which are alleged by reputable citizens to exist in the industry in Tasmania.

Mr. STORRER.—Their statements are not correct.

Mr. MAUGER.—If they are not correct the honorable member will not object to the

industry in Victoria being brought up to the level of the industry in his own State.

Mr. McWILLIAMS.—The honorable member is making statements in regard to something of which he knows nothing.

Mr. MAUGER.—I know quite as much as does the honorable member.

Mr. McWILLIAMS.—Here is the evidence bearing upon the matter.

Mr. MAUGER.—Let the honorable member read it. In the office of the Anti-sweating League I have sworn testimony showing that the conditions which I have outlined, actually exist in Tasmania.

Mr. LONSDALE.—From whom was that testimony obtained?

Mr. McWILLIAMS. — From some dismissed employé such as the honorable member usually gets his information from.

Mr. MAUGER.—My honorable friend is wrong. We have positively refused to accept the sworn statement of any person who was not actually engaged in the industry of which he speaks, at the time that his affirmation was made. This particular affirmation was made eighteen months ago.

Mr. McWILLIAMS. — Did the honorable member read the evidence which was tendered to the Tariff Commission in Hobart?

Mr. MAUGER.—The Tariff Commission did not deal with this matter exhaustively.

Mr. STORRER. — Four members of this House went through the Tasmanian jam factories, and they are in a position to speak of their sanitary condition.

Mr. MAUGER.—I am not speaking particularly of their sanitary condition. If the Tasmanian employers are paying fair wages, and if their establishments are sanitary, they have no more reason to fear factory legislation than I have to fear a policeman. To me a policeman means nothing, and to a fair employer industrial laws mean nothing.

Mr. STORRER.—We have only the honorable member's statement as to the position in Tasmania.

Mr. MAUGER.—I have referred to statements that have appeared in the newspapers.

Mr. STORRER.—The honorable member did not say that they had.

Mr. MAUGER.—I did. I said that I was referring to a statement which had been given to me, and to the sworn affirmation of operatives who were employed there. The honorable member for Yarra has pointed out, that when the Factories Com-

mission took evidence in Tasmania, these statements were placed before them, and I have documentary evidence of a confidential character which proves my assertion. If the position is not as I have indicated I am very glad to hear it. I am sure that my honorable friend will support me in urging that the industrial laws that apply, or should apply, in Victoria should also apply to Tasmania and all the other States. I should be sorry if the honorable member for Franklin imagined that I consider Tasmania is, from an industrial point of view, worse than any of the other States which have no industrial legislation. I do not think it is; but many of its industrial features ought to be immediately improved, although we cannot hope for an improvement except through the national Parliament giving the employer protection. The same statement can be made with respect to Western Australia. That is, so to speak, a new country; it is immensely rich, and its gold mines are developing in a way that is little short of marvellous. But there exist there all those conditions which go to make up a bad, sweating, industrial life. What is the reason? It is due to the fact that the laws are inoperative. Why should the national Parliament give an employer an opportunity to command the whole market, and to make a fortune—as it is doing in connexion with the jam trade—without at the same time insisting, by means of industrial legislation, that the worker shall have a fair and reasonable share of the result of that policy? That is all that I ask, and I fail to see why my proposal should be opposed. We fix the duties; why should we not also fix the wages? We deal with the industrial life, so far as the manufacturer is concerned, and we should also be in a position to deal with industrial life in relation to the employé. We have made great progress, but much more remains to be done. Although Victoria is in the very forefront so far as industrial legislation is concerned, a great deal remains to be done here. The policy of protection has reached in Victoria a higher standard of perfection than it has in any of the other States, and yet we find that in some of the best protected industries here men are being paid a miserable wage. For these reasons I urge that the Parliament should have the power to see that fair wages are paid, not only by the tobacco combine, but by every manufacturer. We should be able to see that no

manufacturer is allowed to evade industrial legislation by establishing a factory in a shire or rural district, or removing to an island within our control. Where we afford protection to the manufacturer, we should afford protection to the operative in regard to wages, sanitation, and environment.

Mr. STORRER (Bass) [5.7].—I regret that the honorable member for Melbourne Ports should have cast a reflection upon Tasmanian manufacturers. Before referring to the sanitary conditions of a jam factory in that State—and the question of sanitation has an important bearing on such an industry—the honorable member should have been sure of his facts. When the Shipping Service Commission visited Tasmania recently, several of its members—the honorable member for Darling, the honorable member for Riverina, the honorable member for Barrier, and I—visited Messrs. Jones and Company's jam factory, and although we went there unannounced, I am quite prepared to allow my fellow members of the Commission to decide whether or not we found the establishment in a sanitary condition. It is to be deeply regretted that an honorable member should see fit to reflect upon any industry or business when he is not in possession of the actual facts. The industry in question is not in my constituency, but I am always ready to stand up for that which I believe to be right. I do not think that any manufactory should be injured by unfair criticism. I am opposed to the amendment of the Constitution. We already have many powers, and we should proceed to exercise those powers before we seek to obtain others. If we proposed to secure an amendment of the Constitution in one direction, we should have a demand for many other amendments. I hope, therefore, that the wisdom of the House will cause it to reject the motion. Surely the members of the States Parliaments have sufficient intelligence and ability to enable them to deal with industrial legislation. If the members of any State Parliament refuse to take action, it is for the electors of that State to bring about a change by returning those who will be prepared to support up-to-date legislation. I wish now to deal with the statements that have been made with reference to the wages paid by jam manufacturers at Hobart. When the Tariff Commission was taking evidence there, the following statement was presented to it by a witness, relative to the number of hands employed and

the wages paid by H. Jones and Company Limited:—

Employés only, exclusive of cost of management. Number of hands employed ranges from 150 in midwinter to 700 in midsummer. Hands now employed, 170. Total wages, £214 6s. 6d.; average, £1 5s. Labellers (girls), piece-work, average 20s. to 30s. per week all the year round. (Victorian rate, 14s. per week). Solderers (boys and men), piece-work, 45s. to 50s. all the year round. (Victorian rate, 42s. per week). Case makers, piece-work, 35s. to 50s. a week all the year round. Total wages paid in Hobart by H. Jones and Company, £15,000 to £18,000 per annum. In addition to factory hands, in January of each year it takes some 2,500 pickers all that month to gather raspberries and black currants alone for the use of our factory, at a cost of about £9,000 for labour alone, and exclusive of cartage and steamers or rail freight.

Messrs. Jones and Company did not hide anything. They threw open their books to the Commission and allowed it to inquire into the whole of their business.

Mr. MAUGER.—Is there only one jam factory in Tasmania?

Mr. STORRER.—That conducted by Jones and Company is the largest one in the State.

Mr. MAUGER.—But is there only one such factory? I did not refer to any individual jam factory.

Mr. STORRER.—There are other factories, and they are just as up-to-date as that carried on by Jones and Company. The statement I have read will apply to all the jam factories in that State. It was decided that a witness from the firm of Jones and Company should give evidence before the Commission, as their factory is the largest in Tasmania, and, that being so, I am unable at present to quote other evidence bearing on this question. I certainly am not picking and choosing. It will be seen from the statement I have read that the wages paid in Tasmania are higher than those paid in Victoria, notwithstanding that a Factories Act is in force here. For the reasons given I intend to vote against the motion.

Mr. FISHER (Wide Bay) [5.12].—I hold that the reasons given by the honorable member for Bass in support of his intention to vote against the motion will be found, upon examination, to be insufficient. It is true that the States Legislatures are competent to do all that is necessary from their own point of view, but the honorable member has failed to keep in mind the very important fact that it is this Legislature which determines the degree of protection necessary to enable an industry to prosper.

Thus under the conditions at present prevailing, six separate authorities deal with the question of the wages to be paid in industries which may be brought into existence or wiped out of existence by an Act of this Parliament. One of the States Legislatures might decide to protect employes by fixing rates of pay considerably below the average prevailing in the other five States. The inevitable result of that would be unfair competition of the very worst kind. When an anomaly of that kind can exist, and does exist, it is a matter for serious consideration whether, having the power to impose protective duties, this Parliament is not the very best authority to declare what the industrial conditions shall be, and particularly what shall be the remuneration paid in certain industries. That is a logical position to take up. I am not here to say that the States Parliaments, with their local knowledge, may not be able, by means of Wages Boards, to do better work than the Commonwealth can do by passing certain laws. But the larger issue confronts us, and will continue to confront us as long as we avail ourselves of the power to give facilities for the creation of new industries. I shall support this motion the more cheerfully, because I find that in a speech delivered recently at Adelaide, the Prime Minister declared that the policy of the present Government in the future would be of such a character as would enable fair industrial conditions—and I presume fair wages—to prevail throughout the Commonwealth. I took occasion, in making reference to that speech on the following morning, to say that, while the idea of the Prime Minister was a fair one, in my opinion, this Parliament has not, under the Constitution, the powers necessary to enable it to secure to the workmen in protected industries their fair share of the results of protection. We may increase duties as much as we please, but we have no power to declare that those engaged in protected industries shall be fairly remunerated. That being so, I think that the Government, if they sincerely hold the views enunciated by their leader, must support the motion. In my opinion, it is inevitable that this power will be given to the Commonwealth. In this Parliament there is a fuller and broader representation of the people than there is in the Parliaments of the States, because there is not uniformity of representation throughout Australia, and some of the State Legislatures are, from a

radical point of view, not as truly representative of the popular mind as it is desirable that they should be. Every adult in Australia, however, has a right to cast a vote for candidates to this Parliament, and it is by this body that I hope to see passed the measures necessary to ameliorate the conditions, and to assist the labours, of those whose industry is the back-bone of our national welfare. I do not agree with the honorable member for Bass that we should confine ourselves to the exercise of the powers we possess under the Constitution. It may be a fair argument to say that the time has not yet arrived when we should seek to deal with this question.

Mr. STORRER.—I say that we have not yet dealt with many of the matters with which we have been specially empowered to deal.

Mr. FISHER.—No doubt that is so; but, when we have dealt fully with all the matters referred to us by the Constitution, we shall have largely exhausted our usefulness, and there will not be much left for us to do but to pass Supply; and no doubt the demands upon the Commonwealth exchequer will go on increasing. The fact that we had not exercised many of our powers would not prevent us, if a crisis arose, from asking for power to deal with it. The honorable member for Bass is one of the most sensible men in the House, and, if a crisis arose with which the Parliament had no constitutional power to deal, he would be one of the first to say that we should appeal to the people for the power required for the protection of the public interest.

Mr. STORRER. — Let us deal with the crisis when it comes.

Mr. FISHER.—That is well enough in its way; but it is better to provide machinery which will prevent the happening of crises, to the national injury. It is not proposed that the States shall be asked to hand over their powers to a foreign authority. It is merely suggested that they should transfer them to a Parliament elected on the widest suffrage by the people of the States, so that we may so frame our legislation that the manufacturer in one State may not have an undue advantage over manufacturers in other States. The just, honest, and respectable manufacturer or producer is always anxious for laws which will prevent competitors from unfair dealing, for which opportunity is given by the cutting-down of wages. Right

laws, honestly administered, are for the protection of the upright and the just. It is not wise to leave to six separate authorities the passing of laws relating to wages, when the adjustment of the whole matter can better be transferred to one authority, and that the Commonwealth.

Mr. RONALD (Southern Melbourne) [5.25].—The importance of the motion, as a corollary or concomitant of our protectionist policy, to provide for uniform legislation in connexion with industrial matters, cannot be overrated. The proposal to submit to the people, by means of a referendum, an alteration of the Constitution which would enable the Commonwealth to exercise a real and not an imaginary, jurisdiction over industrial matters, deserves the best consideration of the House. Therefore, I heartily support the motion. If the powers asked for are given, we shall have a double-barrelled piece of democracy, and shall be able to remove the great cause of division now existing between the protectionist pure and simple, and what may be called the labour protectionist, by being able to secure to the workers a fair distribution of the benefits accruing from the adoption of protection. The experience of this country, as of other countries, is that the protection given by the imposition of Customs duties is one-sided, and tends to the accumulation of wealth and privileges in the hands of employers and manufacturers, the employés benefiting very little. If, however, the Commonwealth had power to pass laws which would secure the fair distribution of the benefits of protection among the workers, there would be few, if any, so-called free-trade democrats. The giving of these powers to the Commonwealth is highly important, and, indeed, essential, and I trust that the Government will earnestly consider how best the matter may be submitted to the people. When these powers have been secured, we shall be able to impose a rational fiscal policy, which will commend itself to the common sense of the democracy of Australia. The honorable member for Melbourne Ports is to be congratulated for having brought the matter before us so clearly, and I hope that a vote will be obtained from the people which will enable the Commonwealth to pass uniform industrial legislation. It seems to me that the fairness of the proposal will commend itself to honorable members generally, and secure the support

of those who consider that, not only the manufacturing capitalist, but also the workers, should benefit by protection. If, in addition to the imposition of Customs duties, laws are passed securing to the workers their fair share of the resulting benefits, there should be no difficulty in commending protection to the public in such a way as to obtain for it, hearty, if not unanimous, support. Therefore I shall do all I can to assist in passing the motion, so that the necessary steps may be taken for securing an amendment of the Constitution, and the enactment of industrial legislation which will operate uniformly throughout the States.

Mr. TUDOR (Yarra) [5.31].—During the speech of the honorable member for Melbourne Ports I interjected that the report of the Victorian Factories Commission showed that the conditions existing in Tasmania were worse than those prevailing in Victoria. I was speaking from memory, and I have not yet been able to find any statements in proof of my assertion. Although the Commission went to New Zealand, I am doubtful whether they took evidence in Tasmania. I am confident, however, that evidence was given before the Commission—whether by a Victorian manufacturer I cannot say—as to the serious competition to which Victorian employers were subjected from States in which no effective industrial legislation was in force. Very soon after the first Federal Parliament met, the honorable and learned member for Northern Melbourne brought forward a motion to the effect that we should ask the States Governments to hand over to the Commonwealth Parliament the work of passing industrial legislation. That resolution was agreed to in June, 1901; but the States either ignored our request or declined to accede to it. I think that it is now time that steps were taken to ascertain the feeling of the people of the Commonwealth as to whether this Parliament should deal with legislation of that character. Sir William McMillan, when he was a member of this House, was not noteworthy as an extreme advocate of labour legislation, but, in speaking to the motion to which I have referred, he said—

Since we met in the Federal Convention, which framed this Commonwealth Constitution, there has been a very considerable evolution of thought with regard to certain matters that were then discussed. I confess myself that by reflection, and by listening to arguments, to be more convinced than previously of the necessity of in-

cluding certain powers in the Commonwealth which we decided to leave in the States.

At a later stage of his speech he remarked—

I do not think those great subjects should be settled, except by a national Parliament.

He supported the motion. The honorable member for Melbourne Ports stated that some doubt existed as to whether Wages Boards or the Arbitration Court afforded the best means of settling trade disputes. Personally, I favour the Arbitration Court, although I am prepared to admit that it is slow in its operation. Its great virtue is that it affords protection to every employé. Those who have had experience of Wages Boards know that time after time the workmen who have represented their fellow employés upon the Boards have been dismissed for standing up for their rights. The whole of the workmen who sat upon the first Wages Board in the butchering trade were dismissed, and the same thing took place in the fellmongery business. Some of the employers in that business who are now complaining that their trade has fallen away—and I regret the fact as much as any one—were the very first to close down their works, with a view to defeating the object of the Act. They declined at first to be represented upon the Wages Board of their trade, and when they were compelled to be represented on the Board, and wages and hours were fixed, they shut down their works and locked out their employés, as they desired to work them more than the eight hours per day fixed by the Wages Board, and threw the whole of their business into the hands of foreign buyers. These outsiders have now obtained such a firm hold of the market that the local manufacturers are very sorry that they ever took the unwise step to which I have referred. I consider that this Parliament, which has power to protect the employer, should also be able to take the employé under its sheltering wing. The honorable member for Bass urges that we should first exhaust all the powers we now possess before we seek to obtain others, and he also suggests that if we ask the people to consent to one amendment of the Constitution, others, perhaps less desirable, will be brought about. Personally, I think it would be very difficult to bring about any amendment of the Constitution, because the electors will require a good deal of persuasion before they will vote in favour of any alteration. I shall certainly vote for the motion, because I think that it is in the last degree desirable

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that we should have uniformity in our industrial legislation.

Mr. HUME COOK (Bourke) [5.39].—When the honorable member for Melbourne Ports first brought forward a proposal of this kind, it was my privilege to second it, and I have very much pleasure in supporting him now. But whilst I thoroughly agree with the motion, I am not insensible to some of the difficulties which will have to be overcome before it can be rendered effective. In the first place, we shall have to secure the support of a majority of the electors in a majority of the States before we can exercise the power indicated in the motion. Seeing that this Legislature deals with Customs legislation which has an important bearing upon the industrial life of the country, I am satisfied that the electors will not hesitate to hand over to us the responsibility of dealing with industrial legislation in order that it may be made uniform throughout the Commonwealth. It is true that efforts have already been made by means of an Arbitration Act to assist the workers to obtain fair wages and other conditions; but it is necessary that we should have further powers than those now conferred upon us in order that we may give to the workers complete protection. From the commencement, we should have been in the position to pass all the laws necessary to insure the protection of the employé as well as of the manufacturer, and we should now seek to render our control over the industrial affairs of the Commonwealth as effective as possible. The honorable member for Yarra reminds me that representations were made to the States with a view to securing their consent to the transfer of the control of industrial matters to the Commonwealth. The replies received from them were not, however, of the most satisfactory character. Nevertheless, they were what might have been fairly expected at that early stage of our history as a Federation. Even now, the States authorities are more or less jealous of the power of this Parliament, and it is not unusual to hear State Premiers and other gentlemen complaining bitterly, but without reason, of our actions. In these circumstances, I do not know whether we should, even at this stage, obtain a very much more satisfactory set of replies than were vouchsafed upon the former occasion. The unfavorable attitude of the States should not, however, deter us from doing what we

conceive to be our clear duty, namely, to pass such legislation as is necessary for the welfare of all those who are engaged in industrial pursuits. It may be said, as was stated in pre-Federation days, that if we pass legislation such as that contemplated, all sorts of ruinous results will be brought about. I have heard statements of that kind so frequently that I no longer attach any credence to them. Honorable members opposite have said with regard to almost every measure submitted to the House, that it would bring about disaster and ruin. If we had believed them, we should never have enacted any legislation of a progressive character. But we did pass the measures, and the result is that we have become more prosperous than ever. In the Victorian Legislature, in the old days, it was stated by many honorable members that Wages Boards and factory laws would result in undue interference with industrial concerns, and bring ruin in their train. It was represented that money would leave the State, that the workers would be thrown out of employment, and that the most awful cataclysm would ensue. But none of these things happened. On the contrary, from the very inception of these laws, a steady improvement took place, both in respect of the condition of the employes themselves, and that of the employers. Not one of the evil prophecies was fulfilled, but everybody was benefited. In Victoria the effect of such legislation was very good indeed, and from that fact, I am bound to argue that the result would be equally beneficial in the case of the Commonwealth. The competition which can at present ensue between State and State on account of a lack of uniform industrial laws is bound, sooner or later, to bring a certain amount of inconvenience, if not of suffering, in its train. Let me give a simple illustration: Prior to Federation, Victoria had established a considerable trade in boots and shoes, and she still does the bulk of that trade. The industry was built up by reason of the protection which the Victorian Parliament had given it.

Mr. REID.—New South Wales built up a considerable trade in boots without the aid of a protective Tariff.

Mr. HUME COOK.—But her trade was not nearly so large as was that of Victoria. To-day, however, the condition of things is changing. As we all know, Queensland is a State which deals largely in cattle.

Every year she exports an enormous quantity of tinned meat. All the hides which come from beasts slaughtered for that purpose, could be converted into leather, and when the Queenslanders realize that, they will turn them into leather, and will convert the leather into boots and shoes. When that time comes—if the Queensland manufacturers are not placed under the same or similar industrial conditions to those existing in Victoria, more particularly with regard to Wages Boards—they will easily be able to command the market of the Commonwealth. If, for argument's sake, they are in a position to employ operatives in the boot trade at £2 per week, whilst the average rate in the other States is £3 per week, they will enjoy a most decided advantage. What is true of that particular trade is equally true of other industries which might be named. Consequently, the necessity exists for making our industrial laws uniform throughout the States. But when I speak of uniform laws, I do not say that they necessarily involve the payment of uniform rates of wages. It is quite possible to have uniform laws in respect of industrial pursuits without having uniform rates of wages. There are quite a number of things which will require to be taken into account in determining the rates of wages. For instance, there are climatic conditions, the differences which exist between the rates of interest payable upon capital borrowed, and the price of living in the various States. Everybody is aware that in Western Australia, money is dearer than it is in New South Wales and Victoria; that rent is higher, and that living costs more. Consequently, it is absolutely necessary, if we are to preserve an equilibrium—that the rate of wages paid in that State should be higher than it is in Victoria or New South Wales. These matters will need to be taken into account when we come to consider the question of uniform industrial laws for the Commonwealth. I do not shut my eyes to the difficulties which surround that proposition, or to the dangers which will arise from any attempt to institute uniform laws for the Commonwealth.

Mr. JOSEPH COOK.—Is the honorable member attempting to block the temperance motion of the honorable member for Cowper?

Mr. KELLY.—Obviously. It is a great pity. I am surprised at the honorable member.

Mr. HUME COOK.—I am surprised at the zeal which some honorable members display in advocating the cause of the honorable member for Cowper in his absence.

Mr. KELLY. — There is an honorable member present who has received instructions from the honorable member for Cowper.

Mr. HUME COOK.—No doubt. In the meantime I have a right which I propose to exercise on behalf of my constituents, and I am not to be drawn off the thread of my argument by the rude interruptions of the honorable member for Wentworth. It is more than probable that when we come to enact uniform industrial laws for the Commonwealth, the Wages Board system will have to give way to the Arbitration Court. If that be so, we shall require to be very careful that the great advantages which have been won for the workers of Victoria are not wrested from them, and that the benefits which they enjoy are extended to the whole of Australia. Of course, I am aware that there are other methods of settling this difficulty besides those provided by awards of the Arbitration Court or of Wages Boards. Upon a memorable occasion, the right honorable member for East Sydney told us how he would settle all the industrial differences of the Commonwealth. His statement was that, "in the plenitude of time, when our millions of population have become tens of millions, we shall have a crop of misery which will solve the difficulty in regard to cheap manufactures." That is not the way in which we propose to settle the difficulty.

Mr. JOSEPH COOK.—Does the honorable member call that a fair quotation?

Mr. HUME COOK. — It is an absolutely true one.

Mr. JOSEPH COOK.—In the way in which the honorable member puts it, it is absolutely untrue.

Mr. HUME COOK.—I call your attention, sir, to the fact that the honorable member has declared that my statement is untrue.

Mr. SPEAKER. — If the honorable member for Bourke regards the remark as offensive, I am sure that the honorable member for Parramatta will withdraw it.

Mr. JOSEPH COOK.—I withdraw it.

Mr. HUME COOK.—I made a quotation from the records of Parliament — a quotation which can be verified—and if the honorable member for Parramatta says that

it is untrue he places me in a very awkward position.

Mr. JOSEPH COOK.—The way in which the honorable member put it amounts to an absolute misrepresentation.

Mr. HUME COOK. — The honorable member did not say that at first. If it is a misrepresentation, he will have an opportunity of putting the matter right when I resume my seat. The method proposed by the right honorable member for East Sydney to effect an improvement in the conditions of Australia is not our method.

Mr. JOSEPH COOK.—Neither did he say that it was his.

Mr. HUME COOK.—He proposes no other method, and the consequence is that until we enact uniform industrial laws throughout the Commonwealth, fiscal legislation will not confer very much benefit upon the workers generally. It would be all very well if the employers who benefit by the protection extended to them would grant a corresponding measure of advantage to their employes. But, unfortunately, we know from experience that many employers are too prone to take advantage of their workmen. For years I have been connected with the Anti-Sweating League of Victoria, and I have known many instances in which employers have not scrupled to take advantage of their employes.

Mr. JOSEPH COOK.—Will the honorable member let me have the quotation which he made from the speech of the right honorable member for East Sydney?

Mr. HUME COOK.—Certainly. I desire to build up in Australia a sturdy set of people whose prospects will be even better and brighter than those which are now enjoyed. That end can in part be accomplished by the enactment of uniform industrial laws, and, although I recognise the many difficulties which lie in the way of securing an amendment of the Constitution, I am not to be deterred from performing my duty in making an honest effort to improve the conditions of those persons throughout the Commonwealth who live by their labour.

Mr. DEAKIN (Ballarat — Minister of External Affairs) [5.55].—This is not a question upon which I have consulted my colleagues, and, consequently, address myself to it from my own individual stand-point. The proposal is not simply that uniform industrial laws should be adopted as to which we should probably all agree, but

further, that all necessary steps should be taken before the next general election to pass a Bill to secure an alteration of the Constitution. I am not blind to the fact that in supporting the motion—as I shall certainly do—I am indorsing the first proposition. I do not know whether the honorable member who has submitted it—and who has every right to be heard upon a question of this kind, to which he has devoted many years of patient study and practical work—has any intention of proceeding further in the second direction. He must recognise that at this stage of the session, and under existing circumstances, his opportunities of doing so are likely to be very limited.

Mr. JOSEPH COOK.—Then he should withdraw the motion.

Mr. DEAKIN.—That is a matter for his judgment and not for ours; but, meanwhile, the motion reads—

That, in the opinion of this House, all necessary steps should be taken, before any general election, to pass a Bill, &c.

Speaking for myself, I concur in the rest of the motion, though not binding my colleagues to its exact terms. It appears to me to be one of the inevitable developments of Federation. There are a series of provisions in the Constitution which, taken together, render necessary some such addition as the motion suggests, to give them their full force and effect, and to round off the industrial portion of our powers. For instance, there is that great and almost indefinable area which is covered under the heading of "trade and commerce," the most immediate effect of which has been attained by the passing of Tariff laws. But, in addition to that, which enables us to control the general conditions under which Australian industries are carried on, we find ourselves, in conciliation and arbitration matters, introduced further into the arena. Here we are faced with problems with which it is impossible to cope except by a study of industrial conditions, and by determinations having an industrial effect. The exercise of any power relating to conciliation and arbitration necessarily forces the Commonwealth into the industrial field—and, indeed, has done so already. Then, again, the control that we exercise over all trading or financial corporations, is another point at which we touch—and are likely in future to touch even more closely—many branches of production.

The tendency to transfer great undertakings from the control of individuals to that of limited companies marks a familiar development in industrial affairs. Nor can we exclude from our view the more indirect relation between old-age pensions and the subject under discussion. Altogether, without looking at our remaining powers, such as those relating to taxation, or the granting of bounties for industrial development, and a number of others which more or less impinge upon this question, an examination of the present position of the Commonwealth in relation to industrial affairs will show that it is, as yet, imperfect. It points clearly to a greater, though gradual, assumption of authority, in order that we may give full effect to the powers which the Commonwealth already possesses, and exercise effective control from an Australian point of view. This Parliament has been by no means blind to its obligations in this regard. Quite recently, we passed a measure in which direct reference is made to the industrial conditions obtaining in Australia. Under the heading of "The Commonwealth Trade Mark," we have in the Trade Marks Act, passed last session, recognised the present unsatisfactory want of uniformity in our industrial affairs, requiring us to proceed in a very indirect manner to accomplish a very plain end. Under section 78 the Commonwealth trade mark may be applied to all goods, in respect of which, in the opinion of Parliament—

the conditions as to the remuneration of labour in connexion with their manufacture are fair and reasonable.

Under sub-section 2, it is provided that where the conditions are laid down by the States as to the remuneration of labour—prescribed, required, or provided in relation to the goods, by an industrial award or order, or an industrial agreement under an industrial law the Commonwealth trade mark may also be applied. Where those conditions do not exist that trade mark cannot be applied. This cumbrous form had to be adopted by the Parliament, because of the present limitation of its power. It is, nevertheless, an indication of its intention, as far as its authority permits, to mark its sense of the necessary imposition of certain industrial conditions everywhere which shall be equitable to the labourer as well as to the employer. There is also before another place at the present time a measure which recently left this Chamber, the Australian Industries Preservation Bill. Its keynote

may be said to be the distinguishing between industries in which civilized industrial conditions have been established, and those in which they are not in force. The inadequate remuneration of labour disqualifies appeals to it. It preserves industries which merit preservation because of the conditions under which they are carried on. Its provisions against unfair competition are amongst its most prominent features. Thus in the exercise of our existing powers we have found ourselves from time to time confronted by the necessity of dealing with the different conditions that obtain in the different States. I am far from assuming that an attempt should be made to rigidly apply precisely the same industrial regulations to the whole of Australia. We have to recognise that, in this vast Continent, there are already manifest certain variations of various kinds, which would render different remuneration necessary, in order that there should be an actual, instead of a merely nominal, equality in the wages paid in different parts of the Commonwealth. Other conditions as to hours and times of work might also be varied without any departure from a fair rule. We have to recognise that, even with our present population, the simplicity of municipal control is not possible federally, since our people live under widely different conditions in several parts of Australia. At present, too, we are faced by something beyond these natural contrasts; we are faced by contrasts in policy, and in the manner in which industrial conditions are sought to be regulated, or, in some of the States, by an absence of regulation of any kind. In dealing with industrial measures we have been confronted with the difficulties created by the existence of these marked contrasts in States laws. I have always held that, in the circumstances peculiar to our Constitution as it is—accepting the responsibility which it places upon us—we are and shall be compelled, in discharging our duties to our constituents, to face industrial conditions and circumstances. Evidently it is not possible for us to deal adequately with the problems already presented while we are faced with six different sets of industrial conditions in as many different States. I look forward in the future to the inevitable assumption by the Commonwealth—as an agency for the people of Australia—of a greater control over any industrial conditions at present beyond

its reach. It does not rest with this Parliament to say when it will be conferred, nor the extent to which it will be given. Both these questions require to be decided by the electors at a general election when they have been distinctly appealed to, and when a definite proposition has been submitted to them. I do not know that as yet this question has been discussed outside the Parliament in any systematic or persistent manner. Although in this Chamber it has recurred from time to time, this is the first occasion on which an attempt has been made to push it to a directly practical issue. The honorable member who fathers the motion and has commended it to the House is probably more closely in touch with the industrial conditions of this State than is any one else in or out of it. I do not know, however, whether his knowledge of the industrial conditions in other States, and the sentiments of those affected by them, approaches that which he undoubtedly possesses of those in Victoria. I question whether there has yet been sufficient public elucidation of the necessity for this advance, or a clear delimitation of the change proposed. I do not know whether there has been such an exposition of the case for a change as would entitle us to expect to put this question at the next general election, with that certainty of receiving a favorable answer which the honorable member must desire. I make this statement lest my support to the motion be misunderstood. I am in hearty agreement with its principle, because I regard it as the necessarily logical development of the Constitution. The Constitution is to-day imperfect on its industrial side, and can be completed only by an advance in this direction. I also approve of the principle, because I share the considerations which have affected honorable members who have preceded me, and adopt many of their arguments, which, to save time, I shall not repeat. I agree with them that, having regard to the uniformity of conditions we are establishing as far as possible under the Tariff, the Trade Marks Act, and the Australian Industries Preservation Bill, the people of Australia have a special claim upon this Parliament for uniformity of industrial legislation. These Bills deal, and are bound to deal, from our stand-point, with Australian industry. That term covers the whole of the manufacturers and employers of the Commonwealth. They all

are Australian, and we are able only by the most cumbersome methods to distinguish between the diverse conditions under which they are now working. We can continue to exercise our present powers fruitfully only when dealing with Australian industries established on the same basis, and conducted in the same manner. Until some change is brought about, our industrial efforts may be crippled, and the discharge of the powers we already have, impeded. It therefore appears natural that the electors of Australia, when more fully informed on this subject—and when more united in taking the necessary action towards its achievement—will press upon their representatives, as no doubt some of them have already done, the necessity of bringing about this uniformity without further delay. When that time comes I shall be well content, if it is my fortune to be able to join, in recommending to them an extension of the Commonwealth powers that will permit of our making uniform industrial laws. The movement is at present in the educational stage. The education of the people must continue some time longer before we can hope that an appeal to them will receive the overwhelming support which I think it should get. The honorable member's motive is excellent. My honorable colleagues will exercise their right of private judgment in regard to the motion, though I believe all of them are in accord. Personally, I shall support it as necessary to the completion of the Constitution, and essential to the exercise of the industrial powers which our people wish to be employed on their behalf, and for their benefit.

Mr. REID (East Sydney) [6.15].—Seeing the importance of the motion, I am astonished that during the past two years the honorable member for Melbourne Ports and the Prime Minister have taken so little interest in the matter with which it deals. The honorable member for Melbourne Ports moved a similar motion in the session before last, and brought the matter forward again at the end of last session. Now he asks us, a third time, to deal with it when we are within two months of a dissolution, and the Prime Minister, who says he is in favour of it, admits that it is impossible to give effect to it. If the education of the people is needed, why has the subject not been seriously discussed before this, seeing that the motion has been on the business-paper—and practically buried—for nearly two years?

Mr. MAUGER.—It has been brought forward for discussion at the earliest possible moment; it has not been buried.

Mr. REID.—The attitude of the honorable member and of the Prime Minister in regard to this matter of great national importance is the most extraordinary piece of make-believe that I have ever heard of in connexion with an Australian Parliament. Both honorable gentlemen admit the importance of the question, and yet it has been allowed to slumber for two years, and is now brought forward at a time when the Prime Minister says that it is impossible to give practical effect to it. I am in sympathy with attempts to make the Federation more productive of good than it has been so far. I am not one of those who wish to restrict the powers of the Commonwealth, but, as was hinted by the Prime Minister, this is a most inopportune time to ask the people of Australia to extend our powers. Their disposition at present is—perhaps, unfortunately—unfavorable to any such extension. But, notwithstanding the importance of the subject, and the fact that it has been before Parliament for nearly two years, the Ministry have never considered it, and the Prime Minister has had to declare that he can speak for himself alone, because he does not know what the views of his colleagues are. A proposal for an amendment of the Constitution cannot be entertained until the Ministry have arrived at a decision in regard to it, and are prepared to introduce a Bill to give effect to it; because it is a condition precedent to any such alteration that a Bill proposing it shall be passed through both Houses of Parliament before its submission to the electors. Surely it is the duty of a Government, when a motion of this importance is placed on the notice-paper, to consider what action they shall take in regard to it. The position of the Ministry is—

Mr. LONSDALE.—Go as you please.

Mr. REID.—I do not say that. I do not say that the Government will not ultimately consider this matter. But they have not hitherto paid the honorable member for Melbourne Ports the compliment of considering it, although he believes that it affects the welfare of thousands of our working men. The Government have not given considerate treatment to this vastly important subject. One of the difficulties connected with the proposal is that

it is too vague. It is impossible to say what legislation would not be embraced within the term "industrial laws." Legislation affecting the management of the agricultural industry and the land problems of Australia might be so embraced. The Prime Minister raised one of the greatest difficulties when he suggested that the vastness of Australia makes it almost impossible to apply uniform laws to our industries. That view of the subject must receive consideration. No doubt, uniformity of law is, under ordinary circumstances, extremely desirable.

Mr. MAUGER.—Uniformity of law does not necessarily mean uniformity of conditions.

Mr. REID.—Where conditions are not uniform, I do not see how you can fairly have uniformity of law. If we pay regard to the differences of conditions throughout Australia, we cannot have uniformity of law, because we must distinguish between the conditions of an industry in one part of the Continent and those of an industry in another part. The course proposed by the honorable member would be valueless if the Commonwealth obtained power to make only uniform industrial laws, because it would be impossible for us to pass industrial laws which did not take into account the difference in the conditions prevailing throughout the Commonwealth, and the mandate of the people would have been to pass uniform industrial laws.

Mr. MAUGER.—We might pass a uniform law creating Wages Boards, and those Boards would take into consideration local conditions and circumstances.

Mr. REID.—That is a very fair answer to my objection. The law might be uniform, and yet its application might differ according to conditions. But the difficulties to which the honorable member for Bourke has referred would still remain. He pointed out that in Queensland, where they have marvellous pastoral resources, factories may be established to make hides into boots, and contended that the Commonwealth should pass a law to place the bootmaking industry of Queensland under the same regulations as govern the bootmaking industry of Victoria. That would be the application of a uniform law in a uniform way. The Minister of Trade and Customs has had a good deal to say about dumping; but, when I was in Queensland the other day, I found that, although the honorable gentleman considers that the Commonwealth suffers from the dumping

in Australia of goods produced in distant parts of the world, the people of that State complain that they suffer from the dumping, not of foreign, but of Victorian-made goods. I was told by leading business men there that their factories have suffered, owing to the increased importation of goods manufactured in Melbourne, and possibly in Sydney, too, where, the markets being larger, the manufacturing is on a bigger scale than is possible further north.

Mr. SPEAKER.—I ask the right honorable member not to discuss the subject of dumping.

Mr. REID.—Then I shall postpone my remarks in regard to it until another occasion. I wish to take the opportunity which the honorable member for Bourke has given me to repel one of the meanest and foulest slanders which has ever been uttered against a public man in Australia. My words have been quoted with a view to show that I anticipate with pleasure and desire the time when we shall have pauper labour in Australia. No viler or fouler injustice has ever been done to a public man. The workers of New South Wales have never had that opinion of me, as has been shown by the support which I have received from them. I referred merely to the difficulties of which Australian protectionists are speaking at the present time. Why is protection asked for? Is it not in order to keep out of Australia the goods produced by the cheap labour obtainable in the overcrowded countries of the old world? Is not the barrier of protective duties alleged to be necessary to keep out the cheap labour not only of Belgium and of Germany, but even of England? In dealing with that argument, I have based my free-trade views on the principle that we should avoid competition with the pauper labour employed in the industries of overcrowded countries, by devoting ourselves to the development of the great natural industries which our enormous resources and advantages enable us to carry on so profitably leaving it to time to gradually produce the industries which bring into play the riper forms of human ingenuity. I have pointed out, not as something to look forward to with pleasure, but as an evil attendant upon overcrowding, that as our population increases, and labour becomes superabundant, we shall suffer as other countries have suffered, and our working people will not be able to command the wages which we desire that they shall have.

Consequently poverty, such as we see among the growing millions of the United States to-day, will be created here. In that country labour is already in many places in a degraded state, because of the enormous surplus available. My complaint is that my statement, that the condition of things which I have described is one which we should try to avoid, has been tortured to make it appear that I would greatly rejoice if it should come about, and that I wish to see human suffering.

Mr. HUME COOK.—I shall have to make further quotations from the same speech, in order to prove my case.

Mr. REID. — Surely the honorable member does not think that I have any such desire. Surely he does not carry his political differences so far as that?

Mr. LONSDALE.—They are mean enough for anything on that side.

Mr. REID.—I do not take that view; but my words have been ingeniously twisted in order to make it appear that I am anxious to bring about a condition of suffering for our people, when I have really tried to prevent it by advocating the development of our natural resources, which will give Australian labour the highest rewards.

Mr. DEAKIN.—America, with her eyes open, imported cheap labour.

Mr. REID.—It is a reproach to protectionist America that the manufacturers, and not the workers, have received the benefits of the Tariff.

Mr. DEAKIN.—The importation to which I refer has brought about a great deal of the poverty there.

Mr. REID. — What I complain of is that my expression of regret that poverty will come as our millions increase has been tortured into the expression of a desire to reduce Australian labour to a condition in which none of us would like to see it.

Debate (on motion by Mr. CARPENTER) adjourned.

Sitting suspended from 6.30 to 7.30 p.m.

CUSTOMS AND EXCISE DUTIES.

In Committee of Ways and Means:

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [7.30]. — I move—

That in lieu of the following duties of Customs—

- (a) Spirits and spirituous compounds, n.e.i., when not exceeding the strength of proof, per gallon ... 14s.

(b) Spirits, when exceeding the strength of proof, per proof gallon ... 14s.
imposed by the Customs Tariff, 1902, duties of Customs shall from the second day of August, 1906, at 4.30 p.m., Victorian time, be imposed as follows:—

Dutiable goods.	Duties
SPIRITS—	

- (a) Spirits,* and spirituous compounds, n.e.i., when not exceeding the strength of proof, per gallon 15s.
(b) When exceeding the strength of ceeding four gallons, as four gallons, and so on.

*Case spirits in cases of two gallons, and under to be charged as two gallons; over two gallons, and not exceeding three gallons, as three gallons; over three gallons, and not exceeding four gallons, as four gallons, and so on.

Mr. DUGALD THOMSON (North Sydney) [7.34].—This motion has been sprung upon the Committee.

Mr. DEAKIN.—Such motions always have to be.

Mr. DUGALD THOMSON.—It is not usual to spring business on honorable members in this way. It is usual to give honorable members notice, even when the Tariff is to be dealt with, but, of course, I understand that no revelations can be made beforehand as to the nature of the duties to be imposed. Before the Commonwealth Tariff was introduced an intimation was given as to when it would be dealt with, although nothing was said as to the nature of the duties. So in this case I think that, without making any unnecessary disclosures, the Minister might have given us some intimation as to his intention.

Mr. DEAKIN.—Then we should have had large clearances made in the meantime.

Mr. DUGALD THOMSON.—I do not think so. The Prime Minister has been asked from time to time as to his intentions with regard to the reports of the Tariff Commission. He has never been called upon to give information as to the method in which they were to be dealt with, because it has been recognised that it would be improper for him to comply with any such request.

Mr. DEAKIN.—In this case the public knew exactly what duties were to be dealt with.

Mr. DUGALD THOMSON.—It does not follow that they would know what was intended to be done. They could not know what would be done by Parliament, and they have received no indication as to the intentions of Ministers, who were not bound to adopt the report of the Commission.

Mr. SALMON.—Some members of the Opposition stated that they were willing to adopt any unanimous recommendation of the Commission.

Mr. DUGALD THOMSON.—That had nothing to do with the Ministry, who were not bound in any way.

Sir WILLIAM LYNE.—The proposal I have brought forward differs from the recommendation of the Commission.

Mr. DUGALD THOMSON.—That in itself is an indication that Ministers were not bound by the report. Plenty of publicity has been given to the recommendations of the Tariff Commission, and of the intention of the Government to deal with them at some time or other. If there had been any intention on the part of importers or manufacturers to make clearances out of the ordinary, they would have got to work long before this.

Sir JOHN FORREST.—This action on our part is intended merely to protect the revenue.

Mr. DUGALD THOMSON.—I am quite aware of that; but I think that we should have had some notice of the intention to bring the business forward. I do not know how far the Minister intends to proceed.

Sir WILLIAM LYNE.—I propose merely to submit the motion.

Mr. DUGALD THOMSON.—I hope that the other reports of the Commission will not be sprung upon us as this one has been.

Mr. DEAKIN.—They will be, if they are all like this.

Mr. DUGALD THOMSON.—I still think that we should have had some intimation that it was intended to deal with the matter to-night.

Mr. REID (East Sydney) [7.40].—The Government intend to make certain proposals for the alteration of the duties on spirits, and in order to protect the revenue they have to suddenly come down and submit a proposal which will be their constitutional warrant for collecting the duties to-morrow. Of course, no one can possibly object to that. It is one of the difficulties of our system of Government that if that course be not adopted all sorts of frauds on the revenue may be perpetrated.

Mr. FISHER.—It would not be a fraud.

Mr. REID.—The honorable member is perfectly right in correcting me. I have been on an electioneering tour, and my language is, perhaps, a little too strong for my present environment. It would be a perfectly legitimate operation for

merchants to increase their clearances if they knew what was going to take place. In support of the remarks of the honorable member for North Sydney, I would point out that, whilst for obvious reasons the Government could not allow any one outside the Cabinet to know what their intentions were until the Customs House was closed, I think that it would have been courteous for them to subsequently communicate their intentions to the leader of the Opposition or his representative. No harm could ensue from any such action on their part. It stands fairly to reason, and is in accord with precedent, that when the Government propose to make any alteration in the Tariff they alone have the right to make such a proposal, and that the House must, for the protection of the revenue, allow the resolution to be tabled. I feel sure, however, that my suggestion will be adopted in the future.

Mr. DEAKIN.—Hear, hear!

Mr. REID.—If notice is given, as I suggest, all the requirements of the case will be satisfied. As one of those responsible for the appointment of the Tariff Commission—I see that it has cost a considerable amount of money, which, I think, has not been mis-spent—I desire to say that I am absolutely sure that the Commission will make a number of valuable suggestions which can be accepted by both sides. I feel no sensation of regret at the appointment of the Commission. Honorable members on this side of the chamber have a sincere desire to facilitate the removal of any anomalies that the Commission may bring to light, and so far from the Government encountering any obstruction, I believe that, upon all matters that do not raise serious fiscal controversy, they will find the Opposition prepared to cheerfully assist them in improving the Tariff.

Mr. CARPENTER (Fremantle) [7.43].—I do not intend to say anything in criticism of the action of the Government, but I should like to know whether the Minister of Trade and Customs has had prepared an estimate of the increased or decreased revenue that will result from the proposed new duties?

Sir WILLIAM LYNE.—I have the whole of the particulars ready to my hand, but do not propose to lay them before honorable members until we proceed with the motion.

The CHAIRMAN.—The question is that the motion be agreed to.

Mr. REID (East Sydney) [7.44]. — I cannot allow the motion to be agreed to, because that would close the discussion. It is quite enough for the Government to submit the proposal, because that course, of itself, will give them the necessary authority for the collection of duties.

Motion (by Sir WILLIAM LYNE) proposed—

That in lieu of the duties of Excise imposed by the Excise Tariff 1902, on spirits, duties of Excise shall from the 2nd day of August, 1906, at 4.30 p.m., Victorian time, be imposed upon spirits as follows:—

EXCISE DUTIES.

Dutiable Goods.	Duties.
SPIRITS, viz.—	
1. Brandy distilled wholly from grape wine by a pot still or similar process at a strength not exceeding 35 per cent. overproof matured by storage in wood for a period of not less than two years, and certified by an officer to be pure brandy, per proof gallon ...	11s.
2. Blended brandy distilled partly from grape wine and partly from other materials, containing not less than 25 per cent. of pure grape wine spirit (which has been separately distilled by a pot still or similar process, at a strength not exceeding 35 per cent. overproof), the whole being matured by storage in wood for a period of not less than two years, certified by an officer to be brandy so blended and matured, per proof gallon ...	12s.
3. Whisky, distilled wholly from barley malt by a pot still or similar process at a strength not exceeding 35 per cent. overproof, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure malt whisky, per proof gallon ...	11s.
4. Blended whisky, distilled partly from barley malt and partly from other materials, containing not less than 25 per cent. of pure barley malt spirit (which has been separately distilled by a pot still or similar process at a strength not exceeding 35 per cent. overproof), the whole being matured by storage in wood for a period of not less than two years, and certified by an officer to be so blended and matured, per proof gallon ...	12s.
5. Rum, distilled from molasses by a pot still or similar process, at a strength not exceeding 35 per cent. overproof, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure rum, per proof gallon ...	13s.

Dutiable Goods.	Duties.
6. Gin, distilled from barley malt, grain or grape vine, matured by storage in wood for a period of not less than two years, and certified by an officer to be pure gin, per proof gallon ...	13s.
7. Spirit, n.e.i., matured by storage in wood for a period of not less than two years, per proof gallon...	14s.
8. Spirits for industrial and scientific purposes, subject to regulations, per proof gallon ...	14s.
9. Spirits, n.e.i., per proof gallon ...	40s.
10. Methylated spirits, subject to regulations ...	free
11. Spirit for fortifying Australian wine, to be used subject to regulations ...	free

Mr. REID (East Sydney) [7.47]. — Before the resolutions are put, I should like you, sir, to consider the point that no proposal has been made to defer discussion upon the first resolution. Is it strictly in order to submit separate resolutions?

Mr. DEAKIN. — One proposal relates to Customs duties, and the other to Excise duties.

Mr. REID.—I am quite aware of that. All I desire is that our position shall be made perfectly clear. The ordinary practice is for the Treasurer to deliver his Budget speech, and then to submit a series of resolutions which are practically one resolution.

Sir WILLIAM LYNE.—In this Parliament two resolutions have always been submitted, one relating to Customs and the other to Excise duties.

Mr. REID.—But I doubt whether it is competent for the Minister to move a second resolution, seeing that the first resolution has neither been postponed nor rejected nor adopted. It is merely a question of procedure which I desire to have settled. I hope that there will be no difficulty created, because I do not wish to make any trouble.

The CHAIRMAN.—I think that, so far as the Government are concerned, it is merely a question of taste as to the particular form in which they shall bring down these resolutions. I take it that they are practically one resolution. The practice which has been followed is that which has always been observed in this House, and the proposals of the Government are perfectly in order.

Mr. REID (East Sydney) [7.48]. — Speaking to the resolution, I should like to point out that the Treasurer's Budget was delivered only last week, and it is to be regretted that at that time these pro-

posals were not tabled, so that honorable members might have been informed of their probable effect upon the revenue. If the Government have made any calculations of that character, it would materially assist the Committee in considering the resolutions at a later stage if the Minister at once gave honorable members the benefit of them. I do not ask the Minister to make a long speech; but, as he must know, the public to-morrow will be very anxious to learn the bearing of these resolutions upon the revenue.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [7.49].—The recommendations of the Tariff Commission in respect of spirits would, if adopted in their entirety, have involved the Commonwealth in a loss of revenue ranging from £75,000 to £90,000. One reason why the Government have not adopted those recommendations is that we could not afford to lose that amount of revenue. Accordingly, we have raised the import duty upon spirits from 14s. to 15s. per gallon, and we have increased the Excise duty by 1s. per gallon, so as to preserve a proper proportion between the two imposts.

Mr. REID.—Do I understand that the Government proposals will not involve us in such a large loss as might otherwise arise?

Sir WILLIAM LYNE.—They will not involve the Commonwealth in nearly such a large loss of revenue, if, indeed, they involve it in any loss at all.

Mr. FISHER (Wide Bay) [7.50].—The right honorable member for East Sydney has stated that a great deal of good will result from the recommendations of the Tariff Commission, but it seems to me that the position taken up by that body and the Government in regard to the subject-matters of these recommendations will lead to a great deal of manœuvring. The procedure which has been adopted to protect the revenue will make certain individuals in the community even more prone to indulge in speculation the moment it is known that the Tariff Commission has arrived at a particular conclusion in regard to any other matter. I take it that the Minister of Trade and Customs, during the past day or two, has been feeling the pulse of the commercial community upon the items enumerated in his resolution.

Sir WILLIAM LYNE.—I do not think that there is a single soul who knew anything whatever about the course which the Government intended to take.

Mr. FISHER.—I dare say that the Customs officers felt that there were other people besides themselves who were keeping a sharp eye upon the recommendations of the Tariff Commission, and who, if they were not taking out of bond more goods than they would take under ordinary circumstances—

Sir WILLIAM LYNE.—I do not think that any large quantity of spirits have been withdrawn from bond.

Mr. FISHER.—If that be so, it is very creditable to the Government that they have been able to take action without sustaining a loss of revenue. I venture to say that the commercial community are watching the decisions of the Tariff Commission even more keenly than are honorable members.

Sir WILLIAM LYNE.—They will be a bit surprised to-morrow morning.

Mr. FISHER.—I think that they will be more surprised when we come to deal with other items in the Tariff. If we deal with the Tariff in a piecemeal fashion, I fear that there will be a great deal of speculative action on the part of the commercial classes, despite all that we can do to prevent it. I am glad to hear that, so far, the revenue has not suffered.

Mr. SALMON (Laanecoorie) [7.53].—I heartily agree with the remarks of the honorable member for Wide Bay. It is a disadvantage to deal with the reports of the Tariff Commission in a piecemeal way. But I would point out that the lines with which the Government are now dealing affect our own people more than will any subsequent report of the Commission, because they deal with Excise duties. I quite admit that various importing firms are very carefully watching the progress of the Tariff Commission's labours, and that they are closely noting what is being said from both sides of this Chamber regarding the attitude which will be adopted when the recommendations of that body are brought before the House. I am sorry that such statements have been made, because there is no doubt that they injuriously affect the revenue. I think that the discussion which has taken place in this Chamber furnishes one of the most potent arguments against dealing in a piecemeal manner with such an important matter as the Tariff.

Mr. REID (East Sydney) [7.55].—After all the clamour which we heard in favour of remedying the misfortunes of Australian manufacturers, it really takes my breath away to hear one of the champions of the

distressed Victorian manufacturers deprecating a proposal to provide them with a remedy without delay.

Mr. SALMON.—That is not so. I am prepared to deal with the Tariff to-night.

Mr. REID.—That is a wonderful sort of fiscal valour to exhibit. The honorable member knows perfectly well that it is impossible to proceed with the consideration of the Tariff proposals to-night, because we have not the reports of the Tariff Commission before us.

Mr. SALMON.—I am prepared to deal with them in the absence of those reports. The right honorable member has no right to misrepresent me.

Mr. REID. — I never dreamed in my wildest moments that the honorable member would suggest that the Government should deal with the Tariff without having the recommendations of the Tariff Commission before them. That is an imputation which I would not level against even my bitterest opponent.

Mr. SALMON.—I deprecated a piecemeal treatment of the Tariff.

Mr. REID.—It is very singular that the honorable member does not welcome the efforts of the Government to deal at the earliest possible moment with subjects which can be dealt with. The reports of the Tariff Commission in reference to spirits have been in the hands of the Government for some time, and I think that the latter are acting sensibly in putting all the recommendations to hand in a business form before the Committee.

Mr. SALMON.—The very fact that the adoption of that course suits the right honorable member is the greatest argument against it.

Mr. REID.—That is worthy of the eloquence of the honorable member upon the subject of patent pills. I do not think that that is quite a dignified attitude for him to adopt in reference to my remarks. I should like to add to what the honorable member for Wide Bay has said that there is no doubt a difficulty in the way of the Government—I refer to the danger of speculation in view of possible Tariff proposals. That danger, however, is one which is insuperable in connexion with any alteration of the Tariff.

Mr. FISHER.—I referred to speculation consequent upon decisions of the Tariff Commission.

Mr. REID.—That is one of the special difficulties of the position.

Mr. FISHER.—It is a difficulty which has largely arisen from the declarations which have been made from both sides of the Chamber.

Mr. REID.—But so far, the Minister has assured us that he has seen no movement at the Customs House in the direction indicated.

Sir WILLIAM LYNE.—Besides, the commercial community do not know whether or not the Government intend to accept the recommendations of the Tariff Commission.

Mr. REID.—That is so. Very frequently the Customs Department gets the benefit of these commercial speculations. It secures thousands of pounds that it would not otherwise obtain. If the Government contemplate any changes, and if they note any movement in the Customs in the direction of the withdrawal of goods from bond, I am quite sure that we can look to them to act with great promptitude. They can come down to this House upon any day—with the exception of the period between Friday and Tuesday—with proposals to protect the revenue, and I am quite sure that honorable members will support them in taking any such action. Even if they took action for the purpose indicated, upon any day between Friday and Tuesday, I am satisfied that honorable members would stand by them. We must look to the Government to watch the transactions at the Customs House, and if they detect any evidence of an attempt to forestall them we must rely upon them to put the matter upon a right footing. I am thoroughly convinced that honorable members would support the Government in giving prompt attention to the public interests in such circumstances.

Progress reported.

BOUNTIES BILL.

SECOND READING.

Debate resumed from 31st July (*vide* page 2053), on motion by Sir WILLIAM LYNE—

That the Bill be now read a second time.

Mr. DUGALD THOMSON (North Sydney) [8.2].—In the Bill now before us, we have a proposal to grant bounties for the production of a variety of articles, some of which already receive considerable encouragement under the Tariff. Others receive a smaller measure of encouragement from that source, whilst

others again are on the free-list. I may say at once that I much prefer the granting of bounties to the imposition of protective duties as a means of encouraging production. In the first place, a bounty is not usually as permanent as a duty, nor does it increase the cost of the article to the user, although, in almost every instance, that is the effect of a protective Customs duty. My objection to bounties—and there is an objectionable side to the system—is that they often reach the wrong person, that they do not often effect their purpose, for even the production of articles after the determination to grant a bounty in respect of them is not always the direct result of the assistance so offered. Then, again, there is a danger of a bounty being followed by the imposition of heavy duties, which, when applied to materials entering into other manufactures, may necessitate an increase in the measure of protection granted to those manufactures. Honorable members, whether they favour or oppose the system, or are doubtful as to its efficacy, will have to consider on their merits the proposals of the Minister. They will have to examine this measure to discover whether the products which it is proposed to encourage are such as it is desirable to produce in Australia; whether the production of other articles might not be more worthy of encouragement; whether the proposals will be effective; and finally, whether the encouragement proposed will be as effective as other methods might be. In dealing with this question, I feel that we are indebted to the honorable member for Echuca, who made an admirable, interesting, and instructive speech, on the motion for the second reading of the Bill. His recent visit to the United States of America enabled him to give us first-hand information as to the latest methods adopted for the encouragement of production in that vast territory. The information he gave us as to the success of some of these methods, and the desirableness of introducing them here, should cause us to give very careful consideration to his recommendations. The question of the establishment of a Federal Agricultural Bureau; to which the honorable member referred, was debated at an earlier stage in the history of this Parliament. I quite agree with the honorable member that such a bureau, properly established, would be of great service to the Commonwealth, and would do more to encourage production—and especially the

raising of products yet new to Australia—than would anything else. We should have to act in association with the States; I should not be in favour of a Federal Department of Agriculture which would duplicate the work of the States. The field operations, as well as the work of practical cultivation, subject, of course, to scientific instruction, would have to be left to the experimental stations, under the control of the States. But the results obtained in the United States furnish us with an illustration of what can be accomplished in addition to the practical work by means of a highly scientific central staff dealing with matters that are not purely local. The difficulty with some of the States is that, whilst they have experimental stations and instructors to attend to the practical work of their Departments of Agriculture, some of them are unable to deal with the higher scientific work, which requires the attention of a considerable staff fully versed in the science of agriculture. Some of the States are either unable to add such a branch to their Departments of Agriculture or to employ a sufficiently large staff of high-class officers. Even if they were, the position would be that we should have six separate staffs established at great cost, whereas one central staff could do the work which is not purely local, at much less expense. I think that the Commonwealth should assist the States in searching the world for trees and plants, not now growing in the Commonwealth, which would be likely to increase our productive assets, and largely benefit our producers. That would be a useful work, and the Commonwealth could undertake it. We could introduce such trees and plants, and send them to the experimental stations throughout Australia, where the results secured in different climates and in different soils could be noted. But, whilst the Parliament has indicated fairly strongly its desire that the Ministry should move in this direction, we find that the old method of granting bounties has been brought forward, and is to anticipate, at all events, a movement along the lines I have indicated. I do not think that any honorable member will say that the encouragement of the products mentioned in the Bill is undesirable, but I think there will be a difference of opinion on the question of whether or not their production is more desirable than that of other things, and whether some of really greater

importance have not been neglected. In the report which the Minister has furnished the House, and on which, he has informed us, the Bill was largely framed, there are some remarks about other products, one or two of which are of even greater importance than some of those which are to be the subject of bounties. For instance, we find, in regard to the introduction and planting of foreign timbers, the statement that "This might stand over for the present." There is nothing of more pressing importance to the Commonwealth than the replacing of those assets which we are so extravagantly sacrificing, first of all by the restoration of our Australian timbers, and secondly, by the introduction of foreign timbers which are yielding large revenues to the people of other lands. The fact that nothing has been done in that direction is a reflection on Australia, and if the Commonwealth Parliament can do anything to remove that reflection it should do so in conjunction with the States. It is a reflection on Australia that, in the course of settlement—and I admit that it cannot always be avoided—we destroy large quantities of magnificent and valuable timber, and that whilst we lose that timber and part with our asset in the shape of the land, we do nothing in the direction of replanting with similar timbers other lands of little use, so that our forests may be maintained for the use of future generations. Further than that, I think there is a vast field in Australia for the introduction of trees that have been found very valuable in other countries, and the products of which we are importing to a very large extent.

Mr. EWING.—As for instance?

Mr. DUGALD THOMSON.—As for instance, the corkwood of Spain—a most valuable tree. We have a native cork of a similar species. The Spanish cork tree grows well in gardens and plantations in Australia, and we have, in various parts, a climate and soil similar to those of the districts of Spain in which it flourishes. The tree is one of the most valuable assets which the Kingdom of Spain possesses, and by its introduction here we could, in the course of time, not only supply our own needs, but also export largely to other parts of the world. The demand for cork is growing. The present supply is not more than equal to the demand, and bids fair to be unequal to it in the future. Then we import a

large quantity of soft timbers. Why should we not plant on some of our less valuable land the trees from which these can be cut? By doing so, we should not only gain an advantage in not having to import our supplies of soft timber, but if the trees were grown in the interior, close to towns, should also save the cost of conveying from the sea-board. In this way, we should obtain within twenty-five or thirty years an asset of enormous value. But, instead of building up valuable resources, with a view to meeting our liabilities, we are parting with our assets, and piling up debts.

Mr. EWING.—There is a difficulty in the way of doing what the honorable member proposes; because the Commonwealth does not control the administration of land matters.

Mr. DUGALD THOMSON.—The Government of the States, being the owners of the land of Australia, must, of course, aid in the action necessary to carry out the policy which I suggest. But the Commonwealth, by the establishment of a central agricultural bureau, might give encouragement to the proposal, and assist in carrying it into effect by arranging for the importation of trees, and by providing for experiments in different places. There is no direction in which a central agricultural bureau could more profitably turn its energies than in endeavouring to replace our disappearing forests with useful timber trees. At Ballarat, the water reserve was, years ago, planted with *pinus insignis*, a tree of very little value as timber; but when it was recently thought well to call for tenders for thinning out the forest which had sprung up, and purchasing the surplus timber, a firm of manufacturers in this State, of whom we have heard a great deal lately, gave, I believe, £6,000 for it, and used it to their own profit for the making of packing cases, it being hardly suitable for other use. That is an instance of an advantage gained by making a small plantation of trees possessing little value as timber. If we successfully encourage the planting of really valuable timber trees, we shall do more good for the Commonwealth than can be hoped for from any of the bounty proposals of the Government. An asterisk is placed before some of the articles mentioned in the report, and a note attached to the effect that they are mostly tropical products, the giving of a

bounty for whose production might be better left for consideration until the conditions of the Northern Territory and New Guinea are receiving special attention. That is rather a curious reason for omitting certain products, and giving preference to others which are equally tropical. Some of the products which have been omitted would better have been inserted than some of those which appear. The next question to consider is whether the encouragement offered by the measure will be really effective in establishing industries. I am afraid that in many cases it will not. I do not anticipate much from the giving of small bounties for the production of cocoa, coffee, cotton, canned fish, condensed milk, rubber, and rice. It is proposed to give a bounty of 1d. per lb. for the production of cocoa and coffee, which is small in comparison with the cost, the bounty offered for coffee being only one-third of the present duty. If coffee cannot be grown profitably under the present duty—I do not say that it cannot—I do not think that a bounty of 1d. per lb. will make coffee-growing a profitable industry. A bounty of $\frac{1}{2}$ d. per lb. of seed cotton is offered for the production of cotton; but, if I were favorable to the offering of bounties, I would propose a larger inducement.

Mr. HUGHES.—The proposed bounty is equal to about 10 per cent.

Mr. DUGALD THOMSON.—Yes; but it must be remembered that cotton-growing is a new industry in Australia, and that comparatively low prices rule in other parts of the world. The bounty offered for the production of some of the articles mentioned will be given for only a year or two.

Mr. EWING.—That does not apply to the proposed bounty on coffee.

Mr. DUGALD THOMSON.—The proposed bounty on coffee not yet grown will have effect for about six years, but the proposed bounty on rubber will have effect for only a year or two, and I do not think that it will be a sufficient inducement for the establishment of the industry.

Mr. EWING.—A bounty of 10 per cent. is surely something. I should like to hear the honorable member discuss a proposal to impose a duty of 10 per cent.

Mr. DUGALD THOMSON.—I might approve of 10 per cent. as a rate for a revenue duty, but I might not regard it as a protective duty, and any one who advo-

cated it as a protective duty would have to show that it would be sufficient to bring about the establishment of an industry here.

Mr. HUGHES.—There is no analogy. A bounty is a direct incentive, and is given to the producer, while a duty may not go to the producer.

Mr. DUGALD THOMSON.—Bounties do not always reach those for whom they are intended, and are temporary, whereas, although duties may be temporary, if the policy of a country is protective they are likely to have force so long as that policy remains unchanged. A bounty of $\frac{1}{2}$ d. per lb. is to be given for the production of canned fish. I am acquainted with the circumstances under which the canning of fish was undertaken in New South Wales, and I know that the cost exceeded what could be obtained for the fish by more than $\frac{1}{2}$ d. per lb..

Mr. EWING.—Still, it amounts to 10 per cent.

Mr. DUGALD THOMSON.—Yes; but I fear that the Ministry will find that they have frittered away a great deal of money, and have obtained very little practical result.

Mr. EWING.—The money cannot be spent unless the articles for which the bounty is claimed are produced.

Mr. DUGALD THOMSON.—The production may cease when the bounty ceases, or even before. The proposed bounty on rice is to be £1 a ton. The present duty on undressed rice amounts to about £3 15s. per ton, and, as that duty has not encouraged the production of rice in Australia, I do not think a bounty which amounts to an increase of one-fourth will have the effect of doing so. A considerable quantity of rice was produced in Queensland, but the industry was commenced under a duty of about £9 per ton, or 1d. per lb. Cheap labour was employed, because the work was taken in hand by Chinamen. I believe that the industry is now being gradually abandoned. I am told that in spite of the duty of £3 15s. per ton, the production is decreasing. Therefore, a bounty of £1 per ton is not likely to afford any great encouragement. In respect to some of the items dealt with in the Bill, it seems to me that the bounty is hardly needed. I think that it has already been proved that condensed milk can be produced profitably in Victoria—I understand

that it has also been produced in other States.

Mr. EWING. — The local production is very small. We import £200,000 worth of condensed milk, and produce locally between £20,000 and £30,000 worth.

Mr. DUGALD THOMSON.—I thought that we produced more than that. However, if the production is profitable, and I presume that it is, the difficulty of establishing the industry has apparently been solved, and the work of the original producers only needs to be followed up to result in an extension of trade. Then in regard to New Zealand flax, that commodity is being produced to some extent in Victoria. I believe that about 1,500 acres are under cultivation. It is also produced in New Zealand. It is known that it will grow satisfactorily in Victoria, and the growers are well acquainted with the processes followed in the production in New Zealand. Surely, therefore, a profitable industry can be carried on here as in New Zealand without a bounty. Then I notice that a bounty is proposed to be given for the production of sisal hemp, which is supposed to be a very profitable article. It is now being grown in Queensland. According to the officer who has reported upon the subject, the crop is so profitable in Mexico that the growers there have all become enormously wealthy, many of them being millionaires. He says—

Roughly speaking, what cost \$1 to produce, sells for \$4.

That is the report presented to us by the Minister of Trade and Customs, and it shows that the crop yields a bounteous result. That being so, I cannot see the necessity for any bounty. Certainly in relation to the alleged profits, the proposed bounty is trifling.

Mr. EWING.—That report merely goes to show that sisal hemp is a marketable and valuable commodity in other markets of the world.

Mr. DUGALD THOMSON.—There should be no necessity for the payment of a bonus to encourage farmers to grow such a profitable crop. Olive oil, coffee, and rubber, are in somewhat the same category. Coffee has already been grown here, and olive oil is being produced successfully. I believe the imports of olive oil are decreasing, and as the olive tree grows exceedingly well here, there should be no difficulty in meeting the requirements of our markets by means of local production. The success-

ful production of rubber depends entirely upon the suitability of climate—and there is no doubt that our climate is suitable—the use of proper varieties and the adoption of proper methods of cultivation. Rubber is now being grown in Queensland, and as the price of rubber is high, and likely to increase, there should be no question as to the profit to be derived. Some of the articles in respect to which it is proposed to pay a bounty, will occupy ten years in production. In the case of rubber, fifteen years may elapse before any appreciable amount can be claimed by way of bounty. The Bill is intended to extend over only ten years and, therefore, the rubber industry cannot be benefited to any great extent by this measure. I am glad to see that one item has been eliminated from the measure. The very fact that it was included in the first instance, indicates the carelessness with which some of these measures are drafted. I suppose that the Minister acted upon the reports of his officers, although I see no allusion to chicory in the documents before us. For many years that article has been locally produced to an extent sufficient to meet all our local requirements. Therefore, if a bounty had been offered it would have passed into the pockets of men who have been carrying on the industry profitably for a long time. I believe that chicory was first produced here forty years ago.

Mr. REID.—Is all the chicory we require produced in Australia?

Mr. DUGALD THOMSON. — Very nearly all. A small quantity is imported for use in bond when mixed coffees are prepared for export. If duty is paid on the imported chicory, drawback is allowed upon its exportation. It is astonishing to me that any one should have thought of including chicory within the scope of a measure of this kind, and I am very glad that the Minister has withdrawn the item. Then I notice that the reports are contradictory in many respects. I shall not refer to that matter any further at this stage, but may allude to it in Committee. The last point with which I wish to deal is, whether better results could not be obtained by other means than that of offering bounties. I have no hesitation in saying that, in regard to some articles, and especially those that are difficult of growth and have to be produced in the more tropical parts of Australia, the offer of a bounty does not often result in successful production.

It may have the effect of causing the abandonment of an industry that might otherwise be carried on with profitable results. For instance, men who embark upon enterprises with a view of earning a bounty are not, as a rule, possessed of much capital. Those who acquire money by following agricultural pursuits generally devote their attention to the production of articles with which they are well acquainted, and in the cultivation of which they have made their money. They are very rarely prepared to enter upon experiments, particularly in tropical latitudes, for the purpose of earning a comparatively small bounty. The consequence is that the new growers who are attracted into an industry by the offer of a bounty very often find themselves in difficulties at an early stage. In the first place, they are not acquainted with the methods of production, but have to gain their knowledge from others or from books; and secondly, the methods that are successful in other countries are not always adapted to our conditions. A system of cultivation has to be adopted that is suited to our climatic and labour conditions, and to the differences in soils and seasons.

Mr. WILKINSON. — Sometimes the methods adopted here prove more successful than those followed elsewhere.

Mr. DUGALD THOMSON. — Very likely, but success is often not achieved until after numerous experiments have been made and liability to failure has been overcome. The abandonment of an industry by men not fully equipped very often gives the industry a set-back that it otherwise would not have received. I believe that, in connexion with some of the articles the production of which it is proposed to encourage, we might make use of the experimental stations now carried on by the States Governments with a greater probability of success than would be the case if we offered a comparatively trifling bounty.

Mr. KENNEDY. — Which of the products mentioned have not already been tested?

Mr. DUGALD THOMSON. — I am not aware. If they have all been tested, there should be no necessity for offering a bounty. If, however, they have not been tested, and the bounty is to be offered for the purpose of ascertaining whether they can be grown here, I say that better results might be achieved by arranging with the

States Governments to conduct experiments at their farms.

Mr. HUGHES. — Products are not grown under ordinary conditions at the State experimental farms. The farmers constantly say, "You can grow the products at your farms; but that is nothing. We cannot grow them under ordinary commercial conditions."

Mr. DUGALD THOMSON. — To some extent the honorable and learned member may be right. I think, however, that he will admit that the experiments made at these stations have, in many cases, resulted in the adoption of methods which our farmers are now following with advantage. No doubt, in the first instance, the experiments conducted at the farms were carried out irrespective of the cost of production, but I think that those who are now in charge of the establishments in New South Wales, and, I presume, also in other States, recognise that they must be able not only to produce, but to produce on marketable lines. They must adopt processes which will enable farmers not merely to produce an article, but to produce it profitably. I think that they have assisted—even where farmers had abandoned the idea of cultivating certain commodities—to establish the fact that certain commodities can be profitably grown by the adoption of certain methods.

Mr. HUGHES. — I do not think that there is anything which cannot be produced here.

Mr. DUGALD THOMSON. — I should not like to say that there is anything that we cannot produce in Australia. The question is whether it can be profitably produced.

Mr. HUGHES. — That is a thing which has to be demonstrated by persons who endeavour to produce it upon a commercial basis.

Mr. DUGALD THOMSON. — I think that if tests were made at these experimental stations, a good many persons, after seeing them, and satisfying themselves that an article had been profitably produced, would be led to embark upon the cultivation of some of the commodities enumerated in the Bill. I would rather have seen our first efforts directed to working in association with the experimental stations of the States. I would have preferred to see, say, half the amount which is specified in this Bill devoted to that purpose, and the other half utilized to establish a central

agricultural bureau. This Bill proposes that we shall expend £500,000 in ten years by way of bounties. We know that the Treasurer has told us that we are rapidly absorbing the balance of our one-fourth of the Customs and Excise revenue. Within a very short period we shall expend the whole of that sum. If we are to pay £50,000 annually by way of bounties for ten years, that amount must come out of the proportion of our Customs and Excise revenue which we have a right to retain, but which, at the present time, is being handed back to the States, and the amount required for the establishment of an agricultural bureau will not be available. I am very much afraid that the expenditure of £50,000 per annum by way of bounties will have very little effect indeed. Even if it finds its way into the pockets of those whom it is intended to benefit, it will be distributed over so many items that the result yielded will be very trifling. In other words, I claim that we shall be spending in the aggregate a very large sum without securing any sufficiently favorable result. That is my opinion. I hope that it will not prove to be correct. I should like to see the articles which are enumerated in the Bill successfully produced in Australia, and above all I should like to see them successfully produced under natural conditions. If the payment of these bounties establishes the fact that they can be produced here profitably, and that such of them as are used in our own manufactures can be produced at a cost which will not increase the price of those manufactures, I shall be gratified. However, I fear that the results will not justify the expenditure proposed. I also fear that in incurring that expenditure we may postpone the more effective assistance which would be afforded by the establishment of a central agricultural bureau, and the dissemination of knowledge, advice, and instruction, in association with the States—thus increasing the profitable production of Australia.

Mr. KENNEDY (Moir) [8.52]. — I have listened with very great interest to the remarks of the honorable member for North Sydney, and I must confess that I cannot agree with his conclusions. I incline to the opinion that under a judicious system of bounties it is possible to achieve a great deal. The honorable member appeared to lay great emphasis upon his opinion that much more benefit would be derived from

the establishment of a Federal Bureau of Agriculture than can be achieved under this Bill. I do not for a moment wish to detract from the enormous advantages which would accrue to the Australian producer from a better knowledge of scientific methods of production, but I would remind him of what happened when the present leader of the Opposition met the States Premiers in Conference at Hobart. Upon that occasion, although he had the enthusiastic assistance of the honorable member for Gippsland, he found it impossible for the Commonwealth to get the States into line, so far as the establishment of a Federal Bureau of Agriculture was concerned. In every instance they were opposed to it. When we recollect that the agricultural departments of the various States are spending approximately £250,000 per annum in educational institutions and experimental stations, all that we can reasonably hope to accomplish by putting them under a unified control is to secure the dissemination of the information which they collect throughout the length and breadth of the Commonwealth. Although in Victoria we have some splendid agricultural establishments which are controlled by as good men as can be found in the world, the results of their work are not known to the public. This is not the first occasion upon which I have had to deprecate the methods which are adopted in governing our agricultural institutions in this State. I have not a personal knowledge of the conditions which obtain in the other States, but I do know what is being done here. We have some of the ablest men whose services it is possible to obtain, and yet, strange to say, some of their best work is not known outside the college boundaries. Our Council of Agricultural Education—although they have had about 100,000 acres vested in them by the State—would not publish the results obtained by their own experts.

Mr. DUGALD THOMSON.—Had they no publication?

Mr. KENNEDY.—They had practically no publication until the last few years—until the Agricultural Department took the matter up. Even to-day the harmony which should exist between the Department of Agriculture and the Council of Agricultural Education, does not exist. Although I have lived for many years within an easy afternoon's drive of one of the best agricultural colleges in Australia, if

I wish to ascertain what is being done there I am obliged either to visit the institution or to write for the desired information. Concerning the deductions of the honorable member for North Sydney, I would point out that it is useless to urge that the necessities of the situation would be met by the establishment of a Federal Department of Agriculture. I look for no help in that direction for many years. In the first place, there appears to be a difficulty in getting the State Premiers into line upon a proposal of that sort. They fear an encroachment upon their State functions, and I admit freely that it is the function of the State to do everything that is possible to educate their own people in the agricultural arts and sciences. Every one of the States is doing something in that direction, but each does not know what the other is doing. To my mind, it is possible—without encroaching upon the sphere of the States in the slightest degree, and without creating another Department—for the Federal Government to collate all the available information, and make it available to the public. For instance, if I required to know what is being done in the agricultural colleges of Queensland it would be idle for me to inquire at the Victorian Agricultural Department, and I venture to say that the same conditions would apply in Queensland to any inquirer concerning the methods adopted in Victoria. I hold that those who are prepared to embark in the new industries in connexion with which it is proposed to pay a bounty, will be materially assisted by the aid thus offered. At any rate, I believe that it is well worth our while to incur a little risk in that connexion. I have heard it stated that bounties do not always benefit those whom they are intended to benefit. For instance, that objection has been urged to the butter and the vine bonuses, which were paid in Victoria. That fact, however, is no proof that the bounty system is a bad one. Take the position in regard to the bonus granted for the establishment of the butter industry in Victoria. It has been said that the only persons who received it were the exporters. Those who make that statement forget that the regulations provided that only those who exported butter should receive the bonus. It was given specifically on the export of butter, and varied according to the price realized

for that butter in the markets of the world. The maker of butter so exported could not procure the bonus on a mere certificate to the effect that he had manufactured it. I have proven by personal experience that, generally speaking, those engaged in the production of butter at the time in question received the full benefit of the system. Let me quote a concrete case. I was engaged in producing butter during the currency of the bonus, and sold to a proprietary company. My neighbour, who was producing a larger quantity, and could ship on his own account to Great Britain, adopted that course. I had an opportunity of investigating the sale papers, and found that in every instance where I sold to the proprietary company, I obtained as good a price as did my neighbour who shipped direct to London, and obtained the bonus. That is a proof that the man who produced the butter secured the benefit of the bonus.

Mr. REID.—If the bonus had been paid direct to the producer instead of to the exporter, would not the position have been improved?

Mr. KENNEDY.—No. At the time, Victoria was producing butter in excess of her own requirements, and the surplus was not of a standard that would enable it to hold its own in the markets of the world. Consequently, the bonus was given as an incentive to improve the standard.

Mr. REID.—To improve the quality, not necessarily to improve the quantity.

Mr. KENNEDY.—To do both. On butter sold in the markets of the old world at from 7d. to 9d. a bonus of one penny per lb. was paid; on that sold at from 9d. to 10d. a bonus of 1½d. was paid; on that which realized from 10d. to 1s. a bonus of 2d. per lb. was paid; and on that above 1s., 3d. per lb. That was a direct incentive to the dairymen to improve the quality of their output. Although the regulations did not, and could not, provide that the bonus should be paid directly to the producer, it cannot be gainsaid that in an indirect way it went to him. It has been argued that provision should be made in the Bill for the payment of these bounties to those actually producing from the soil. That contention will not hold good. It is not necessary or essential that there should be inserted in this Bill a provision making it imperative that the bounty shall be paid direct to those who produce from the soil—that the man who produces, say,

a ton of flax shall receive the bounty direct—provided that it is paid on the production of the fibre for manufacturing twine or cordage. Let us turn once more to the experience of Victoria. In 1890, regulations were framed providing for the payment of a bonus at the rate of £2 per acre for the cultivation of vines and fruit trees, and even for the planting of forest trees. I have heard it said that men actually planted vines and fruit trees for the sake of securing the bonus, assuming that there would be a profit on the transaction. That was an absurd view of the position, since the bonus of £2 per acre was only payable in instalments extending over three years. As a matter of fact, many of those who planted orchards and vineyards found that the ordinary rental value of the land when used for grazing purposes was in excess of the bonus. The mistake was in failing to make provision for dealing with the produce of the vines and fruit trees when they came into bearing. In the northern districts, where advantage was taken of this bonus, many men, who had no knowledge of the manufacture of wine, and had to rely solely upon the guidance of the experts of the State Department of Agriculture, brought their vineyards to such a degree of perfection that they secured splendid yields, but had no market for their grapes. The small growers did not think it judicious to incur the expenditure necessary in setting up a wine-making plant.

MR. DEAKIN.—And many had no knowledge of the work.

MR. KENNEDY.—None whatever. The position was the same with regard to the orchardists. They had the fruit, but had no market for it. The small growers had not the knowledge, or the means, to enable them to manufacture wine from the grapes, and what was necessary was the establishment of wineries, where they could sell their crop, and a standard wine could be produced. The orchardists found in many cases that they had a splendid yield of fruit from selected trees, but they were not in a position to pulp or can that fruit, and there were no factories where that work could be carried out. The result was that the money paid in the shape of the bonus was wasted. Some men maintained their plantations for five or six years, and then realized that they could do better by devoting their land once more to grazing purposes. In these circumstances, it must be recognised that it is not essential to pro-

vide that a bounty shall be payable to the man who actually raises any of these products. We should take care to provide, however, that means shall be adopted by which the growers will be able to follow up their products—either by co-operation or otherwise—until they reach a manufactured state. So far, we have not given much attention to the minor products that may be considered to be a source of wealth. We have not far to seek for the reason. In the early days the land was devoted to pastoral purposes, and the man who thought of going on the soil desired to obtain a run. From that we went by easy stages to wheat field areas, and, except in isolated cases, we have not yet got away from the system of having large wheat-fields and dairy herds. As a producing community we give little attention to intense culture. The tendency to-day, however, is to develop cultivation on small holdings, and those who have been looking on recognise that an evolution is taking place. Take, for instance, the cultivation of flax, which is to form the subject of a bounty. In Great Britain and Ireland to-day farmers practically pull the plant by hand. That is an expensive process, and could not be adopted here. After pulling the flax they put it up in sheaves, and, in order that the fibre may be extracted from the woody pulp, they ret, steep, and dry it before it goes to the breakers, and then to the scutchers. We have revolutionized that process in Australia, and have proved that flax can be successfully grown by ordinary farmers. This is one of the advantages derived from the association of experts with the Department of Agriculture. It has been found that a farmer can cut his flax with a reaper and binder, and sheave it just as wheat would be sheaved. The latest scientific achievement is such that, instead of the process of retting, steeping, and drying occupying weeks, the flax can be placed in the breaking machine within twenty-four hours of its cutting. This proves that we are keeping pace with the times. A few enterprising men, finding that old-world conditions could not be observed here if they were to make a success of the industry, persevered under the direction of the experts, and, applying their intelligence to the undertaking, secured satisfactory results. Strange to say—and I think it is the result of environment—the average farmer or dairyman here is slow to take up anything new in the way of production; but

a gradual transition from large to small holdings is going on, and those taking up the latter are prepared to enter upon the cultivation of products practically new to Australia, when it can be shown that they can be successfully grown. According to the information disclosed in the papers, very tempting results can be obtained from other products. But these statements require careful analysis. In regard to some of the productions mentioned, as, for instance, the production of canned fish, I have no knowledge, and have had no opportunity to read up the subject. But there are industries which I am confident could be made a source of great wealth to Australia, if a little assistance were given by the Commonwealth, not only financially, but also educationally, to induce people to embark in them. We know that many of those whose avocations keep them within the densely populated areas, are sending their children to the agricultural colleges, and, when opportunity offers to obtain land under reasonable conditions, are assisting their lads to settle in the country. These youths have enormous advantages, if their position is compared with that of the men who, thirty or forty years ago, were combating the difficulties of agricultural and pastoral settlement. But we should not lose any opportunity to assist them, and to further the movement to which I refer. If an opportunity offers to co-operate with the States, by all means let us take advantage of it. It is not necessary to wait until we can establish an expensive Department of Agriculture, before doing something in the way of collecting information regarding the experiments of enthusiasts, and making it available in the different centres of population. That work might be done by some of the officials who are already in our employment. It is the duty of the Commonwealth, as well as of the States Governments, to do all that can be done to increase production. Although the man who is settled on the land has to put up with some disadvantages, my opinion is that, on the whole, he is much better off than are the dwellers in cities, while those who are producing wealth from the soil are performing work which is of enormous value to the community. Australia, however, has enormous areas which are practically unsettled, and the so-called settled areas do not produce half as much as they should. On the seaboard of Victoria, there are districts in which 100 acres should support a

family, but where for miles there are nothing but sheep, although there are men unemployed, and in want of land. In southern New South Wales and the northern parts of Victoria, it is a joy to live, and the sunshine will keep one alive, and none of the hardships have to be faced which are met with in other parts of the world where the climate is trying. A neighbour of mine, a few years ago, went to Canada. He had been reared on the Murray, in New South Wales, and had an intimate knowledge of the conditions under which agricultural and pastoral pursuits were carried on there. But after a visit to Canada, during which he was not content to hurry through the country in an express train, or a fast coach, but spent two harvests there, he thought that it was the paradise of the farmer. Now, however, he is back in Australia again, and has put it on record that he would sooner follow a team on the worst road in New South Wales than be a farmer in Canada. The Canadian climate makes the life of a farmer in that country much harder than it is here, while he estimates that a man who wished to cultivate 500 acres of wheat there would have to embark twice as much money in stock and plant as would be necessary to carry out the same operation in the northern parts of Victoria or the southern parts of New South Wales. I do not think that we can employ our population more profitably and to greater advantage, from a health point of view, than in settling them upon the soil. The concentration of population in large centres is due, to some extent, to the increased manufacture of mechanical contrivances to aid the agriculturist, and will be reduced only as our land is subdivided into a greater number of holdings. I have a knowledge of farming extending back twenty-five or twenty-seven years, and I say, without fear of successful contradiction, that, with the mechanical contrivances now possessed by the agriculturist, one man can to-day grow more wheat than ten men could then. Some of the labour which has been displaced is, no doubt, used in manufacturing the mechanical contrivances of which I speak, but there must be a further subdivision of land, and more intense culture, if we are to give employment on the soil to all who should be there.

Mr. JOSEPH COOK.—How is the honorable member going to bring that about?

Mr. WEBSTER.—By the imposition of a progressive land tax.

Mr. KELLY.—This is a Bill for the payment of bounties.

Mr. KENNEDY.—My justification for supporting it is that it will assist to diversify and widen the field of employment and production. There are districts in Victoria and in New South Wales, and, no doubt, in the other States, where the climate is a moist one, and where land which should be worth from £30 to £40 per acre is not producing a return making its capital value equal to £5 or £6 an acre. A great deal more could be done in the direction of intense culture. Many years ago I travelled down the Murray, over what was practically desert country, when one was fortunate if he met a boundary rider between station and station during the day's travel; but, now that Mildura has been established, from 10,000 to 12,000 acres of that country is supporting a population of about 4,000 people in a state of comparative comfort. Many mistakes have been made at Mildura, and much money squandered there, not for want of intelligence or ability, but for want of knowledge of the local conditions. The results achieved, however, justify the expense. Before the application of water to that land, and the use of mechanical contrivances for its cultivation, it would not maintain 4,000 rabbits.

Mr. KELLY.—Does the honorable member suggest that the Bill provides for the establishment of irrigation works?

Mr. KENNEDY.—No. I am pointing out that, in many places where now four or five acres of land support only a bullock, giving a return to the owner of, perhaps, £2 per annum, the return would be something like £40 per annum if a crop like flax were grown. Part of that sum would be spent upon labour where practically no labour is now employed. Then, although we have not many great rivers, we have a considerable area of land close to water-courses which is well adapted for the growing of rice, and it is the opinion of experts that, by the application of water to it, rice could be grown in great quantities.

Mr. HUGHES.—How far south can rice be grown?

Mr. KENNEDY.—I am not prepared to say; but we have the opinion of a specialist that it could be grown to perfection on the Murray, north-west of Echuca, if proper soil were selected and water applied. The Bill will have my hearty support. I do not say that I shall vote for all its proposals, because upon the probable

effect of some of them I am not yet in a position to give an opinion.

Mr. JOSEPH COOK.—Which pays better, the growing of wheat or the growing of rice?

Mr. KENNEDY.—I have not grown rice, but the information is that the returns per acre from rice are greater than those from wheat, though, of course, the cost of production is more, since rice cannot be grown unless water is applied to the land. You would have to know exactly the cost of the application of the water to the soil. What I desire to say is that there is always a tendency when we want a specialist to get some one of whom we know nothing, and whose experience has been gained under conditions entirely different from our own. No one knows better than the Prime Minister what enormous losses have been incurred by enterprising men who have come here in the possession of knowledge of great value as applied to other conditions, but who, when they have attempted to adapt themselves to our circumstances, have miserably failed. That was the result at Mildura. If we had looked the world over we could not have selected men who were better equipped with knowledge, intelligence, and ability than the Messrs. Chaffey Brothers, who embarked upon the Mildura enterprise. Australians owe a great deal to these men. Notwithstanding anything that may be said to the contrary, Mildura stands as a monument to their enterprise and ability, and, although they lost their time and money, Australia is to-day reaping the reward of their energy. Those men amongst us who become enthusiasts, and who carry on their work under local conditions, are best qualified to give us advice. We have in Victoria men whose reputation will, in the future, become world-wide. We do not, however, seem to appreciate them. Very few men, even among those engaged in the pastoral industry, are aware that it was an Australian who discovered a cure for fluke. Then, again, some time ago, we brought from the other side of the world a gentleman of high reputation from the Pasteur Institute to instruct us as to the best way of dealing with anthrax. What was the result? An Australian pastoralist and chemist produced a vaccine which entirely superseded that of the French specialist, and which is now being used to-day as an absolute preventive of anthrax. Whilst the Government are offering these bounties to encourage production, they

should take advantage of any opportunities that may present themselves for disseminating amongst those who are most in need of it the information that is now being obtained by scientists and experts who are experimenting in the various States. They have some splendid men in New South Wales, most of whom, I am pleased to say, came from Victoria, and we have in Victoria many men who are equally good, if not better. Unfortunately, however, the results of their work are not made known to those who are most in need of information. I believe that good work is being done in Queensland also. We have heard a great deal about the cultivation and development of different kinds of wheats. Experiments were being conducted at the Agricultural College at Dookie for eight or ten years without the agriculturists knowing anything of the important results that were being arrived at. It is possible for the Federal Government, without creating an expensive Department, to collect the information which the State agricultural authorities do not think it worth their while to disseminate, and to make it available to our agriculturists. I think that, without in any way encroaching upon the functions of the States, we can enter upon fields of labour in which we can perform much useful work.

Mr. REID (East Sydney) [9.38]. — I think that we can fairly congratulate the honorable member for North Sydney and the honorable member for Moira upon the very valuable observations which they have addressed to the House in regard to this measure. It is rather a serious matter for me, now that I have come down to the House, to find so few members present. When I was away, I had an idea that every one else was rushing here to perform his legislative duties. I think that the silliest thing that any one can do is to travel hundreds of miles to Melbourne upon the pretence that he is doing so for the purpose of discharging his parliamentary duties, and then not to come into this Chamber. When I was away in Queensland, I had a very good excuse for not being here, but now that I am here, I am sorry to find that half of those members who have been abusing me for being absent are not visible themselves, although they are within reach of this Chamber.

Mr. HUGHES.—They do not realize that the right honorable gentleman is back, or they would be here.

Mr. REID.—I do not know whether that is so. But I think that when honorable members travel hundreds of miles on the pretence of attending to their parliamentary duties, they ought to be in the Chamber when a Bill of such importance as this is under discussion. This measure seems to have its melancholy side, after all. I cannot help remembering the gigantic measure that the Minister of Trade and Customs had in hand in reference to the establishment by means of a bonus of the great national iron industry, which was to give employment to hundreds of thousands of men in the foundries of Australia. I have not heard anything of late about that great industry, and there is no doubt that it is the greatest of all national industries. The Minister of Trade and Customs used to tell us night after night that if we would only vote £250,000 of Federal money we could establish a mammoth iron industry that would employ hundreds of thousands of artisans. But now we are brought down to flax and cocoa.

Sir WILLIAM LYNE.—Will the right honorable gentleman support the iron bonus?

Mr. REID.—I do not say that I will, because what I have said has proved to be correct. By a very successful business arrangement arrived at between Mr. Sandford and the Government of New South Wales, a commencement has been made in the establishment of the great iron industry, without the expenditure of £250,000 out of the pockets of the Federal taxpayer. The amount proposed to be spent under the measure now before us appears, at first sight, to be very moderate, but it really amounts, in the aggregate, to something like £309,000.

Sir WILLIAM LYNE.—£500,000 altogether.

Mr. REID.—The total amount would be £500,000 if the bounties were in every case to be payable over a period of ten years. In some cases, however, the period is limited to five years, and in others to eight years. Although I have just arrived from Queensland, I am in a position to correct the Minister to the extent of £190,000. I propose to help to find this £309,000 by not knocking down the postal rates as the Government propose. The Government propose to throw away £300,000 of public money by introducing the penny postage system, and I propose to save that amount for the purpose of giving cordial

support to this Bill, and finding the money for the payment of the bounties. That is something like economy in the management of public business. I think that the speeches that have been delivered this evening show how Ministers are absolutely groping in the dark in connexion with this project. A child could propose to spend money in order to bring about certain results, but grown-up men generally submit some precise scheme based on scientific information when they propose to conduct definite industrial experiments. I have in my hands a mysterious document, headed "General Statement," and bearing the imprint of the Acting Government Printer for Victoria, which does not seem to have been the creation of any one genius in the Customs Department. It seems to have been evolved by the Minister, the Comptroller-General, and all the other officers of the Department, and gives very valuable information collected from Year Books and similar documents in regard to the number of fish caught in distant seas, and so on. This document merely contains information that could, at a cost of £10, be gathered by any person from publications such as I have indicated. Yet, it is solemnly put forward as a statesmanlike warrant for the project upon which we are now invited to embark. If this is an electioneering placard, it is not half a bad one. We are told that by means of the measure before us we shall be able to lay the foundation of eight or ten promising industries—industries that will contribute greatly to the future prosperity of the country. No doubt when the Minister of Trade and Customs gives his personal guarantee that these enterprises will flourish, a large number of persons will come forward and show their anxiety to lay the foundation of various national industries ranging from cocoa to pandanus. Some of the articles mentioned in the Bill are known only to some antiquaries. There is one point about the proposal which I like. It does attempt to do something to direct Australian enterprise into the channels of agricultural development. It is about time that the public men of Australia in both the States and Federal Parliaments began to recognise that the current of population in Australia is steadily and disastrously setting in from the country to the towns. This has been going on for many years. Our Continent has an area of 3,000,000 square miles, and our population numbers 4,000,000, men,

Mr. Reid.

women, and children. Yet more than one-third of the whole of our population is crowded into an area of about 200 square miles.

Mr. WEBSTER.—That is the outcome of the free-trade policy.

Mr. REID.—The worst case is that of Victoria, which has known nothing of free-trade for twenty years.

Mr. WEBSTER.—Her case is not the worst in proportion to her population.

Mr. MAUGER.—It is more closely settled than is New South Wales.

Mr. REID.—Of course it is. Probably that is why 120,000 persons had to clear out from it during the past ten years. The same trouble exists in New South Wales and South Australia—indeed, in every State in Australia. We have an overcrowded population in the capital cities, and instead of a current of settlers flowing from the towns into the country, there is a steady current from the country into the towns.

Mr. MAUGER.—That is the case all over the world.

Mr. REID.—It is a misfortune wherever it happens, but it is particularly a misfortune in the case of a young country like Australia, with its enormous possibilities. We ought to feel—even if we make mistakes in our endeavours to open up new fields of enterprise—that the object is a thoroughly good one, and so far as this Bill aims at that object, I have no criticism to offer upon it. As the honorable and learned member for Northern Melbourne has pointed out, there is all the difference in the world between encouraging industries by means of bounties and encouraging them by means of protective duties. When we offer a bounty we know how much we are voting, and the period over which it is to extend. Further we do not interfere with the ordinary market value of the commodities and their price to the consumer. The proper source of the burdens of national policy is the national exchequer, and not the particular person who is encouraging industries by purchasing the products which they manufacture. I have not the hostility to projects of this kind that I entertain to protective duties. With reference to chicory, that article furnishes an illustration of the wisdom with which the Commonwealth is governed. I have no doubt that in the little compilation which I hold in my hand there was at one time a beautiful paragraph about chicory. Probably it was stated that the payment of

£2,500 annually for eight years would enable us to establish an industry which flourishes in other countries—that of the production of chicory. No doubt the experts put into this Bill a solemn proposal to include chicory, when, as a matter of fact, all the chicory which is consumed in Australia has for years past been produced locally. A similar mistake was made in the Manufactures Encouragement Bill in connexion with the production of zinc. In that measure it was proposed to expend £12,500 by way of bounty to encourage the production of spelter, when, as a matter of fact, the wealthy Broken Hill Proprietary Company had already solved the problem, without the aid of a bonus, and was actually engaged in exporting zinc. If we had passed that measure, the richest proprietary company in Australia would have been presented with £12,500 for doing something which it had accomplished years before. Now we find that the item of chicory has been eliminated from the Government proposals, although we are still confronted with pandanus and some other articles. I throw the responsibility of these proposals upon the Government. Their object is a good one, and if we can only establish one-third of the industries enumerated in the Bill by the payment of the bounties proposed, the measure will be worth all the trouble and the expense which it will involve. But I seriously doubt the success of these experiments, and that is where we should obtain some advantage from the establishment of an agricultural bureau, such as exists in the United States. At the present time the Minister of Trade and Customs is our agricultural bureau. He is the gentleman who works out all abstract questions in reference to the different climates and soils of Australia, from the Northern Territory downwards. My hope is that the cotton industry, which is one of the greatest industries in the world, will be established by the proposed expenditure of £4,500 per annum. If the Minister can establish the industry for that amount, he ought to have a monument erected to him in every part of Australia—a monument of clay. If he can establish the great cotton industry in Australia by means of this small expenditure, there will be no bounds to the admiration and gratitude we shall feel for him. We shall forgive him not only pandanus and sisal fibre, but many

other things, if he can only establish this industry. In his political movements he is already a large manufacturer of sweetened condensed milk. But I do not object to that. The practical point is, has the Minister the remotest idea of any spot in Australia where any one of the plants specified in the Bill will take a healthy root? I will guarantee that he has not. The paper by virtue of which we are asked to agree to this Bill is published by Mr. J. Kemp, the Acting Government Printer of Victoria. That is the authority we have for all these schemes, the Minister of Trade and Customs, backed up by Mr. Kemp, the Acting Government Printer. However, I recognise that it is useless to protest against the proposals which are embodied in the measure. Doubtless they have all been submitted to the caucus. What I do like about the Bill is that it recognises one of the great wants of Australia at the present time, and that it makes an endeavour to attract enterprise, industry, and settlement from the towns into the country. The honorable member for Moira has pointed out that one of the gravest evils from which we suffer is that enormous estates, held by a few individuals, make national development impossible. But we cannot pull down the rails of those estates and subdivide them. We have no more authority to deal with the land problem in the States than the honorable member and myself have to subdivide a large estate whenever we come across it. The honorable member for Gwydir interjected some time ago that we ought to impose a Federal land tax. That is the one panacea which is now offered by the Labour Party. I wish to point out that we have no more right to impose a Federal land tax for the purpose of bursting up large estates than we have to close up the public schools of Australia.

Mr. HUGHES.—I rise to a point of order. I wish to know if the right honorable member is in order, upon the second reading of this Bill, in discussing the incidence of a Federal land tax, or our power to levy such an impost?

Mr. SPEAKER.—The reference was out of order for two reasons, first, because it dealt with a matter which is already upon the business-paper, and, secondly, because it was not incidental to the measure under consideration. But I permitted it because of the statement of the honorable

member for Gwydir, to which an answer was admissible.

Mr. REID.—I quite agree that I was going much further than the ridiculous interjection of the honorable member warranted. Here is a gentleman who is always talking, with a strong Yorkshire twang, of Australia for the Australians. It is one of the silliest things in the world to hear persons with such a twang clamouring for "Australia for the Australians."

Mr. HUGHES.—Captain Cook came from Yorkshire.

Mr. REID.—Then why does not the honorable member for Gwydir go and join him?

Mr. WEBSTER. — The right honorable member is not now addressing an audience of Queensland "yokels."

Mr. REID.—I do not think it is right of the honorable member to speak of the people of Queensland as "yokels." I addressed many thousands of persons in the different districts of that State—including thousands of miners—and I do not think that they ought to have an epithet of that sort hurled at them. Now I come to the point which was mentioned by the honorable member for Moira, namely, that all these industries should be established by Australians. All I have to say is that Australians have very much easier tasks upon hand than the establishment of these fibre industries in a frizzling climate. So far, they have not been compelled to go in for the hardest forms of industry—forms which enable them to eke out a bare existence. These industries, if established at all, will probably be established by persons who are familiar with the growth of the commodities which they produce in other countries. The cry of "Australia for the Australians" is to my mind one of the meanest possible character. Nobody wishes to see an Australian pushed aside for a person from another country, but nobody desires that we should obtain worse service by declining the services of an expert from abroad. No Australian is built upon those lines. We want to secure the best man obtainable, and even if he is not an Australian there is still room enough in the Commonwealth for him.

Mr. MAUGER.—We will make him an Australian.

Mr. REID.—By his adoption of our ~~country~~. But that is not what is behind ~~sal.~~

Mr. MAUGER.—It is.

Mr. REID.—No. In this instance, we have not the glorious cry of preferential trade, and we are not to see the mother country arm in arm with Australia. We have a new and a very narrow and miserable cry on the part of a sinking, politically shipwrecked party.

Mr. MAUGER.—It looks very much like it!

Mr. REID.—Which party can I possibly have in mind?

Mr. HUGHES.—Where is that party now?

Mr. REID.—I certainly have not referred to the Labour Party as being in that position. I have too much sense to under-rate their strength. I am referring to another party over whom the executioner's axe is suspended, waiting for the dissolution. I am glad that the Postmaster-General is present, and must congratulate him upon his evident improvement since his visit to the south of Europe. There are one or two features of this Bill that do not commend themselves to me. In view of the fact that clause 5 provides for the payment of the standard rates of wages in relation to the production of any goods on which a bounty is to be payable, it seems unnecessary in this matter to draw the colour line against people already in Australia. Clause 5 will prevent anything below the Australian rates of wages being paid in these industries, and to bar a coloured resident of Australia who might be eminently suitable for planting any of these crops from engaging in this work, seems to me to be drawing the colour line altogether too tightly. We have one little glimmer of humanity in clause 6, which permits of the employment of aboriginal natives of Australia in any of these industries. Why should we stop at that? It is also quite true that any coloured person having one white parent will not be debarred from employment in these industries. What does that provision mean? Does it refer to a coloured person having one white parent living or to a person who had one white parent not now living. Abstruse points of law with respect to the use of the word "having" may engage the attention of the High Court. Such provisions as these only tend to bring the principle of a White Australia—which is a great one—into utter contempt. To provide that a poor coloured person living in Australia who has two coloured parents, is to be absolutely debarred from employment in any of these

industries, whilst, if he has one white parent he will be eligible under this great scheme to promote industries in the tropical parts of Australia—

Mr. HUGHES.—Must he produce that one parent?

Mr. REID.—That is the point. One sees the advantage of a little legal education. My honorable and learned friend jumps at this point like a lawyer. I wonder whether the Attorney-General has given consideration to this provision. As long as the Government carry the clause relating to rates of wages, it seems to me that it is drawing the line altogether too finely to impose this restriction as to a person having one white parent and one coloured parent. How is it to be determined that a man has one white parent and one coloured parent? Is the question to be decided according to the complexion of the individual? The Vice-President of the Executive Council is evidently competent to decide such questions, since he represents a constituency in which there are, I believe, a large number of coloured persons in various degrees who have intermarried. But I suggest to the Government that this is a little bit of politeness to the labour corner which is rather beneath the dignity of an Australian Ministry.

Mr. McWILLIAMS.—Does the provision in question mean that a half-caste will be eligible for employment in these industries, whilst the children of half-caste parents will not?

Mr. DUGALD THOMSON.—That is so.

Mr. REID.—In paragraph *a* of clause 7 power is given to the Governor-General to vary the amount set out in the fourth column in the schedule—

As the maximum amount of bounty payable in respect of any goods, but so as not to increase the total amount of bounty which may be paid in any one year.

The fourth column in the schedule is not that in which is set out the maximum amounts payable in respect of these goods; so that paragraph *a* is inaccurate. The fourth column in the schedule gives the maximum amounts payable in any one year, and there is provision in paragraph *a* of clause 7 to vary the amount in the fourth column, so long as the total amount which may be paid in any one year is not increased.

Mr. HUGHES.—No; supposing the amount opposite the word "cocoa" were increased?

Mr. REID.—Might I suggest to the honorable and learned member that the heading to the fourth column is not the maximum amount of bounty payable during the ten years' period, but "Maximum amounts which may be paid in any one year." I fail to see how the maximum could be varied so as not to increase the amount, unless the Minister means to take power to reduce the amount of a bounty.

Sir WILLIAM LYNE.—If it be the wish of the House that more power be given to the Minister, I shall be glad to consider it.

Mr. REID.—We should first of all understand what the Bill means.

Sir WILLIAM LYNE.—I thought that the honorable member was explaining it very well.

Mr. REID.—I fail to see how the amounts in the fourth column could be altered without being increased, but perhaps it is intended to take power to reduce any bounty. It would not be right to offer a bounty, and then for the Governor-General, after people of enterprise had competed for it, to reduce the amount. I may say, however, that I do not propose to offer any opposition to this Bill, and my earnest hope is that it will lead to the establishment of some of the industries to which it relates. If as the result of it any one or two of them are established the Bill will have done a great deal of good. It has one good feature, which I wish to acknowledge. In some cases Bounties Bills have provided for the payment of a bounty on the production of a certain quantity of a given article. For instance, a Bill passed by the Victorian Legislature provided for the payment of a bounty on 5,000 yards of worsted locally produced. I understand that the 5,000 yards were produced, that the bounty was paid, and that nothing more was heard of the local production of worsted.

Mr. McDONALD.—That was the experience of Queensland in connexion with the cotton industry.

Mr. REID.—That would be an abuse of such a provision.

Mr. HUGHES.—The bounty would have to be very considerable to cause an industry to rise and then fall.

Mr. REID.—Quite so; but I am pointing out that one of the commendable features of this Bill is that the bounty in each case is to range over a given number of years.

Sir WILLIAM LYNE.—And is not sufficient in any case to induce any one to enter an industry merely for the sake of securing that bounty.

Mr. REID.—I admit that, and it is one of the best features of the Bill.

Mr. HUGHES (West Sydney) [10.14].—I do not know the opinion of honorable members, but, holding the fiscal views that I do, I think that we ought to accord to the right honorable gentleman some small measure of thanks for his candid and plain declaration of his intentions with regard to this Bill. On the other hand, one can only regret that, since he has apparently benefited so materially by his tour through Queensland, he has failed to give us the advantage of that knowledge which, through the daily press, he assured the people in all parts of that great State he was every day acquiring. The right honorable gentleman, when told during his tour through the northern part of Queensland, that cotton was growing in one place, rice in another, and coffee and sugar in others—and we want the right honorable gentleman's own word that he actually saw sugar growing in Queensland—was simply amazed, and told the people that he was learning something every day. That being so, it is a matter for legitimate complaint that in this, the bounden duty of the right honorable gentleman, he has failed to impart to us some of the knowledge so gained by him. We have not been away—we have not been learning something every day. I have never seen cocoa or coffee growing—I have never even seen a rice-field. The right honorable gentleman, on his return to the House, should have dealt with these industries one by one. He ought to have been able to say, "When I was on the Johnson River, or the Cloncurry, I saw cocoa growing, and was approached by an old and respectable resident, who told me that if he secured a bounty of $\frac{1}{2}$ d. or 1d. or 3s. per lb. he would be able to grow enough cocoa to satisfy the wants of all Australia." But the honorable gentleman comes back, and runs the whole gamut of the Bill—from cocoa to the unmentionable pandanus—without telling us anything that he has learned with regard to these industries. The honorable member for Moira admitted that he knows nothing about the production of tinned fish, though he seemed to know something about other matters dealt with by the Bill; but the right honorable mem-

ber for East Sydney appeared to be totally ignorant about all of them. He sees, however, one good thing in the measure, because he thinks that it will encourage agriculture and primary industries; but, although he has been up north, and deputation after deputation of enthusiastic, though misguided people, has waited upon him, to inform him of the resources of this great country, and has been received with that genial smile which I am happy to see that he has brought back with him, it is but too obvious that he has learnt nothing, and has returned practically as dry as a squeezed sponge. I thank him for solving for me the question how a free-trader should vote on the Bill. As I said the other evening, I shall follow my illustrious fiscal leader to the end. I do not know where he will lead me. So far as he has gone, I see little difference between the position of those with whom I now find myself temporarily associated, and the members of the party to which he belongs, though, of course, one cannot say where he will be in the future.

Mr. REID.—The honorable and learned member will know that after the elections.

Mr. HUGHES.—If the right honorable gentleman has his way, there will be no "after" for me. He is the leader of a great party, and visited Queensland to make himself acquainted with the resources of that State—which he says, doubtless correctly, that every honorable member should do—but he is, nevertheless, unable to furnish one good and sufficient reason for supporting the Bill. Of course, he has political reasons; but I speak of reasons such as he would care to make known to his friends. My position does not call upon me to furnish such reasons. I do not belong to a great party round whose standard every respectable person in Australia is being asked to rally.

Mr. REID.—I have never talked in that way; I have never drawn the line of social distinction.

Mr. HUGHES.—The party to which I belong has not been consulted by the Minister in regard to these proposals. Some of the bounties deal with productions of which I had never heard until the honorable member for North Sydney spoke this evening. However, they have my cordial approval, since there must be some reason for their inclusion, seeing that the Minister of Trade and Customs has given us

his assurance to that effect in the pamphlet to which the leader of the Opposition has taken exception, but which appears to have much to recommend it, in addition to the imprint of Mr. Kemp at the foot, while the right honorable gentleman also says that there is a great deal to be advanced in their favour. By way of general criticism, I might say that, although I know very little about fish, except through eating it, I think that if there is one industry more than another which might well be encouraged by the bestowal of a bounty, it is the fishing industry. But the proposal to pay a bounty not exceeding £1,000 a year with this object is absurd.

Mr. DEAKIN.—The payments are to amount to £11,000 a year. There is a printer's error in the Bill.

Mr. HUGHES.—I am glad to find that even Mr. Kemp is an authority whom one can criticise with some degree of hopefulness. Whatever may be said for the proposal to encourage tinned and canned fish, it appears to me in the highest degree desirable to encourage the building of a fishing fleet, and to provide for the subsidizing of, or the acquisition of, a trawler for experimental purposes. Mr. Farnell, an expert in regard to the fisheries of New South Wales, or, at any rate, a gentleman who has had opportunities for making himself acquainted with the subject which others have not enjoyed, has declared that the possibilities of trawling on our coasts have not been thoroughly exploited. What has first to be done, therefore, is to discover suitable trawling grounds.

Mr. REID.—No bounty is offered to encourage trawling.

Sir WILLIAM LYNE.—There is to be an amount on the Estimates—£8,000.

Mr. JOSEPH COOK.—The Government are going to build and own a trawler.

Mr. HUGHES.—I shall be perfectly satisfied so long as the industry is properly encouraged. With regard to the proposed bounty for the production of condensed and powdered milk, I say that $\frac{1}{4}$ d. per lb. will not be sufficient to induce farmers to cart milk four or five miles to a factory where it will be made into sweetened or powdered milk, when, by selling cream, they can get an equal profit. At Pitt Town, in New South Wales, there is a factory where condensed milk is made, but only $4\frac{1}{4}$ d. or $4\frac{1}{2}$ d. per gallon is given for the milk taken there, whereas in Sydney fresh milk brings from 6d. to $6\frac{1}{2}$ d.

per gallon. Farmers will not send their milk to condensed milk factories when they can, with one-tenth of the labour involved in cartage, get as much from the butter factory, unless they are paid a greater bounty than $\frac{1}{4}$ d. per lb. In my opinion, the payment of bounties amounting annually to £5,000 for the production of condensed milk, and to the same amount for the production of powdered milk, will be inadequate for the encouragement of the industry, and, if the Minister will not recognise the advisableness of increasing the bounty, I shall in Committee propose a higher rate. There is at present a good market for all the cream that can be produced, and the farmers will not sell their milk to be used for any other purpose than the making of butter, unless they can get more by doing so.

Sir WILLIAM LYNE.—We import nearly £200,000 worth of condensed milk per annum.

Mr. HUGHES.—That does not matter to the farmer, so long as he can sell his own milk and cream. He will not take it an additional five or six miles for another $\frac{1}{4}$ d. per lb. It must be remembered, too, that the bounty will have to be apportioned between the farmer and the manufacturer of condensed or powdered milk. On the whole, the Bill is a desirable one; and therefore I shall vote for the second reading.

Mr. SALMON (Laanecoorie) [10.28].—I wish to say a few words in reference to the measure, though it is hardly worth while to discuss it in detail, because honorable members seem unanimous as to the advisability of passing it. I am glad that the Government have introduced it, as their action will dispel the false impression which has been created by some honorable members, and a portion of the press, regarding their intentions with respect to the development of the country. I can understand the chagrin of some honorable members at the bringing in of the measure at this particular juncture; but I am glad that, notwithstanding their free-trade professions, and their denunciations of bounties in the past, they are now prepared to assist in enacting a measure which, I hope, is the beginning of an effective bounty system. The leader of the Opposition—I am about to refer only to what he has said in this Chamber, and not to his actions outside—very adroitly, though with some hardihood, drew attention to the state of the House at a time when there were

nineteen members present on the Ministerial side of the Chamber, and only four on the Opposition side. I might say that that is quite the usual state of affairs.

Mr. ROBINSON.—It is quite unusual.

Mr. SALMON.—The honorable member, at 10.30, has made his first appearance since the dinner hour.

Mr. ROBINSON.—I have been in the Chamber far more frequently than has the honorable member during this session. He has been conspicuous by his absence since the election of Chairman.

Mr. SALMON.—I will leave it to those honorable members who attend regularly to judge whether there is the slightest truth in that statement. I should not have devoted the slightest attention to the honorable and learned member but for his intrusion into a matter with regard to which he was not competent to speak. The leader of the Opposition spoke from quite a Socialistic stand-point when discussing the Bill, because his complaint was that the matter had not been dealt with upon the principle of State control. During the whole time he was discussing the item, and carping at the amount set down for the encouragement of the respective industries, he argued as if a series of Government farms were to be established for the cultivation of the enumerated products.

Mr. REID.—I never referred to Government farms.

Mr. SALMON.—The right honorable gentleman spoke of the proposed bounties as being utterly inadequate to secure the establishment of the industries. I would point out, however, that it is not expected that the industries will be established by the outlay of the amount set down in the Bill. The bounties are to be granted merely for the encouragement of industries, and should have the strongest support of the Opposition, because they are intended to aid individual effort. The Bill represents merely a small beginning, and I think it is desirable that we should begin in a small way. The leader of the Opposition referred to the disastrous effects that had followed the granting of large bounties in Victoria and Queensland, and I think that, by encouraging small individual effort, we shall accomplish very much more than has hitherto been achieved. For this reason, I entirely disagree with the leader of the Opposition. The honorable member for North Sydney spoke of the necessity for

doing something in the direction of re-afforesting the country. No State has suffered more than has Victoria from the devastation of valuable forests. I am glad, however, to say that work in the direction of reafforesting is now being carried on and that, within the next five years, a very considerable area of country that has been denuded of trees will again be producing valuable timber. The leader of the Opposition referred to the desire of certain honorable members to secure public appointments for Australians, and he specially criticised the remarks of the honorable member for Moira. I believe that we cannot do better than study an industry on the spot, and that those who have been born and bred amongst us ought to be the best judges as to what methods of cultivation are best adapted to our conditions. I have never been opposed to the introduction of experts from abroad when we have not had the necessary material amongst us from which to make a proper selection. I think that it is desirable, in such cases, to bring experts from abroad, and to make them Australians. That is one of the reasons why I hope that, at no distant date, the Commonwealth will be able to act upon the advice of the President of the United States, and offer inducements to capable men who have been trained in the higher forms of certain cultivation to come here and utilize our soils, some of which are undoubtedly eminently suitable for raising products such as we desire to encourage. We have had here in Australia, and especially in Victoria, where the genius for invention has been stimulated to a higher degree than in other parts of the Commonwealth, opportunities for testing the capacity of our own people to carry on such work as that contemplated in the Bill. It was an unknown farmer who invented the stump-jumping plough which subdued the Mallee, and added a new province to the State of Victoria.

Mr. JOSEPH COOK. — That sounds very familiar.

Mr. SALMON. — I trust that its familiarity has not brought it into the contempt of the honorable member. We have men in Australia who are capable of meeting all our requirements in regard to the cultivation of the land. I might refer to the inventor of the Wolesley sheep shearing machine, and also to that *bête noir* of the other side, the complete harvester, which is also an Australian invention.

Mr. McWILLIAMS.—Were those inventions the result of bounties?

Mr. SALMON.—No; I am merely mentioning those cases by way of indicating that we have men capable of meeting the requirements of the situation, and of doing everything that is contemplated by the Bill.

Mr. JOSEPH COOK.—Every one knows that.

Mr. SALMON.—Then I hope that we shall employ them, and, all things being equal, give them preference over outsiders. That is all we desire.

Debate (on motion by Mr. KELLY) adjourned.

House adjourned at 10.41 p.m.

Senate.

Friday, 3 August, 1906.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

TARIFF COMMISSION'S REPORTS.

Senator CLEMONS.—I desire to ask the Minister of Defence, without notice, if he will have circulated amongst honorable senators the full text of the reports which have already been presented by the Tariff Commission? Perhaps I may be permitted to explain that for some reason or other—no doubt through inadvertence—the reports which have been presented have not yet been circulated in their complete form.

Senator PLAYFORD. — I shall make inquiries. Personally, I see no objection to the reports being circulated.

At a later stage,

Senator CLEMONS.—So very full and satisfactory an answer was given in another place yesterday that I do not propose to ask the question standing in my name, and relating to the consideration of the reports on the distilling and other industries.

ADDITIONAL SITTING DAY.

Senator PEARCE.—I desire to ask the Minister of Defence, without notice, whether, in view of the fact that there is plenty of business on the notice paper, and that there is likely to be more business presented soon, the Government have yet considered the advisability of asking the Senate to sit

four days a week, so as to avoid the usual rush at the end of the session, and the sacrifice of measures?

Senator PLAYFORD. — That will depend upon what progress we make during the next week or so.

NORTHERN TERRITORY.

Senator MILLEN asked the Minister representing the Minister of External Affairs, *upon notice*—

1. If any correspondence later than that already presented to the Senate has passed between the Government and the Government of South Australia relative to the transfer of the Northern Territory to the Commonwealth?

2. If so, will he cause it to be laid upon the table of the House?

Senator PLAYFORD.—The answer to the honorable senator's questions is as follows:—

There has been no later correspondence than that referred to in the honorable senator's question as already laid upon the table of the House.

If any other correspondence should come forward I shall see that it is laid upon the table.

Senator MILLEN.—I am informed that, according to the statements of the Premier of South Australia, further negotiations are going on.

Senator PLAYFORD.—Negotiations are going on, but no communication has yet passed, I think.

TOBACCO MONOPOLY COMMISSION:

PUNISHMENT OF A WITNESS.

Senator Lt.-Col. GOULD asked the Minister representing the Minister of External Affairs, *upon notice*—

Referring to the recent dismissal of Jas. Stone, an employé of the British Australasian Tobacco Company, of Sydney, referred to by Senator Pearce, on the motion for the adjournment of the Senate on 21st June, and the promise of the Minister that all necessary inquiries would be made, and a report made to the Senate—

1. Will the Minister say whether any such inquiry has been made, and, if so, when and under what circumstances?
2. Is he aware that an arrangement was made between the managing director of the Company and the solicitors for the Union that an inquiry should be made by some independent person, but the Union, on further reflection, declined to be parties to any inquiry into the truth or otherwise of the statements made by Stone?

Senator PLAYFORD.—The answer to the honorable senators's questions is as follows :—

The matter is in the hands of the Law Officers for advice.

I sent on the papers to the Attorney-General, but I have not yet received a reply. I believe that the matter is still being looked into.

Senator Col. NEILD.—Arising out of the answer I desire to ask the Minister of Defence whether he is aware that the British Australasian Tobacco Company have addressed a communication to the Government asking for an inquiry into the facts of the case?

Senator PLAYFORD.—I have seen such a report in the press. No doubt it has been forwarded to the Attorney-General, and very likely he will consult the Cabinet eventually.

POST AND TELEGRAPH DEPARTMENT: DETECTIVES.

Senator O'KEEFE asked the Minister representing the Postmaster-General, *upon notice*—

1. Is there a detective specially employed by the Post and Telegraph Department to investigate the affairs of the Department?

2. If so, is such official allowed at any time, or under any circumstances, to divulge to newspaper reporters or any other persons any information before first giving such information to the Department?

3. Has the Minister seen report in *Daily Telegraph*, Launceston, 23rd July, concerning alleged irregularities in the Department in Tasmania?

Senator KEATING.—The answers to the honorable senator's questions are as follows :—

1. Detectives are specially employed by the Postmaster-General's Department to investigate matters affecting the Department.

2. Information regarding the result of their investigations should not be given to any person outside the Department without authority.

3. Yes, and the matter is under investigation.

SUGAR REVENUE.

Motion (by Senator STEWART) agreed to—

That a return be laid upon the table of the Senate showing—

1. The total amount of revenue collected since Federation by means of—

(a) Customs duties on sugar.

(b) Excise duties on sugar.

2. The total amount paid as rebate and bounty to the growers of sugar by white labour from the date of Federation to the 30th of June last.

3. The cost of paying the said sum as rebate and bounty.

MAIL SERVICE TO EUROPE.

In Committee. Consideration resumed from 2nd August (*vide* page 2217), on motion by Senator KEATING—

That the Committee approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons Limited, for the carriage of mails between Adelaide and Brindisi, as per schedule, with the following modifications :—

Article 2—

For a period of ten years, from and after the first day of February, 1908, the contractors shall in the manner and subject to the conditions specified in the said "general conditions of tender" by means of mail ships between the ports of Adelaide and Brindisi (which port of Brindisi is hereby substituted for Naples mentioned in the said "general conditions of tender," and shall be deemed to be "the approved port in Southern Europe" therein referred to), and between the ports of Brindisi and Adelaide and between all other ports from which the said mail ships shall start or at which they shall call or arrive under the provisions of this agreement convey all mails which the Postmaster-General or any of his officers or agents shall from time to time, and at any time or times, require to be conveyed.

Upon which Senator STEWART had moved by way of amendment—

That there be added to the motion—

Proviso to article 2—

On line 7, after the word "between," where it occurs a second time, to insert, "the ports of Melbourne, Sydney, Brisbane, and Hobart, and."

Senator Lt.-Col. GOULD (New South Wales) [10.38].—No doubt honorable senators would have been glad to have come to a division last night at an early hour if it had been possible. It is well that we should have the fullest opportunity to express our views as to the advisability of making the amendment. I think that the general opinion outside is that if the contract be carried out in its entirety, the Government may very fairly be congratulated. It has been surrounded with a certain amount of mystery, and doubts have been expressed as to whether the contract will be carried out, and also as to whether it is not merely a speculative agreement. The Government have to accept the responsibility of having, after complete inquiry, satisfied themselves that the contractors are prepared and able to carry out the agreement. And if the Senate is in a position to show that a mistake is being made by the Government, it is quite justified in doing so. We do not possess, however, the same opportunities of entering into the details as do the Government. If the con-

tractors were not able to give effect to the contract, that fact would not become known to us until late in the coming year, and at a time when it would be utterly impossible for us to make other than hasty arrangements, possibly to the injury of the Commonwealth, for a mail service. The responsibility for such a failure would rest upon the Government primarily.

Senator KEATING.—If the honorable senator refers to clause 39 of the general conditions of tender, he will see that it was provided that in case the contractor should have to build ships, the Postmaster-General should have the opportunity of satisfying himself that the contract was being carried out; and, if satisfactory progress was not being made, could increase the guarantee from £25,000 to £50,000.

Senator Lt.-Col. GOULD. — I observe that the Postmaster-General has the right to increase the guarantee, and also to cancel the contract. It must be borne in mind, however, that where a specific penalty is provided for, with the power of cancelling the contract, no further action can be taken thereafter, no matter what damage may be caused to the Commonwealth. I regret, that, from first to last, there has not been a fuller amount of confidence placed in the Senate. First of all, we heard that a gentleman in Melbourne was entering into negotiations with the Government. Whether he holds a power of attorney from Sir James Laing and Sons, or whether, under the articles of association, that company has the right to enter into a mail contract or not, we do not know. No doubt the idea is that after securing a contract two or three ship-building firms will come together for the purpose of building ships and forming a company.

Senator MILLEN.—Is it possible that they will come under the "combine" provisions of the Anti-Trust Bill?

Senator Lt.-Col. GOULD. — I suppose that they will have to trust to the leniency of the Government in that regard. However, assuming everything to be in order, the subsidy which the Government are contracting to pay is unquestionably moderate. Of course, it has been fixed in consideration of the terms specified in the agreement, that is to say, for the carriage of mails between Brindisi and Adelaide, with certain periods, and on certain occasions. We may take it for granted that if the terms of the contract were varied, as proposed by Senator Stewart, the contractors

would very naturally expect to be paid a consideration for extending the service, and accepting additional burdens. If the contract be a good one, as it stands, it will be utterly foolish of honorable senators to attempt to superadd conditions that would involve a cancellation of it, and necessitate the Government setting to work with a view to prepare a fresh contract. If, on the other hand, as Senator Stewart says, the vessels will come to Melbourne and Sydney, and therefore ought to go to Queensland, the reply is that they will not come to Melbourne and Sydney unless they consider that trade demands that they should do so. If trade demands it, unquestionably the vessels will be brought on; and just in the same way if trade demands that they should go to Brisbane they will go. But if the honorable senator says that to get the ships past Sydney it is necessary to give them an additional subsidy, he gives his case away, because he admits that they will not obtain sufficient trade at Brisbane, and will require an additional sum of money to recompense them for going there. With such a prospect in front of us, it would be utterly suicidal to superadd conditions that would throw the whole question into the crucible again. Senator Guthrie has been very strong upon the necessity of making provision for the purpose of taking our butter and other produce to the old world. No doubt it is very desirable that every possible effort should be made in that direction. But the States have declined to guarantee a certain amount of freight, and therefore the Commonwealth Government has not felt itself bound to take further action. I think that the Government has been wise in that respect, because it has not the same intimate knowledge of the work as the States Governments must have; and if the States Governments find themselves unable to enter into any condition of the character how much more difficult would it be for the Commonwealth Government to do anything of the kind. Let us look at the matter all round. These vessels are to be of 11,000 tons, and we are told that they will provide a large amount of refrigerating space. Why will they do that? For the simple reason that it is recognised that the line cannot be expected to pay unless every possible provision is made for conducting a profitable trade.

Senator STEWART.—The Government has stipulated for large ships.

Senator Lt.-Col. GOULD. — The Government says, "We want our mails carried in a certain time, and we want a good class of ship; we know perfectly well that if we are to have swift ships, with a long sea journey before them, they must be large, in order that they may carry a large quantity of coal. They must also provide a large amount of accommodation for passengers and freight, if they are to pay. I cannot conceive that any ship-owning firm would be prepared to take up a mail contract for £125,000 between Adelaide and Brindisi unless great inducements were held out to them. The great inducements in this case are freight and passenger money. The contractors have to build first-class ships, and provide accommodation to compete with well-equipped lines. I believe that the vessels will be thoroughly up-to-date. I do not believe that the men who are at the back of this firm are such fools as to enter into a contract of this kind unless they see a reasonable prospect of making the enterprise a success. The sum which we are going to pay them is a mere bagatelle, compared with the expenditure involved. I do not believe that there is a single steamship which goes from Australia to Great Britain by way of the Suez Canal unless it receives a subsidy. Honorable senators know why that is.

Senator STANFORTH SMITH.—The Suez Canal dues will amount to quite as much as the subsidy of £125,000.

Senator Lt.-Col. GOULD. — I will not go so far as that.

Senator STANFORTH SMITH. — I have worked it out.

Senator Lt.-Col. GOULD.—I know that the dues are very high, and that upon the class of ships now trading to Australia they come to something like £78,000 or £80,000 per annum. I think that a vessel of the *Ophir* class pays about £3,000 for the trip home and back again. Twenty-six ships of that kind would pay £78,000. The vessels to be provided for by the contractors will be larger than the present mail-ships. Senator Smith tells us that the Suez Canal dues will amount to as much as the subsidy. Whether that is so I do not know.

Senator STANFORTH SMITH.—The dues will amount to about the sum which the Government will pay.

Senator PULSFORD.—That is also my estimate.

Senator Lt.-Col. GOULD.—I have seen Senator Pulsford's figures, but I think that some reductions have recently been made in the Suez Canal dues.

Senator GUTHRIE.—It depends largely on the number of passengers.

Senator Lt.-Col. GOULD.—I think that dues are paid on the tonnage.

Senator GUTHRIE.—Eight shillings per head per passenger is also paid.

Senator Lt.-Col. GOULD.—At any rate we have the fact that the company would have to pay from £80,000 to £120,000 in Suez Canal dues alone.

Senator GUTHRIE.—Which they would have to pay whether they carried mails or not.

Senator Lt.-Col. GOULD.—No; they would not go through the Suez Canal unless they were subsidized. They could go round the Cape. The vessels of the White Star, Aberdeen, and Lund lines take the Cape route, and so avoid the Suez Canal dues. But the great charm to the butter men is that they are able to send their produce by the shortest and quickest route possible; and that necessitates vessels going by the Suez Canal.

Senator GUTHRIE.—The South African trade is a very considerable factor in the Cape route.

Senator Lt.-Col. GOULD.—No doubt it is, but the vessels which take that route have no inducement to go by the canal. The Messageries, Norddeutscher, the Peninsular and Oriental, and Orient lines are the only lines that use the Suez Canal. If we want this contract to be carried out we ought not to put any difficulties in the way. The vessels will naturally call at those ports where they can pick up the greatest amount of trade, and will take precious good care to land their produce from any port in Australia at the port of destination in Great Britain within as brief a time as possible. It is to their own advantage to do so. A great deal of debate has taken place over the question of registered tonnage. I do not think that any honorable senator who has taken the trouble to look into the matter can quarrel with what Senator Guthrie has said in regard to that matter. He has pointed out the requirements of the Merchant Shipping Act, and has shown how registered tonnage is to be ascertained. I think his observations are fairly conclusive as to the way registered tonnage is determined. I have

here a work on shipping, entitled *Know Your Own Ship*, by Walton, in which he points out how registered tonnage is arrived at. He says that it is obtained after certain allowed deductions have been made from the gross tonnage. He points out that deductions are made for crew space, master's accommodation, engineers and officers' accommodation, sail room, boatswain's store, wheel room, donkey boiler, deck shelter, and propelling space. A case has been cited in regard to one of the Peninsular and Oriental Company's vessels where 9,500 tons is the gross register, whilst the permitted deductions bring the registered tonnage down to 4,800. That is the registered tonnage of such vessels as the *Marmora* and the *Mongolia*.

Senator DE LARGIE.—Lloyds' register is what is relied upon.

Senator Lt.-Col. GOULD.—No, it is not. An example is given in this book of the case of a screw collier. All her measurements are quoted. Her gross tonnage is 964 tons. Then various deductions are made such as propelling space 367.5, chart room 5, bridge accommodation for officers 54, crew space 23, boatswains' store 10, making the total deductions 459.5. These deductions from the gross tonnage leave the registered tonnage 504.5. The vessels under the contract now being considered will, it is stated, be of a registered tonnage of 11,000. If that were to be taken literally, it would mean that the ships would be of 16,000 tons gross tonnage. But I am quite satisfied that they are not intended to be of more than 11,000 gross tonnage. The possibility is that their registered tonnage will be something like 5,000 or 6,000.

Senator GUTHRIE.—The contract does not say so.

Senator Lt.-Col. GOULD.—I admit that the honorable senator is quite right in that respect, but I believe that the intention is that the ships shall only have a gross measurement of 11,000 tons.

Senator DE LARGIE.—Then the contractors do not know their own business, and are merely showing how ignorant they are.

Senator Lt.-Col. GOULD.—I have no doubt that Senator de Largie has formed an honest conviction as to the meaning of the term. He is entitled to his opinion. But the shipping authorities are against him.

Senator DE LARGIE.—I have looked them up.

Senator MCGREGOR.—After all, what does it matter?

Senator Lt.-Col. GOULD.—I do not think it matters very much. I dare say that if Senator McGregor and I wanted to take a trip to the old country and got on board a 11,000 ton ship, we should be very comfortable. I urge that we should not impose any additional restrictions in this contract, unless we wish to see it put an end to. Senator Dobson would like the ships to call at Hobart. So should we all.

Senator DOBSON.—They will go there right enough.

Senator Lt.-Col. GOULD.—They will go when there is freight for them. But why should we say that we will compel them to go there, knowing perfectly well that if we do they will expect to receive some consideration for the additional restrictions placed upon their movements. Therefore, let us put the amendment on one side, and adopt the article as it now stands. We can consider amendments later if we deem it necessary to do so.

Senator TURLEY (Queensland) [11.0].—The whole tone of this debate indicates that honorable senators regard this agreement as too good to be true, in view of the fact that in the past we have not been able to obtain such favorable conditions as are now offered. If those who tender are offering something more than we require, or ask for, at the price we are prepared to pay, I do not see that we have any ground for complaint. Any honorable senator would admit that if when he goes to purchase an article, he is asked to pay less than he expected, he will usually come to the conclusion that he has made a fairly good bargain; the vendor may have "fallen in," but if both parties are satisfied, what complaint can be made? I may say at once that I intend to support, not the Senator Stewart of this year, but the Senator Stewart of last year.

Senator MILLEN.—Has Queensland seven representatives here?

Senator TURLEY.—I do not know that that is the case; but last year Senator Stewart represented clearly the opinion of the people of Queensland, and I am now taking the same stand that he then took, because I realize that the agreement before us gives us exactly what we were asking for. I am not prepared to support a claim for something else, when we are apparently, getting what we originally

desired. The contract under discussion last year definitely stated that the vessels should call at Melbourne and Sydney, on both the outward and inward trips, but no provision was made for their calling at Brisbane.

Senator KEATING.—The contract under discussion last year also provided for cool storage.

Senator TURLEY.—And for certain space to be reserved for produce at the different ports.

Senator GUTHRIE.—No, it did not.

Senator TURLEY.—That was practically provided for by the contract of last year, because a certain amount of space had to be reserved for Brisbane, and that necessarily limited the space available in Sydney and Melbourne.

Senator GUTHRIE.—Is the honorable senator prepared to give a guarantee that Queensland will not make the same claim that was made under the other contract?

Senator TURLEY.—Queensland will make no claim for mileage under this agreement, because it is not provided that the vessels shall pass Adelaide. Senator Stewart clearly showed the position last year; but now, apparently, he is able to read in this memorandum of agreement much that is not there. Last year, in discussing the Orient mail contract, Senator Stewart, as reported on page 3667 of *Hansard*, said—

The contract is the only document which we have to consider.

That is the position I take now.

It says that the company must go on to Melbourne and Sydney, and that whether it goes further is a matter for itself to decide. On the return journey, it must also call at Sydney and Melbourne. That is what we, in Queensland, complain of; we object to Melbourne and Sydney being made ports of call, and to the Commonwealth paying for the company's boats calling at those ports for trade purposes.

All that we have to rely on is the agreement before us; and I am not able to see that it provides for the vessels passing Adelaide. Senator Stewart yesterday told us that the Prime Minister had stated that there was an arrangement or understanding that the vessels should call at Melbourne and Sydney. I do not know whether there is an arrangement or understanding to that effect.

Senator GUTHRIE.—Does the honorable senator not accept the Prime Minister's word?

Senator TURLEY.—There is nothing to that effect in the agreement.

Senator GUTHRIE.—The Prime Minister has publicly made the statement.

Senator MILLEN.—The position is that we are asked to adopt this agreement, and not something that has been said outside.

Senator TURLEY.—That is so. The Prime Minister said that the gentleman representing the contractors in the old country had stated in a letter that the boats would go to Sydney and Melbourne.

Senator GUTHRIE.—Exactly.

Senator TURLEY.—But that is not an understanding entered into with the Prime Minister; and, therefore, we could not compel the vessels to go from Adelaide to Melbourne, or from Melbourne to Sydney. If the Prime Minister has entered into an understanding of the sort, I contend that neither he nor those who are aiding and abetting him, are fit to be in public life, much less to guide the destinies of Australia. Since last year, there has been a change in the State Ministry of Queensland. I then saw the State Premier, and two or three members of his Cabinet, and the position they took up was that if the Commonwealth entered into a contract for mail purposes only, they had no ground for complaint. That is the attitude which is taken by the present Premier of Queensland, as shown by the report of a newspaper interview with him, read by Senator Keating last night. Senator Stewart says that he has been able to convert the Premier of Queensland to his way of thinking; but I do not think that is the case. It is not long since the Queensland Premier and Senator Stewart were like the Siamese twins; where one was the other could always be found, and their opinions coincided. Apparently, however, those two gentlemen are at variance on this question of the mail contract.

Senator STEWART.—No; we are at one, only I have discovered that this is not purely a mail contract.

Senator TURLEY.—Senator Stewart now tells us that he has discovered something which does not appear in the agreement; but he has not pointed to one word which can be said to indicate that this is not purely a mail contract.

Senator STEWART.—What about the stipulation as to the vessels being of 11,000 tons?

Senator TURLEY.—If Senator Stewart is of opinion that ships of 11,000 tons are not desirable, he is at liberty to move an amendment providing that no vessels over a

certain tonnage, which he regards as high enough, should be employed in the service. The honorable senator has told us that one objection he has to the contract is that it does not apply to the carriage of produce.

Senator STEWART.—No.

Senator TURLEY.—That was the statement first made by Senator Stewart when he submitted his amendment. I admit that the honorable senator has shifted his ground since then, and now contends that this is more than a mail contract. As I said before, I am supporting the Senator Stewart of last year, and I think it better to make my position very clear. I did not say much in the course of the debate on the Orient mail contract, for the simple reason that the honorable senator represented my opinions, perhaps better than I could have done. In the debate on the Orient mail contract, Senator Stewart, as reported on page 3669 of *Hansard*, said—

What I suggest to the Government is this: In any future contract they should omit all reference to the cold storage of goods, and confine it exclusively to the carriage of mails. That is their business. Everything else referred to in the contract is entirely outside their province in dealing with mail matters.

On the same page, the honorable senator is further reported—

We ought, I say, religiously to avoid mixing up the carriage of goods with the carriage of mails. We ought to confine ourselves rigidly to our own business. If the people of Victoria are anxious that these mail steamers should call at Melbourne, the people of New South Wales that they should call at Sydney, and the people of Queensland that they should call at Brisbane for trade purposes, let the States Governments pay, if any payments have to be made.

That is exactly the position I take in regard to the agreement before us. You, Mr. Chairman, will remember that in the Queensland Parliament, at one time, there was an honorable member who spoke on one side of a question and voted on the other, and that, when he was taxed with the fact, he said he regarded it as a very convenient arrangement. That gentleman pointed out that in his district some centres of population were in favour of the proposal in question, whilst other centres were against it, and the convenience lay in the fact that, when before the electors who were in favour, he could point to the division-list, and, when in the other centres, he could quote his strong opposition speeches. I regard Senator Stewart as occupying exactly similar ground in connexion with this mail contract.

Senator GUTHRIE.—Why so much about Senator Stewart?

Senator TURLEY.—I am giving reasons for supporting, not the Senator Stewart of this session, but the Senator Stewart of last session.

Senator GUTHRIE.—Things are different now.

Senator MILLEN.—Apparently, Senator Stewart is different.

Senator TURLEY.—I do not know, but it appears to me that Senator Guthrie's interjection may apply to Senator Stewart. In Queensland, at the present time, people are beginning to produce for export, not only in the neighbourhood of Brisbane, but all along the coast—not only on the Darling Downs, and in districts below the range, but also at Wide Bay, and in the neighbourhood of Rockhampton, where Senator Stewart himself comes from. Even if these mail vessels did go to Brisbane, they would not benefit Rockhampton one bit.

Senator STEWART.—Oh, yes, they would.

Senator TURLEY.—The honorable senator knows as well as I do that the calling of the vessels at Brisbane would not benefit Rockhampton in connexion with the carriage of produce. The country is being opened up for dairying purposes at the back of Mackay and Cairns, and the same may be said of the Atherton scrub; and it is believed that, eventually, shipping facilities will be required for those districts. What the people interested in this development are advocating to-day is a contract with some shipping line, which shall start at Brisbane or Sydney, and collect all the produce along the coast, for export to the old country. So far as I can judge from the press, negotiations have been entered into with the Peninsular and Oriental Steam Navigation Company for accommodation in this connexion. Because the Government realize that it is not in the interests of their State to pay additional subsidies for boats that will take the produce of the States only from one corner. What is required is that the boats of such a service shall pick up produce from one end of Queensland to the other, and take it in a direct line to the old country. I am satisfied that this contract provides for nothing but the carriage of mails, and that these boats need not go a foot beyond Adelaide unless the company please. Last year Senator Stewart said that if we did not make special provision for it in the mail contract then under consideration, the mail

boats would go to ports beyond Adelaide for the sake of the trade, but last night the honorable senator said that this contract is not confined to the carriage of mails, and that there is an understanding between the Prime Minister and the company that the boats are to call at Melbourne and Sydney. The honorable senator has changed his ground, and has appealed to the representatives of Victoria and New South Wales in the Senate to support his amendment on the ground that if the New Zealand Government hold out sufficient inducements, these boats may go direct from Adelaide to New Zealand, pick up cargo there, and, missing Sydney and Melbourne, go back to Adelaide for the mails, without calling at other Australian ports. If that can be done under this contract, where is the honorable senator's evidence that it is anything more than a mail contract to Adelaide? From the way in which the honorable member has advocated consideration for the interests of the producers of Queensland, one might be pardoned for imagining that he would be up for election this time. At one time the honorable senator contended that it is the duty of the States Governments to do all that is necessary to provide means of transport for the benefit of the producers. I believe that it is the duty of all Governments to do whatever they can to provide facilities for the export of produce. Some fifteen or sixteen days ago a deputation of representatives of Queensland, of whom I was one, waited on the Prime Minister in connexion with this matter. The honorable and learned gentleman told us—and it appeared in the press later on, and has been confirmed by the statement made by the Premier of Queensland—that the Commonwealth Government realized that it was their duty to enter into a contract for a postal service only, and that they had nothing to do with the export of produce. But he added that he had communicated with the Governments of the States, asking whether they could not arrange amongst themselves to secure that the boats engaged in the service should be provided with certain cold storage accommodation, and should call at Melbourne, Sydney, and Brisbane. He explained that the Premiers of the States did not see their way to adopt his suggestion. The report of an interview with the Premier of Queensland, to which reference has already been made bears out the statement of the Prime Minister to the very letter. I think that the best arrange-

Senator Turley.

ment that can be made has been made. It is not necessary for us to consider anything but a mail contract. Of course we desire that the boats should run to Melbourne, Sydney, and, if possible, to Brisbane, but if the Governments of the States concerned will not enter into negotiations to make proper provision for the transport by these boats of the produce of Australia, we cannot be blamed for that. I am aware that in connexion with the export of butter, and other perishable produce, regularity of shipment is an important consideration to the producer. At the same time I think with the Senator Stewart of last year, that it is the duty of the States Governments to make arrangements for the export of produce, and it is the duty of the Commonwealth Government to make the necessary arrangements for the carriage of the mails. One reason which Senator Stewart gave in support of his contention that this is more than a mail contract, was that the boats are compelled by its terms to proceed from the Mediterranean port to some port in the United Kingdom. If the honorable senator is prepared to move an amendment, binding the company down to a service between Adelaide and Brindisi only, I shall be prepared to vote for it.

Senator GUTHRIE.—And not go to England at all?

Senator TURLEY.—The boats could go to England if the company pleased.

Senator GUTHRIE.—But the honorable senator would not put that in the contract?

Senator TURLEY.—I am prepared to make this purely a mail contract, and to permit the company, after they have done the work they undertake to do under the contract, to send their boats anywhere they please.

Senator GUTHRIE.—The honorable senator would not stipulate, as this contract does, that the boats should go from Brindisi to London?

Senator TURLEY.—If Senator Guthrie will move to omit that provision, I shall be prepared to vote for his amendment.

Senator KEATING.—What about the mail matter other than letters?

Senator TURLEY.—I am perfectly satisfied that, whether we make provision for it in the contract or not, the boats engaged in this service will go to England. But, to be logical, Senators Guthrie and Stewart should be prepared to move that the voyages of the boats under this con-

tract should begin and end at Brindisi and Adelaide. They contend that what we require is purely a mail service.

Senator GUTHRIE.—I never said anything of the sort. My whole argument was that the contract should cover cold storage.

Senator TURLEY.—The honorable senator is supporting Senator Stewart in his amendment.

Senator GUTHRIE.—Yes, that the boats should go to Brisbane.

Senator TURLEY.—On the ground that this contract is something more than a mail contract. If Senators Stewart and Guthrie believe that the omission of the provision requiring the boats to go from Brindisi to a port in the United Kingdom will make this a purely mail contract, they have only to move to that effect, and I shall be prepared to support them. They ask why we should interfere with business that is not ours, and they contend that the carriage of the mails being a function of the Federal Government, we should make provision for that, and nothing more.

Senator GUTHRIE.—The honorable senator is entirely misrepresenting my views. I do not desire that this should be restricted to a mail contract.

Senator TURLEY.—What the honorable senator desires to do, apparently, is to revert to the terms of the contract proposed last year, and make provision for cold storage, but he is not concerned with any provisions requiring the boats to go beyond Adelaide to Melbourne, Sydney, or Brisbane.

Senator GUTHRIE.—I am supporting Senator Stewart's amendment requiring these boats to go to Brisbane. The honorable senator is making ridiculous statements.

Senator TURLEY.—Last year, Senator Guthrie was the strongest opponent in the Senate of the Government proposal to pay even mileage rates on the voyages of the Orient steamers to Brisbane, in order to reduce to some extent the liability which the Queensland Government had accepted. The State Government of Queensland agreed to pay the Orient Steam Navigation Company a subsidy of £26,000 a year to continue the voyages of their steamers to Brisbane, and when, on the representations of Queensland representatives, a proposal was made by the Government that Queensland should be credited with a mileage rate of 3s. 7d., amounting in all to something like £4,700 a year, and

the boats be free of pilotage and light dues, Senator Guthrie strongly opposed the concession.

Senator GUTHRIE.—I can tell the honorable senator all about what I did last year.

Senator TURLEY.—Let the honorable senator turn up *Hansard* and read what he said. He asked whether it was decent for the Queensland Government to make such proposals to the Orient Steam Navigation Company.

Senator GUTHRIE.—To cut the throats of Queensland seamen.

Senator TURLEY.—The Queensland Government desired that the Orient boats should call at Brisbane, because it had previously been necessary for produce exported from Queensland and requiring cold storage to be sent in the coastal boats to Sydney, and transhipped there. It was because they desired to avoid the necessity for the transshipment of this produce in Sydney that they offered these concessions to the company. This contract provides exactly what we were asking for last year. It provides for a mail service to Adelaide. As a matter of fact, the boats engaged under this contract need not go any further. As Senator Stewart pointed out last night, the New Zealand Government might offer the company a subsidy of £30,000 or £40,000 a year, and they might send their boats direct from Adelaide to New Zealand, and then back to Adelaide to pick up the mails on their return voyage to Brindisi. So long as they are free to go where they like when they have finished our work, I am prepared to vote for the contract almost as it stands.

Senator DOBSON (Tasmania) [11.30].

—I am a supporter of the amendment, and I should like to indicate the reasons which influence my vote. I am also disposed to support the amendment, which I understand is to be moved by Senator Guthrie. I am altogether opposed to the idea of making this entirely a mail contract. That is contrary to practice and common sense, and certainly the Government are not adopting the best means at their disposal for safeguarding the producing interests. It has been stated by honorable senators, including, I think, Senator Keating, that every day is of great importance, and that if we are not careful, we shall upset the contract. If we did upset the contract, what harm could it do? I believe that it would be wise to arrange at once with the Orient Steam Navigation Company to renew its

contract for a year, and to call for three alternative tenders. In my opinion, the Government made a very great mistake when they failed to grasp the opportunity they had of helping the producers. I quite approve of the action of the Prime Minister in communicating with the States and asking for their views as to the provision of cool storage. But because the States naturally shrank from undertaking to guarantee a certain amount of freight, that was no reason why the Government of the Commonwealth should say, "Thank God! we can now go in for only a mail contract and leave the other matter to the States." I believe that every State would welcome a contract which bound eight or nine magnificent ships with cool storage to call regularly and punctually at the chief ports in the Commonwealth. But that is quite a different thing from asking the States to undertake a liability in regard to freight. We all know that the producers can get their produce taken to the old country by outside boats. It does not follow, of course, that they would always be able to make such arrangements.

Senator GUTHRIE.—The producers would have said, "Thank God that we have a Federal Parliament."

Senator DOBSON.—Yes. They would then have derived from the contract a benefit, whereas now it gives them nothing. Is it not business and commonsense for the producers to wish to have two strings to their bow? In my opinion, the Government should have called for tenders first for a mail contract pure and simple, second for a mail contract with cool storage accommodation, and an obligation to call at all ports including Brisbane, and to charge a certain freight for meat, butter, fruit, &c., and third a contract with the rate of freight a little below that fixed in the mail contract, but higher than that charged on outside ocean liners. Suppose that the freight on the mail steamers was 3s. 3d. a case for fruit, and that producers could get outside boats to take fruit at 2s. 6d. a case, had I been Postmaster-General, I should have called for tenders for the carriage of fruit at a freight of 2s. 9d. or 3s. a case. By that means the Government would have secured a tender which would have saved £30,000, or £40,000, or £50,000 a year to the producers. Was there any commonsense in asking for one kind of service when they might have asked for three separate kinds

of service? Is there any commonsense in calling for only a mail service when they might have felt the tone of the market as regards a freight service? I regret that the Government missed that opportunity. As regards the mail contract itself, they have made a most excellent bargain. But I desire to get something more than a mail contract if it be possible. I quite agree with Senator Stewart that the contract as it stands does not show much evidence of being a combined contract. Judging from statements which have been made elsewhere as well as here, it is quite certain that Ministers do look forward to the contractors supplying, to a great extent, boats with cool storage. It is provided in the contract that the plans of the ships shall be submitted for the approval of the Government. We are assured that the ships will contain ample cool storage space, and will be bound, in their own interest, to go to the various ports. Why should not all those things be provided for in the contract? Senator Turley has said that the boats would not be bound to go beyond Adelaide. But he knows that they would go on to other ports. He would let the boats stop at the port in the Mediterranean, and would vote that they should not be bound to go on to England. In my opinion, if he were to vote in that way, he would make a great mistake. No one can foretell what is likely to happen during the next ten years. Suppose that these eight or nine magnificent ships could stop at Adelaide? What might happen? A war might break out in another part of the world, and the result of the war might depend upon the ability to get boats for carrying soldiers and stores. By cablegram some boats of the contracting company might be offered an enormous sum to undertake a freight voyage, and persons who were looking for the vessels to go to Adelaide, Melbourne, Sydney, and Brisbane might be disappointed. Why? Because we had not taken the precaution of providing in the contract that the boats should do as our mail boats have always done.

Senator TURLEY.—The mail boats have never gone past Sydney.

Senator DOBSON.—Let us take the other suggestion of Senator Turley that there is no occasion to require the boats to go beyond the port in the Mediterranean. Would not that be a great mistake, too? Have not the travel-

ling public for years had the option of being carried to the London docks in the mail boats, if they so wished? It is only rich squatters who can afford to get out at Naples and take the train overland.

Senator TURLEY.—The boats would go on just the same.

Senator DOBSON.—No doubt thousands of passengers would be greatly disappointed if they could not proceed in the boats to the London docks. Is that the kind of contract which would redound to the credit and business tact of the Government and Parliament of the Commonwealth? Certainly not. Why should we accept a contract under which such advantages would not be guaranteed? I quite admit that in ninety-nine cases out of a hundred those advantages would be offered, but at times the contractors might not run their boats to the various ports. It would be a mistake not to guard against a contingency of that kind.

Senator TURLEY.—Does not the honorable senator think that the company would book passengers from Australia to England?

Senator DOBSON.—I believe that they would. But suppose that a boat had very few passengers, and that most of them wished to land at Naples, or had booked to that port. It might not suit the contractors to go on with half-a-dozen passengers.

Senator TURLEY.—If the contractors had booked the passengers to England they would have to pay their passage to England from Naples.

Senator DOBSON.—We have evidence that the Government have been considering certain provisions in which Senator Stewart, Senator Guthrie, and myself are interested, but they have not embodied them in the contract. In my opinion, they have committed an error of judgment. I should hold up both hands to-morrow with delight if they would renew the contract with the Orient Steam Navigation Company for another year, and call for fresh tenders. Coming to the provisional contract itself, it appears to me to be a kind of promoters' "spec." It reminds me of a concession for a railway of which we have had considerable experience in Tasmania. This is nothing more than a kind of commercial concession which certain gentlemen in England will carry out if they can float their undertaking with a capital of £4,000,000, but which, if they do not succeed in the attempt, they will drop like a hot potato,

and forfeit the amount of their bond. That possibility stands out plainly on the face of the contract. With regard to the question of registered tonnage, I think that Senator Guthrie must be right in his contention, although, at first, I agreed with the view of Senator de Largie, because the Merchant Shipping Act absolutely defines the term. In my opinion, the contractors have not seen one line of this contract. It has been negotiated by their agent and solicitor, and only the salient points have been communicated to the contractors by cable. The omission of the word "gross" is enough to damn the contract. If the contractors were held to their agreement, they would have to build vessels of about 20,000 tons register, and they would have all their work cut out to provide a net tonnage of 11,000 tons.

Senator TURLEY.—Is it a bad thing to get more than we bargain for?

Senator DOBSON.—This is merely a promoter's "spec," and the contractors will only carry it out if they can place the undertaking on good terms in the London market. At the present time, they are acting with three other large ship-builders. They would have to find a capital of £4,000,000 before they could commence to build, and unless that could be found the contract would be dropped.

Senator FRASER.—They could do with a fourth of that sum, because they could issue debentures and do all that sort of thing.

Senator DOBSON.—I know that the contractors could issue debentures, and borrow money on the ships, but at the same time they would have to find at least £2,000,000. It is estimated by some persons that at first the service would be run at a loss of £100,000 a year, or more. We have, as a guide, the experience of the Orient Steam Navigation Company. I take it that that company would not withdraw all their ships from the Australian trade, and that, after having traded here for twenty or thirty years, some of their friends would be loyal to them. If they cannot make the service pay regularly, but can only declare a dividend now and then, is the new company, with magnificent ships, and with more dues to pay, likely to succeed, in view of the fact that a few of the Orient Steam Navigation Company's boats would remain in the Australian trade and compete with them? It appears to me that the contractors are

bound to lose money. We have no reasonable assurance that a company will be floated, and, of course, if it were not, the contract would not be carried out. I do not think that the ships ought to be compelled to go to Hobart or Brisbane, or to go anywhere outside the mail route, unless they had a guarantee that their expenses to and from would be covered by the freight. It would be of no use for the boats to call at Brisbane simply to satisfy our friends from that State if the producers did not offer sufficient freight to pay the expenses of the voyage. I do not advocate that the boats should call at Hobart all the year round. I only desire them to call at that port during the fruit season, when I am certain that they would on each trip get freightage of £2,000, £2,500, or £3,000. As the cost of going from Sydney to Hobart instead of to Melbourne would be about £300, the contractors would make an enormous gain on each voyage.

Senator TURLEY.—Did the Premier of Tasmania give any inducement to the Prime Minister to go on with his proposal?

Senator DOBSON.—The Premier of Tasmania, I understand, declined to give a guarantee in regard to cool storage. Fruit-growers have told me that they prefer to make their own arrangements for space. But I have to look ahead, and to think of things which, perhaps, they have overlooked. If, by agreeing to pay a subsidy of £125,000 a year, I could get the vessels to go to Hobart, why should I not work in that direction?

Senator TURLEY.—Which the honorable senator knows he cannot get.

Senator DOBSON.—I believe that if we were to ask the contractors to send the boats to Hobart during the fruit season, they would not charge one shilling more for carrying our mails. Why? Because they would make a positive gain in going to that port. In any case, the chances are as ninety-nine to one that the boats will go there. But why not make them do what the mail companies have always done? With regard to Brisbane it must be apparent, I think, that if the vessels go there, they will pay expenses and soon earn a profit. The Government will not hear the last of it until they do go to Brisbane. That is my prophecy. I do not know that we are called upon to alter the contract against

ourselves, but I certainly think that we ought to put the word "gross" before the word "tonnage."

Senator GUTHRIE.—No; leave it as it is, but define the term more clearly.

Senator DOBSON.—If we leave it as it is, the Government will probably be called upon to see that the contract is carried out, and then it will be abandoned. I have looked through *Lloyd's Register*, where the tonnage of every vessel is mentioned. I find that there are particulars of gross tonnage, tonnage below deck, and deck tonnage. I consider that these vessels will be of 5,500 registered tonnage, and that we ought to be perfectly satisfied with that. There has been a slip in the contract. I shall support the amendment.

Senator WALKER (New South Wales) [11.46].—I was very pleased yesterday to learn that the contractors had agreed to an alteration providing that an extension of the term of the contract should not take place without the approval of Parliament. There was, from my point of view, a weak point in the contract previously. There is very little doubt of the existence of general distrust in connexion with this contract. I attribute that largely to the Government. When tenders were called for, the Government permitted the names of the tenderers to be kept secret, even after a tender had been accepted.

Senator KEATING.—That was one of the conditions upon which tenders were invited. It is a very usual condition.

Senator WALKER.—The effect of the practice is that, though no one knows anything about an unsuccessful tenderer, a successful one is enabled to hawk the contract about all over the world. The impression is that that will be the effect in connexion with this agreement.

Senator KEATING.—Is it not likely that that feeling has been fostered by unsuccessful tenderers?

Senator MILLER.—Does the Minister share it himself?

Senator KEATING.—No.

Senator WALKER.—It may be a wrong impression, but certainly it does prevail. When I was a boy, in Scotland, we used to be told that certain confections were too sweet to be wholesome. This seems to be so good a contract that it makes people a wee bit suspicious. If it is genuine, it is very good. Will the Minister kindly give us information as to the amount of the unsuccessful tenders, including the one which

came in too late? I cannot support Senator Stewart's amendment. I cannot see that what he requires has anything to do with a mail contract. Nor can I understand why he should find fault with the size of the vessels. As a matter of fact, when the Government calls for tenders for an inland postal contract, it expects that the coaches will provide room for so many passengers. It is also to be expected that these mail steamers will provide accommodation for passengers. People who can afford it prefer to travel to Europe by mail steamer. It seems to me that the size of the steamers is to be explained by a provision in the contract which most honorable senators appear to have overlooked, and which I will therefore take the liberty of reading—

The Postmaster-General may at any time during the continuance of the contract purchase any or all of the mail-ships at a valuation—or may charter the same at a rate of hire to be agreed upon with the contractor, or failing any such agreement as to a valuation or rate to be decided by arbitration, and the contractor shall not sell any mail-ship to any person other than the Postmaster-General without first giving the Postmaster-General a reasonable opportunity of purchasing same, either at a valuation to be agreed upon, or to be decided by arbitration, or at the price he is willing to sell it at to such other persons. Provided always that if the Postmaster-General exercises the right to purchase or charter all the mail-ships employed under the contract, the contract shall thereupon be determined, and such determination shall not give the contractor any claim for compensation.

I believe that that is the real reason why vessels of so large a size have been provided for. It is hoped that some day we shall have a national system of our own.

Senator TURLEY.—That is one of the very best conditions in the contract.

Senator WALKER.—It is a very good reason for supporting it from the point of view of honorable senators opposite, and I am surprised that those who have preceded me in the debate have not alluded to that point.

Senator TURLEY.—We are satisfied with it; that is why we make no noise about it.

Senator WALKER.—From their point of view, honorable senators are no doubt right. Even from my own point of view, if I am making a bargain, I like it to be a good one. Another reason why it probably suits the contractors to accept what is apparently a small subsidy, is that they are shipbuilders, and may see their way to make profits on the ships, even if they lose

something on the contract. When they are building ships costing about £4,000,000, they may consider that they can afford to lose something on the contract for a few years. But that is our advantage, and I see no objection to the Commonwealth getting the benefit of a good bargain. With regard to the vessels calling at Sydney and Melbourne, I am quite satisfied that private enterprise can supply sufficient accommodation for our produce. If these vessels do not see fit to call at our principal ports, we will not be dependent solely upon them, though we should welcome them if they came. We shall still have the Peninsular and Oriental Steam Navigation Company, and the White Star ships, and I hope we shall continue to have the Orient Steam Navigation Company's vessels. We are well assured that adequate facilities will be available for the carriage of our produce to England. I quite agree with Senator Smith that the Suez Canal dues alone will amount to as much as the price we are to pay for the carriage of our mails. I went to Europe in the *Bremen*, 11,500 tons, five years ago.

Senator FINDLEY.—What! the honorable senator travelled in a German ship?

Senator WALKER.—Certainly. I am a free-trader, and I go by the vessel that will supply me with the best accommodation for my money. One of the officers assured me that the Suez Canal dues on the round trip came to £7,000 approximately. If the new vessels are going to be anything like the size we expect them to be, I shall not be surprised if the dues for each round trip come to at least £6,000. Multiply that sum by twenty-six, and you find that the dues paid each year will amount to more than the subsidy stipulated for in the contract. I am very glad that the term is not to be longer than ten years. I hope that Parliament will not agree to any extension beyond that time. It may be that those of us who live will see railways constructed to Fremantle and Port Darwin by the end of ten years. Then we shall be able to get our European mails carried in three days shorter time. We may even have balloons to carry our mails. I have lately seen in the Queensland newspapers—I get them regularly, and am not sure that I have not a small interest in one of them—that the State Government recognise that their wisest plan will be to encourage ships to go by the Torres Strait route rather than bring their

produce round the south of the Continent. I am glad to notice that movement. I cannot see my way to support Senator Stewart's proposal. This is no more than a mail contract pure and simple. Its terms are advantageous, and we should not risk losing it, by placing unnecessary difficulties in the way.

Senator MILLEN (New South Wales) [11.57].—After listening to honorable senators this morning, and last night, I find myself confronted with two entirely different sets of arguments. On the one side we have Senator Dobson and Senator Guthrie finding fault in no measured terms with the contract, because it does not provide for coal storage and other facilities. Senator Dobson feels so strongly upon the matter that he would absolutely tear up this contract, and initiate other proceedings on a different basis. Senator Guthrie in expressing himself in the same fashion, but with equal, if not superior, emphasis, showed that he regarded the absence of these provisions as a vital blot on the contract that we are asked to ratify. But against that we have the view of Senator Stewart, that the vital defect in the contract is that it does provide those very facilities that Senator Dobson and Senator Guthrie say are entirely absent. I am rather inclined to think that by some strange chapter of accidents the Government has stumbled upon a fairly accurate middle course. The features which present themselves to my mind are these: The Government invited applications from the whole world for the conveyance of mails. It invited tenderers who responded to these applications to state what size vessels they would supply. I put it to Senator Stewart, who has mentioned the size of these ships as one of the chief objections to the tender, seeing that it is a mail contract only—whether if two tenders had been submitted for an equal subsidy, one company offering to supply vessels of 11,000 tons, and the other vessels of 3,000 or 4,000 tons, which tender would he have accepted?

Senator STEWART.—The reasonable one.

Senator MILLEN.—Surely he would have accepted the tender offering to supply the larger vessels.

Senator STEWART.—We have not any evidence.

Senator MILLEN.—We have this evidence—that invitations were published throughout the world for tenders to be

supplied for the conveyance of our mails, and tenderers were invited to state what size vessels they would supply. The tender which has been accepted contained an offer to supply 11,000 tons boats. The size of the vessels has been made one of the points of attack. I say that that attack altogether fails, in view of the admission that Senator Stewart now makes, that other things being equal, he would prefer the larger to the smaller ships.

Senator STEWART.—I did not say anything of the kind.

Senator MILLEN.—I do not want to deal with the question of tonnage as to which one of two opinions is open to us. Either the contractors have used the term "registered tonnage" in ignorance, or they have done so pursuing the game of bluff, which is tried by all shipping companies in advertising gross instead of registered tonnage. I give the Government the benefit of the doubt—it is a pleasure to me, though I do not often do so—in supposing that they did not really know what "registered tonnage" meant. But the other contracting parties knew perfectly well what they were doing, and were, apparently, resorting, as I say, to that species of advertising puff or bluff which is favoured by most shipping firms.

Senator GUTHRIE.—If we find contractors bluffing, what should we do? Have nothing more to do with them.

Senator MILLEN.—Just before I pass from the objection raised to the contract on the ground that the vessels are large, I invite attention to clauses 8 and 9 of the general conditions of tender. I make this reference, because last night it was pointed out that the plans have to be submitted to the Government, and it will be seen that these articles provide that this submission is to be only for the purpose of showing that the vessels are suitable and fit for the purposes of the contract. If I read those clauses aright, they mean that the power of supervision is to be absolutely limited to the mail-carrying capacity of the vessels, and that there need not be any other provision on the vessels beyond that for carrying mail matter. That there will be other provision I have no doubt, but, so far as the supervising power of the contract is concerned, the plans have only to show that the vessels have ample accommodation for the conveyance of the mails.

Senator STEWART.—If the plans do not show something else, the representative of the Government may refuse to pass them.

Senator MILLEN.—The representative of the Government would have no legal right to do so, as I read the clauses. Clause 8 of the general conditions of tender, amongst other matters, provides that every mail ship shall be "in all respects suited to the performance of the services herein agreed to be performed," while clause 9 stipulates that every vessel shall be "always properly and sufficiently equipped in all respects, so as to render her constantly efficient for the said services, and safe for the conveyance of mails." The supervision which the Government claim, and rightly claim, to exercise over the plans and construction of the vessels, is limited to the purpose for which, so far as we are concerned, they are to be constructed. The clauses I have quoted seem to me to support the contention of Senator Guthrie and Senator Dobson that this is a mail contract pure and simple; but in proportion as those clauses tend to support those two honorable senators, they correspondingly demolish the position taken up by Senator Stewart. Senator Guthrie seems to think that because the contract does not provide for cargo facilities, some injury will be done to the producers and the trade of Australia. I cannot accept that view. That some additional advantage might have been conferred if there had been added to the mail contract a trade contract, is a matter for consideration and argument; but I cannot conceive that any injury will be done to the producers of Australia if a contract, which we enter into for mail purposes, has the effect of bringing a large and capacious fleet into Australian waters. Although there is no stipulation that the vessels shall be bound to enter any ports but those of Fremantle and Adelaide, it is obvious that the presence of such vessels in Australian waters, increasing as they will the carrying capacity for Australian produce, must have a beneficial effect on those who desire to send produce to the markets of the world. Even if the vessels never pass Adelaide, the effect of their competition will still be felt, because they will take so large a proportion of the South Australian export produce as to leave the vessels now trading here more and more dependent on the ports of the other States.

Senator GUTHRIE.—But will the vessels under this agreement compete with other vessels?

Senator MILLEN.—I take the honorable senator to be suggesting that there may be a shipping combination?

Senator GUTHRIE.—Exactly.

Senator MILLEN.—If that danger exists, as it probably does in these days of big commercial enterprises, there will be a much smaller risk of combination with a multiplicity of companies than with a limited number. For that reason I altogether dissent from the view that, because we have no direct undertaking on the part of the contractors to visit other ports, no advantage will accrue to those who have produce to ship. The presence in Australian waters of such a body of shipping as is projected in this agreement will have an immense benefit, not merely in adding to the number of the shipping companies catering for the trade, but also in the anticipation, which I confidently entertain, that modern, well-equipped vessels of the kind will tend to stimulate the lines already trading on our coasts, and still further induce, or even force, them to make concessions in order to secure their share of trade in export produce.

Senator MACFARLANE (Tasmania) [12.7].—I desire to explain the position I take up in regard to the amendment submitted by Senator Stewart. The amendment undoubtedly is one that is very attractive to those who live in what is, perhaps, the finest port of Australia; but we cannot shut our eyes to the fact—at least, I cannot—that if we force the vessels to call at the ports mentioned, we shall have to pay for the accommodation. The position of Senator Dobson is rather anomalous, seeing that he admits that, in ninety-nine cases out of a hundred, the vessels would call at the ports voluntarily. Under the circumstances, I see no reason to make a rigid stipulation, and thus run the risk of destroying the contract, which, as I said on a previous occasion, appears to me to be very favorable to the Commonwealth.

Senator TURLEY.—Senator Dobson desires the vessels to call at Hobart only for three or four months in the year.

Senator MACFARLANE.—That is so; but, to make the callings compulsory, by means of a stipulation in the contract, would, to my mind, be vicious. It would be left open to Western Australia, or any other State, to contend that all vessels under mail contract should call at all the

ports of the Commonwealth. It might be claimed, for instance, that the vessels of the Vancouver service should proceed to Western Australia, or that the vessels of the New Guinea service should call at Tasmanian ports. There is no doubt that the ports would to a certain extent benefit if those subsidized steamers were required to call, but I regard such a principle as wrong. One reason why it seems to me that the Government are very wise in making this only a mail contract is to be found in the disappointment of the anticipation which they evidently entertained in the case of a former contract, that they would get generous support from the producers if a large space were guaranteed for refrigerated produce. We know what the result was. When they endeavoured to get a guarantee, they were informed, to their surprise, that the principal producers desired to be left alone. I was present at a large meeting in Hobart when the producers distinctly refused to give any guarantee; and the experience in Sydney was similar. While honorable senators talk about forwarding the interests of producers, we ought to remember that the latter desire only to be left alone, they having in the past managed their own affairs with profit. For the reasons I have given I cannot support the amendment.

Senator DRAKE (Queensland) [12.10].—In the case of a Chamber representative of the States, it is excusable that honorable senators should address themselves to the question from the stand-point of their own States; and I also propose to take that course. There is no doubt that under this agreement Queensland will be at a disadvantage, as compared with some of the other States. But I do not attribute that position to any malice on the part of the present or any past Government; it arises more from the geographical position of Queensland in reference to any mail service from the West. This question has been in the mind of successive Governments for a very long time past. It was considered when tenders were invited for a mail contract during the Barton Administration. I was then Postmaster-General; and the tenders invited were of every possible character, including one from any port in Australia to any port in the United Kingdom, affording every opportunity for tenderers of all kinds to offer. I was in hopes at the time that we might have an

offer for a mail service by Torres Straits. In fact, in my opinion, the ideal mail service for Australia would approach from the West, with a Home route by the Torres Straits, perhaps alternately reversing the trip. Such a service would not only serve the ports hitherto recognised as ports of call in this connexion, but would afford shipping facilities to various centres in Queensland. In all the States except Queensland, there is, we may say, one port for the whole of the territory.

Senator KEATING.—Not in Tasmania.

Senator DRAKE.—Of course, there are the ports of Launceston and Hobart in that State; but on the mainland, the difference between Queensland and the other States, is that in the northern State there are ports which serve distinctly separate districts that would be left out entirely by any mail service involving a call only at Brisbane. That fact has been recognised for a long time past by the Queensland Government. As far back, I think, as 1880 the Queensland Government entered into a contract with the British-India Steam Navigation Company for a mail service *via* Torres Straits. The subsidy at the start was £55,000 a year for a four-weekly service. In addition, port dues were remitted, so that, on the whole, the subsidy reached a very substantial amount.

Senator MILLEN.—What were the terminal points?

Senator DRAKE.—Brisbane was the first port of call, but the vessels called at Rockhampton and Townsville on the way Home.

Senator TURLEY.—The vessels called at all the ports homewards — at Bowen, Mackay, and so forth.

Senator DRAKE.—There were intermediate steamers, I think; but, at any rate, cargo was picked up at all of those ports. It soon became apparent, however, that this, as a mail service, was a failure, because it was too slow; and it was therefore found more advantageous to use the vessels sailing from Sydney. Consequently letters were almost immediately sent by the old route; but the service of the British-India Steam Navigation Company was retained for cargo purposes with, I think, beneficial results to the whole of Queensland.

Senator WALKER.—From Townsville, I think, the mails continued to go north.

Senator DRAKE.—Quite so. The result of calling for tenders for the mail

service from Australia to England in the first place was that after an interval of eighteen months, there was practically only one tender sent in, and that was from the Orient Steam Navigation Company, on very much the same conditions as the company had previously performed the service. I should like here to emphasize the fact that the Postmaster-General at that time, Mr. Sydney Smith, endeavoured to induce the company to make an offer to take their boats on to Brisbane. It was one of the conditions of tender that they should state what sum they would require to go on to Brisbane. But the company would not name any sum at all, although they were pressed to do so. At that time, it should be remembered that nearly all the butter freight from Brisbane was going under an arrangement to the Aberdeen line, so that there was no particular inducement for the company to make the offer. But with regard to Sydney and Melbourne, the position was that they did not care whether the contract made provision for calling at those ports or not. If they had been omitted from the contract, the company would not have taken one sixpence less for the service. The insertion in the conditions that the steamers should go on to Melbourne and Sydney from Adelaide was a matter of grace, and cost the Commonwealth nothing whatever. We should not have secured the service for any less if that condition had not been inserted. But its insertion gave umbrage to a number of people in Queensland who contended that if it was a condition of the contract that the boats should go to Sydney and Melbourne, it should also be a condition that they should go on to Brisbane. Last session, Senator Stewart expressed the views of a great number of people in Queensland, when he said that the contract should be purely for a mail service, and that all arrangements with respect to the carriage of cargo should be left to the States Governments. That is exactly what has been done in this contract. It is possible that the contractors might have been willing that a provision should be inserted compelling the boats to go to Sydney and Melbourne without making any extra charge. But the course adopted by the Government is the course which Queensland asked for last year. That is to say, that the contract should be purely for a mail service, covering the carriage of the mails from Adelaide to

Brindisi, and of the heavier mail matter to London. That this is purely a mail service is clear, if we consider what the contractors have undertaken to do for the subsidy of £125,000. They have undertaken to carry our mails and nothing else. Everything else has been left to arrangement with the States Governments.

Senator Sir JOSIAH SYMON.—And they carry our mails only as far as Adelaide.

Senator DRAKE.—Yes, they bring the mails only to the port at which they meet the railway systems of Australia. If we had a mail service *via* Torres Straits, the port fixed under the contract for such a service would, no doubt, be Broadmount, or Gladstone, and in that case, South Australia would occupy very much the same position that Queensland occupies to-day, and if South Australian producers required to make use of the facilities provided by the mail steamers, they would have to offer sufficient inducements to them to call at Adelaide.

Senator Sir JOSIAH SYMON.—By-and-by, we expect that the mails will be delivered at Port Darwin and sent down to Adelaide over the transcontinental railway.

Senator TURLEY.—If the Panama Canal were completed, the position would be altogether reversed.

Senator DRAKE.—That is so. In this contract, the Government have asked the company to carry our mails, but it is ridiculous to suppose that any shipping company in the world would build, charter, or use steamers merely for the purpose of carrying mail matter. They would never offer to carry our mails for £125,000 a year if they had not in mind the making of money by the carriage of goods. They have elected to make a contract simply for the carriage of mails, and leave themselves perfectly free to go where they like to secure freight. The Commonwealth Government communicated with the Governments of the States with a view to placing themselves in a position to inform the contractors what freight they would get at different ports if they went there. The negotiations fell through, because none of the States Governments were prepared to make any definite offer. I am not sure that the Government of Queensland were not wise in the attitude they took up, because, if any such arrangement were made, it would involve a corresponding compensation. And if they had offered the contractors so much freight on condition that their boats went to Queensland

ports they would have tied their hands for perhaps the number of years contemplated in the contract. They would have had to agree to give the company a certain amount of freight, and, in doing so, they might, perhaps, have been hampering themselves, if subsequently they desired to negotiate for the carriage of Queensland produce, *viâ* Torres Straits. I feel sure that the producers of Queensland, and those representing them, will never be satisfied with any cargo service which will not give equal facilities to all the ports on the Queensland coast, and which will not connect them with the principal ports in the East. I think that, eventually, there must be a service for the carriage of cargo *viâ* Torres Straits. Whether the Queensland Government, in declining to negotiate with the new company, were actuated by these views or not, I do not know, but I believe they were wise in not tying themselves to any southern mail service.

Senator TURLEY.—The Queensland Government are conducting negotiations with regard to the Peninsular and Oriental steamers going round the other way.

Senator DRAKE.—I have not the slightest doubt that, in view of the enormous expansion which has taken place lately, and is taking place now, in connexion with the production of butter in Queensland, and the enormous and increasing output of frozen meat from the State, the exports of the State will be sufficient shortly to warrant a line of steamers being put on to transport them, and such a service will almost certainly be *viâ* Torres Straits. Queensland, of course, desires an efficient and speedy mail service; and, looking upon this contract as one purely for a mail service, I should not consider myself justified in doing anything that would prevent it being carried out. It provides for probably as good a mail service as we could possibly expect to get for the money, and Southern Queensland, at all events, could hardly be better served. The contractors will be under no obligation in regard to the carriage of cargo; but, as I have already said, I think the requirements of Queensland in that respect can be more efficiently met by a line of steamers plying *viâ* Torres Straits. In the circumstances, I must vote against the amendment, which has been moved by Senator Stewart.

Senator Col. NEILD (New South Wales) [12.23].—In view of what I have

already said on this question as to the possibility of the steamers of this line of steamers, if it should ever be established, ceasing to have any further connexion with Australia than a call at Adelaide, and being induced to cross the ocean to New Zealand for a New Zealand Government subsidy, which, no doubt, would be forthcoming, I think it my duty to vote for the amendment submitted by Senator Stewart. I freely admit that if the contract is carried out as designed, the amendment will be an absurdity, because the vessels will be of a size that will prevent their entry into Port Phillip, Port Jackson, and Moreton Bay, and will prevent them getting any nearer to Adelaide than the Outer Anchorage, and it will be impossible that they can be utilized in the manner indicated by the amendment. I apprehend that the transparent blunder which some one has committed in the wording of this option agreement will have to be put right some day. Some one will have to own up and admit that he did not know what he was doing. I suppose it will be Mr. Croker. I do not blame the Postmaster-General, because I suppose he knew all about it, and was quite prepared to accept the gigantic steamers which Mr. Croker was complacent enough to offer. I really do not suppose that Mr. Croker knew anything about the matter. That is the only way in which I can account for such an extraordinary proposal. We can accept the proposal with more certainty than we could accept the terms of an agreement which the persons alleged to be pledged have not seen, or a warranty to a bond which apparently nobody has seen. I feel that I could not have made the remarks I made the other day without trifling unless I was prepared to give evidence of my belief in their validity by supporting the amendment which Senator Stewart has moved.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	...	...	...	5
Noes	...	...	...	24
				—
Majority	...	...	...	19

AYES.

Dobson, H.
Guthrie, R. S.
Higgs, W. G.

Neild, J. C.
Teller:
Stewart, J. C.

NOES.

Baker, Sir R. C.
Best, R. W.
Clemmons, I. S.
Croft, J. W.
de Largie, H.
Drake, J. G.
Fraser, S.
Gould, A. J.
Henderson, G.
Keating, J. H.
Macfarlane, J.
McGregor, G.
Millen, E. D.

O'Keefe, D. J.
Pearce, G. F.
Playford, T.
Smith, M. S. C.
Story, W. H.
Styles, J.
Symon, Sir J. H.
Trenwith, W. A.
Turley, H.
Walker, J. T.

Teller:

Findley, E.

PAIR.

Givens, T.

| Pulsford, E.

Question so resolved in the negative.

Amendment negatived.

Article 3—

That each entire voyage of each of the mail ships in either direction between Brindisi and Adelaide shall be completed within a period of six hundred and thirty-six hours, which period of six hundred and thirty-six hours shall be deemed to be "the period of transit" referred to in the said "general conditions of tender."

Senator KEATING (Tasmania—Honorary Minister) [12.31].—I move—

That there be added to the motion:—

Proviso to article 3—

Provided that, in the event of the Postmaster-General requiring the "period of transit" on the voyage from Brindisi to Adelaide to be reduced to six hundred and twelve hours, the period of six hundred and twelve hours shall thenceforth be deemed to be the "period of transit" for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period.

When the contract was first submitted to the other House, it was objected that it empowered the Postmaster-General to require the reduction of the period of transit from 636 to 612 hours, but did not definitely bind the contractors to comply with his request. The object of inserting this proviso is to make that point abundantly clear.

Senator GUTHRIE (South Australia) [12.33].—The proviso has also to be considered in connexion with article 5, which provides that where the period of the voyage is reduced from 636 to 612 hours, the contractors shall be reimbursed the cost of extra coal and other incidental expenses in providing the accelerated service. I cannot see where any occasion for other incidental expenses could arise. To a very large extent, this provision would operate in favour of the contractors. Suppose, for instance, that with a large ship they managed to save thirty-six hours in running, they would make a considerable saving. And yet, in addition to that, it

is proposed to give them an additional subsidy up to a sum of £25,000.

The CHAIRMAN.—I would ask the honorable senator to deal with that matter on article 5.

Senator GUTHRIE.—I understand, sir, that article 3 also deals with the subject-matter of article 5.

The CHAIRMAN.—No; with another matter.

Senator CLEMONS.—I submit, sir, that Senator Guthrie is quite in order, because article 3, as the Minister has indicated, is intertwined with article 5, and deals practically with the same set of circumstances and conditions.

The CHAIRMAN.—I do not see anything about incidental expenses in article 3, and the proviso refers to only the period of transit, but incidental expenses are mentioned in article 5. I think it would be more convenient if Senator Guthrie were to keep to the point under discussion.

Senator GUTHRIE.—The proviso would empower the Postmaster-General to require an alteration in the rate of speed of the vessels. Consequently if the period of the voyage were altered from 636 to 612 hours the question of expense would arise. How it comes to be put in article 3 and not in article 5 I cannot understand. The latter prescribes how the Postmaster-General shall deal with the contractors when he asks for increased speed. The only consideration with me now is whether, if article 3 were approved, we could amend article 5.

The CHAIRMAN.—Certainly.

Senator GUTHRIE.—I feel very strongly that "other incidental expenses" should be struck out.

Amendment agreed to.

Article 5—

That in the event of the Postmaster-General requiring the said "period of transit" on the voyage from Brindisi to Adelaide to be reduced to six hundred and twelve hours, and pursuant to such requirement the said "period of transit" for each voyage from Brindisi to Adelaide is so reduced to six hundred and twelve hours by the contractors, then the contractors shall, subject as in clause 4 hereof mentioned, be entitled to receive an increased remuneration, namely, a reimbursement to cover the additional cost of making provision for the extra coal and other incidental expenses to provide such accelerated service on the said voyage, and the amount of such reimbursement, failing mutual agreement, shall be fixed by arbitration in the manner set forth in the said "general conditions of tender," provided, however, that the total amount of such reimbursement shall in no case exceed Twenty-five thousand pounds (£25,000) per annum.

Senator GUTHRIE (South Australia) [12.38].—I move—

That there be added to the motion :—

Proviso to article 5—

Leave out "and other incidental expenses."

Senator TRENWITH.—Might there not be other incidental expenses, and, if so, would they not have to be approved?

Senator GUTHRIE.—There might or might not be. If the contractors built vessels which were capable of making the trip in 612 hours, the alteration in the rate of speed would be all in their favour.

Senator TRENWITH.—But would it not take a larger consumption of fuel to give the higher rate of speed?

Senator GUTHRIE.—If the honorable senator had read the article he would know that it makes ample provision to compensate the contractors for the use of additional fuel. But it goes further when it provides that they shall be reimbursed other incidental expenses.

Senator TRENWITH.—If there should be any other incidental expenses why should they not be reimbursed?

Senator GUTHRIE.—Would there be any?

Senator KEATING.—If there were none the provision would do no harm.

Senator BEST.—And if there should be any difference the amount would have to be fixed by arbitration.

Senator GUTHRIE.—If the Postmaster-General called upon the contractors to make the trip more quickly, and it led to a considerable saving on their part, should not the Commonwealth receive a benefit therefrom?

Senator CLEMONS.—What the honorable senator means is that these "other incidental expenses" should be "other necessary expenses."

Senator GUTHRIE.—Exactly. I do not mind the contractors being recouped other necessary expenses, and I do not know that any dispute on this point would go to arbitration. In my opinion, it would be left to the Postmaster-General to say what were incidental expenses.

Senator PEARCE. — The amount would have to be fixed by arbitration.

Senator GUTHRIE.—Article 5 says—

The contractors shall, subject as in clause 4 hereof mentioned, be entitled to receive an increased remuneration, namely, a reimbursement to cover the additional cost of making provision for the extra coal and other incidental expenses.

Article 4 is in these terms —

That subject as aforesaid to all the conditions contained in the said "general conditions of tender," the yearly subsidy or sum payable to the contractors by the Postmaster-General in consideration of the faithful performance and observance by the contractors of all the covenants, agreements, stipulations, provisos, and conditions in this agreement, and except where or to the extent the same are inconsistent with or modified by provisions herein contained in the said "general conditions of tender" contained shall be at the rate of One hundred and twenty-five thousand pounds (£125,000) per annum.

Neither the amount of the subsidy nor the provision of increased speed, nor the matter of other incidental expenses would go to arbitration.

Senator FRASER.—They might be driven to arbitration.

Senator GUTHRIE.—No. All that the company would need to do would be to say, "It was necessary for us to consume 1,000 tons more coal of a certain quality and price," and no doubt, just as lawyers can make up bills of costs, ship-owners would be able to make up bills of "other incidental expenses." These might amount to a very considerable sum, but, so far as I can see, the article does not provide for a dispute on those points, to be referred to arbitration.

Senator KEATING. — The amount is limited to £25,000.

Senator GUTHRIE. — So far as coal was concerned, the consumption would be well known, but incidental expenses would be an unknown quantity. I should not mind compensating the contractors for any extra coal which they might burn; but I object to compensating them for other incidental expenses which might not involve the employment of any additional labour.

Senator Sir JOSIAH SYMON.—Suppose that they were to use oil, and not coal.

Senator GUTHRIE.—I should be willing to compensate the contractors for whatever additional fuel they might burn. It is well known that the use of oil on a steamer does away with the employment of labour to a very large extent.

Senator Sir JOSIAH SYMON.—They might use bottled-up electricity.

Senator GUTHRIE. — At the present time, there are no ships of any size, certainly not ships of 11,000 tons register, which are propelled by electricity.

Senator Sir JOSIAH SYMON.—What the honorable senator wishes to do is to provide that if any better and cheaper means of

propelling ships be discovered, the question of the subsidy shall be submitted to arbitration, with a view to its reduction.

Senator GUTHRIE.—No. I am willing to assent to the payment of that sum for a period of ten years, and if the contractors provide boats with a quicker rate of speed, I should be prepared to compensate them for whatever additional fuel they might consume.

Senator DE LARGIE (Western Australia) [12.45].—I think that the words objected to by Senator Guthrie are necessary. If extra coal is consumed, there must be more labour to handle it. Stokeholds are manned according to the amount of coal consumed.

Senator GUTHRIE.—That has been recommended, but it is not carried out.

Senator DE LARGIE.—If to keep up a certain speed, ten men are required in the stokehold of a vessel, twelve may be required to maintain an extra speed. Surely extra labour would be incidental to the consumption of extra coal. The Navigation Commission, of which Senator Guthrie was a member, has reported, and he ought to know that that Commission recognised the principle that manning ought to be regulated by coal consumption.

Senator GUTHRIE.—It ought to be, but it is not.

Senator DE LARGIE.—Manning has a necessary relation to coal consumption. The present agreement involves the consumption of a certain amount of coal. Increased speed will mean extra consumption, and incidental to that will be extra cost for labour. Therefore, I think it is necessary that the article should be worded as it is.

Senator GUTHRIE (South Australia) [12.48].—There is no manning scale in any part of the British Dominions, except under the New Zealand law, which depends on the consumption of coal.

Senator DE LARGIE.—What was the finding of the Navigation Commission?

Senator GUTHRIE.—That is still in the air, and may be so throughout the continuance of this contract.

Senator DE LARGIE.—Is the honorable senator in favour of the coal consumption of steam-ships being the factor regulating manning?

Senator GUTHRIE.—Of course, I am. Very likely, Mr. Croker, the contractor under this scheme, is also in favour of manning being determined by the consumption of coal. Very probably, he will say,

"We require a certain number of men if the voyage is to be completed in 636 hours. On the basis of a 612 hours' voyage, we ought to have a certain number more."

Senator BEST.—He could not say that, unless more were actually employed.

Senator GUTHRIE.—I do not know that he could not.

Senator BEST.—It would not be an extra expense then.

Senator GUTHRIE.—The company might say that it required a certain number of men to bring a ship from Brindisi to Adelaide in 636 hours. If they consumed extra coal in increasing the speed, they might say, "We ought to have two or three more men," and charge that as an incidental expense. They would not be compelled to go to arbitration on that point any more than with regard to the extra allowance of £25,000.

Senator BEST.—Yes, they would.

Senator GUTHRIE.—I will give way to the honorable senator's construction of a legal document, but I think that we are only opening the door to claims for incidental expenses. If an amendment is not made, I believe, that honorable senators will have cause to regret that they left such a loop-hole in the contract.

Senator CLEMONS (Tasmania) [12.51].—We have learnt from the Minister that the words at the end of article 6—

failing mutual agreement be determined by arbitration in the manner provided in the said "general conditions of tender,"

are to be left out. Words are to be substituted providing for a reference to Parliament. I suppose that this question of additional remuneration will not be referred to Parliament.

Senator KEATING.—It will be a matter for arbitration.

Senator CLEMONS.—It is, I believe, a fact that it is contemplated to add £25,000 to the payment for this service at a future date. That question will never be referred to Parliament, I understand?

Senator KEATING (Tasmania—Honorary Minister) [12.54].—It will be for the Postmaster-General to request the company to reduce the duration of the voyage to 612 hours. The particular expenditure to which the company will be put by reducing the time may be £18,000 or £20,000. It will depend upon the Postmaster-General whether he takes the responsibility of

exercising the power of agreeing to pay that extra amount, referring it to arbitration, or first consulting Parliament.

Senator CLEMONS.—We do not give him the option under article 6 as proposed to be amended.

Senator KEATING.—No, he must refer to Parliament in that case; but in this instance he is to have the option of agreeing, or referring to arbitration, or he may first consult Parliament. This power will be exercised at his own discretion.

Senator MILLEN (New South Wales) [12.55].—The Minister's explanation means that the Postmaster-General would, if he gave notice requiring an expedited service and found the cost too great, have the option of leaving the contract as it originally stood. But once he has given the notice the matter will not rest with him. The contractors can go on in accordance with his notice, and call upon the Postmaster-General either to pay its claim or submit the matter to arbitration.

Senator KEATING.—That would be so if he absolutely required the alteration. But he might make inquiries beforehand.

Senator MILLEN.—As to what a future Postmaster-General might do under imaginary circumstances, I cannot say.

Senator KEATING.—But that is what I was asked.

Senator MILLEN.—The Minister has offered an explanation which he must admit is not literally accurate. Once the notice has been given there will be no opportunity to draw back from it. It will be for the contractor to determine whether he will agree to the expedited service or not. The adjustment of the additional price will be a matter for arrangement or arbitration, and the only question that can come before Parliament is that of the extension of the contract. I am not saying that this is a vital blot in the agreement, but I am pointing it out because the Minister seemed to hold a different view. I do not see that a matter of this kind can come before Parliament. It is one of adjusting little details for which the Government must take the responsibility. It does not follow, however, that we may not obtain an expedited service without paying an extra penny. I am not saying that we are likely to get it. But the word "reimbursement" is used. We call for a superior service. If the contractors say that that entails additional expenditure, they

will have to be paid for it. But they may put in superior machinery which will be more economically worked. It may be more profitable to them to give us an accelerated service without extra payment. It is only in case of additional outlay being caused to the company that the Commonwealth can be approached for additional payment.

Sitting suspended from 1 to 2 p.m.

Senator MCGREGOR (South Australia) [2.0].—I should like to reply briefly to the remarks of Senator Millen. The honorable senator has every right to be anxious as to what may be done by any future Postmaster-General and the contractors in the matter of increased speed; and he pointed out that if a quicker service were desired, the fact would be intimated to the contractors, and the whole question would then be submitted to arbitration. In my opinion, there is nothing in the contract to prevent the present or any future Postmaster-General, before proceeding to the length indicated, from endeavouring to find out from the contractors the probable cost of the accelerated service; and the Government would certainly be guided by any suggestions or statements the contractors might make in this connexion. Of course, the contractors might refuse to give any hint as to the probable cost, and thereupon the Postmaster-General would have to fall back on his powers under the contract. I have no doubt, however, that, in any such negotiations, the contractors would be very willing to assist in arriving at an agreement without resorting to arbitration; but if the latter course were decided upon, then both parties would be on the same footing. I have no fear as to anything that may occur in this connexion under the conditions.

Senator PULSFORD (New South Wales) [2.5].—I presume it is recognised by the Government that article 6 is entirely optional — that the Postmaster-General "may" require, but that the contractors are not compelled to provide the accelerated service.

Senator KEATING.—We have adopted a proviso that casts the obligation on the contractors to comply with the requirements. As I intimated, that proviso was adopted by another place, and has also been adopted here.

Amendment negatived.

Article 6—

Amendment (by Senator KEATING) agreed to—

That there be added to the motion—

Proviso to Article 6—

Leave out the words "failing mutual agreement be determined by arbitration in the manner provided in the said general conditions of tender," and insert in lieu thereof "be determined by mutual agreement, subject to the approval of Parliament by resolution. . . ."

Article 7—

That during the prevalence of the South-west Monsoon the "period of transit" from Adelaide to Brindisi shall be extended by thirty-six hours.

Senator PEARCE (Western Australia) [2.7].—Are the Government in possession of any authority by which they can determine the period of the south-west monsoon? It would be rather serious if for six months of the year the time of transit could be extended by thirty-six hours.

Senator GUTHRIE.—That is what it means.

Senator PEARCE.—There may be some determination by a court as to what the period of the south-west monsoon really means. If it means nine or ten months in the year, we shall be practically entering into a contract in which the time of transit is thirty-six hours more than that stated in article 3.

Senator PULSFORD.—I think the south-west monsoon period is about four months—from the latter part of May to the middle of September.

Senator PEARCE.—I desire to know whether the Government have any information.

Senator KEATING.—Personally, I have not; but I am told that it is a well understood period, which has been provided for in all previous contracts.

Senator STANFORTH SMITH.—In the north of Australia the monsoon period extends for seven or eight months.

Senator MACFARLANE (Tasmania) [2.8].—The south-west monsoon blows from Aden, in the Red Sea, towards Ceylon from the beginning of May to the end of September, or some time in October. If we allow an extended period of thirty-six hours between Ceylon—which is the only place in question—and Aden, it will operate for about six months in the year, and will, therefore, be a considerable addition to the time mentioned in the contract. The contract between the Peninsular and Oriental Steam Navigation Company and the Imperial Government contains a similar stipulation.

Senator GUTHRIE (South Australia) [2.10].—The best course the Government could take, in the interests of the people of the Commonwealth, would be to strike out this article. The Imperial contract referred to by Senator Macfarlane is an Indian contract, the circumstances of which are different from those under consideration. In order to steam against a south-west monsoon, simply a little additional power is required by the vessel, and I do not know why the Government have accepted this article. At the present time the south-west monsoon is blowing, and yet the boats of the Peninsular and Oriental Steam Navigation Company cover the voyage in exactly the same time as they did six months ago.

Senator MCGREGOR.—Why should we not assume that, under this contract, the same thing will be done?

Senator GUTHRIE.—We are entering into a business arrangement, in which nothing ought to be assumed.

Senator TURLEY.—Senator Guthrie has said that there is no business at all in this contract.

Senator GUTHRIE.—I have never so expressed myself, although I may have said that a want of business ability has been shown in the framing of the contract.

Senator TURLEY.—The honorable senator said that the whole thing would come to nothing.

Senator GUTHRIE.—That is another matter. It is probably very business-like on the part of the contractors to induce us to enter into an agreement which, to a considerable extent, is in their favour, and I have expressed the opinion that, under the conditions laid down, there is very little chance of a company being floated to undertake this service.

Senator MCGREGOR.—And the honorable senator wishes to make the matter more difficult of accomplishment.

Senator GUTHRIE.—That is not so. What I say is that, under the existing contract with the British Government, the monsoonal period makes no difference in the time of the arrival of the mail-boats at Adelaide; and I should like some explanation from the Government why a distinction has been drawn.

Senator KEATING.—It is a usual provision.

Senator GUTHRIE.—But why is it made?

Senator KEATING.—It is rather too late in the day to ask that.

Senator GUTHRIE.—We are now revising previous conditions, and, unless for good reasons shown, this article ought not to be inserted. It cannot be challenged, I think, that, with a head wind, the majority of up-to-date steamers are able to make better speed than they can attain with a fair wind, because the fires burn brighter and better steam is obtained. Every one knows that on their course to Brindisi these boats will have to contend against no absolutely bad weather. If they had to go round the Horn it would be another question. I object to the proposed concession for what is an indefinite period. I may feel more strongly on the subject than do some other honorable senators, because I remember that the various States have adopted a load-line, and that whilst the Imperial Act provides that on the coast of Great Britain, during certain months of the year, a winter load-line shall be used, and some of our States have adopted a winter load-line for corresponding months in Australian seas, others of the States have claimed that we have no winter in Australia, and have refused to introduce that safeguard. The result is that, in the matter of loading ships, the men sailing round Australia are in a worse position than seamen in any other part of the British Dominions.

Senator MCGREGOR.—Does the honorable senator not want a winter load-line?

Senator GUTHRIE.—I do.

Senator MCGREGOR.—If the honorable senator admits conditions of that kind he must admit the influence of the monsoons.

Senator GUTHRIE.—I believe in a winter load-line for ships plying in Australian waters.

Senator DE LARGIE.—The honorable senator is arguing against it.

Senator GUTHRIE.—I am not doing anything of the kind; but under the provision to which I have been referring the ships are to be permitted, during certain months of the year, to occupy thirty-six hours longer on the voyage, whether they are loaded down or are loaded light.

Senator DE LARGIE.—During rough weather.

Senator GUTHRIE.—Where is the rough weather?

Senator MCGREGOR.—If there is no rough weather, why should there be a winter load-line?

Senator GUTHRIE.—Senator McGregor is only showing his absolute ignorance

of the subject. The honorable senator should stick to carrying a hod up a ladder, where he would have the same weather above as below.

Senator MCGREGOR.—The honorable senator should speak only about what he understands. He would find it very difficult work to carry a hod up a ladder in windy weather.

Senator DE LARGIE.—The honorable senator does not contend that monsoon weather is fair weather?

Senator GUTHRIE.—I have contended that it is far better for the firemen and more easy for them to keep up a good pressure of steam with a head wind than with a fair wind.

Senator DE LARGIE.—But the ship might not make as good speed.

Senator GUTHRIE.—The pressure of steam will force the ship through at her ordinary rate of speed with a head wind in anything like moderate weather. I challenge any member of the Committee to say that there is anything like bad weather on the track between Fremantle and Brindisi, unless a ship should happen to meet a typhoon, and such an experience might not occur once in ten years. I should add that typhoons are more likely to occur during the north-east monsoons than during the south-west monsoons.

Senator HENDERSON.—What does it matter in which of the monsoons they are met with?

Senator GUTHRIE.—I am objecting to the provision giving the company a concession of thirty-six hours during the time of the south-west monsoons.

Senator PLAYFORD.—That is only in case the boats should be a little late. As a rule they will keep up to time, as boats running under the existing contract do; but there might be exceedingly heavy weather during the south-west monsoons, which might retard the vessels, and the company claim that it would be hardly fair to fine them for delay in such a case.

Senator GUTHRIE.—If the extraordinary weather occurs during the season of the north-east monsoons, no such concession is provided for. Where is the logic in that?

Senator PLAYFORD.—The logic is in the fact that the south-west monsoons would blow against the vessels, and the north-east monsoons with them.

Senator GUTHRIE.—If this were a contract under which sailing-ships would carry the mails, the honorable senator's argument would be sound.

Senator PLAYFORD.—Unless the honorable senator desires to destroy the contract altogether, he must agree to the retention of this provision.

Senator GUTHRIE.—Senator Playford is absolutely unfair, as he usually is. Why should the honorable senator say that I desire to destroy the contract?

Senator PLAYFORD.—I do not say that; but I say that if this provision is struck out, it will destroy the contract.

Senator GUTHRIE.—Why?

Senator PLAYFORD.—Because the contractors would then be able to refuse to accept the contract.

Senator GUTHRIE.—I have said that a head wind will be far more favorable for these vessels than a fair wind, because it will give them the necessary draught.

Senator HENDERSON.—Does the honorable senator mean to say that these boats can be propelled faster against a head wind than with a fair wind?

Senator GUTHRIE.—Yes, unless the head wind is a gale, and there are not many gales encountered between Fremantle and Brindisi.

Senator MCGREGOR.—Would the honorable senator not give the contractors any concession?

Senator GUTHRIE.—I remind the honorable senator that by this contract we are making provision in the interests of the company for all extraordinary circumstances. In the event of delay through "the act of God, the King's enemies, or pirates," an extension of time is allowed under this contract. I contend that there is no necessity for the concession proposed, and I do not believe that we should jeopardize the contract by omitting the provision. I believe that if it be omitted, the contractors will be prepared to admit that there is no reason why they should be given an extra thirty-six hours in which to complete a voyage during the south-west monsoons. These winds blow when the sun is north of the line, and why should the company be given the additional time during six months of the year?

Senator STANFORTH SMITH. — When do the equinoctial gales come on?

Senator GUTHRIE. — When the sun crosses the line going to the north, and going to the south, that is, in April and

September, and I should not have objected to a provision for an extension of time during those months of the year. But to provide, in a service in tropical waters where the sea is generally like a millpond, for a concession of thirty-six hours in the length of the voyage, for six months of the year, is ridiculous on the face of it. I move—

That there be added to the motion—
Provided that article 7 be left out.

Senator MACFARLANE (Tasmania) [2.27].—If I did not think that it would vitiate the contract I should be inclined to vote for the amendment. I agree with Senator Guthrie that the proposed extension of time is quite unnecessary in the case of these high power steamers.

Senator KEATING.—Then why did the Peninsular and Oriental Steam Navigation Company ask the British Government to extend the period from twenty-four to thirty-six hours?

Senator MACFARLANE. — It is, of course, an advantage to a shipping company to secure the longest extension of time they can. Between May and October the Peninsular and Oriental Steam Navigation Company are allowed an extension of thirty-six hours on the voyage from Colombo to Brindisi. That is an indication that there is heavy weather to be met with between Colombo and Aden during that time of the year. As a matter of fact, it is found that the steamers must go a considerable distance south of their ordinary track to avoid the heavy monsoons. The south-west monsoons do not always blow with the same strength, but at times they bring on very heavy weather, and the steamers go south of their usual course, to avoid being delayed with water. That is the reason why the concession is asked for.

Senator KEATING. — The time allowed used to be twenty-four hours, but in the last contract with the Peninsular and Oriental Steam Navigation Company it has been extended to thirty-six hours.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	...	...	...	5
Noes	...	...	...	23
				—
Majority	...	...	...	18

AYES.

Higgs, W. G.
Neild, J. C.
Stewart, J. C.

Walker, J. T.
Teller:
Guthrie, R. S.

NOES.

Baker, Sir R. C.	Macfarlane, J.
Clemons, J. S.	McGregor, G.
Croft, J. W.	Millen, E. D.
Dawson, A.	Mulcahy, E.
de Largie, H.	O'Keefe, D. J.
Dobson, H.	Pearce, G. F.
Drake, J. G.	Playford, T.
Findley, E.	Pulsford, E.
Fraser, S.	Smith, M. S. C.
Gould, A. J.	Story, W. H.
Henderson, G.	<i>Teller:</i>
Keating, J. H.	Turley, H.

Question so resolved in the negative.

Amendment negatived.

Article 9—

That as the contractors propose to build mail ships to carry out this agreement, it is hereby agreed that condition Number 39 of the said "general conditions of tender" attached hereto marked "A" forms part of this agreement, and that the plans of the new mail ships to be built to carry out this agreement shall, within a reasonable time, be submitted for the approval of the representative of the Commonwealth Government in London.

Senator CLEMONS (Tasmania) [2.33].—According to this article, the plans of new mail ships will be submitted to the sole approval of the representative of the Commonwealth Government in London. I admit that there may be very great difficulty in getting some person who will closely, and possibly more adequately represent the view of the Government, to approve of plans. It is very likely that the Ministry find it utterly impossible, at any rate, very difficult, to provide any other means. But that sort of approval of plans will not satisfy me.

Senator KEATING.—My honorable friend does not know who may be chosen to represent the Commonwealth in this matter.

Senator CLEMONS.—I have assumed that it would be either the present occupant of the office, so far as he does represent the Commonwealth, or his successor.

Senator KEATING.—I do not think that we would be bound to appoint the occupant of any particular office.

Senator CLEMONS.—I am glad to get that information from the Minister. I think it may fairly be assumed that at the present time the Commonwealth Government has a representative in London. It would be rather dangerous to leave the approval of these plans solely in the hands of that officer, or possibly his successor. But if the Minister chooses to say that it is the intention of the Government to appoint a special and properly qualified man for the purpose I shall be glad to get the assurance.

Senator PLAYFORD.—Undoubtedly we will do that. We might have a High Commissioner, but even he would not be competent to approve of plans.

Senator CLEMONS.—I am very glad to hear that statement from the Minister of Defence.

Senator KEATING.—The idea is to have an agent for this particular purpose.

Senator CLEMONS.—The use of the term "representative" in this article is misleading, and it was fair to assume that the approving officer would be the person whom we call the representative of the Government. But with the assurance that a properly qualified man will be chosen for the purpose, I shall say no more on that point.

Senator Lt.-Col. GOULD (New South Wales) [2.36].—I venture to think that the approval of the Commonwealth Government ought to be required. The plans of new ships might very well be submitted, in the first instance, to the representative of the Government in London, whomsoever he might be, but he should either be directed to forward them for the approval of the Government or receive instructions as to the nature of plans of which he might approve.

Senator DOBSON.—There would be no time to forward the plans to Australia.

Senator Lt.-Col. GOULD.—Possibly it might not be necessary to send out the plans. I think that the latter part of the article ought to read in this way:—

The plans of the new mail ships to be built to carry out this agreement shall, within a reasonable time, be submitted to the representative of the Commonwealth Government in London for the approval of the Commonwealth Government.

Senator GUTHRIE.—I desire to move a prior amendment.

Senator Lt.-Col. GOULD.—That is the only difficulty which occurs to me in connexion with the article.

Senator GUTHRIE (South Australia) [2.38].—The article begins with these words—

That as the contractors propose to build mail ships—

There is not much in those words. I desire to substitute the words "bind themselves" for the word "propose." Everything hinges upon the question as to whether the company intend to carry out the contract or not. It is made with a company which is to be formed, and which only proposes to build steam-ships. It need not build any ships, and if it should

not, it could get the whole of the deposit returned. I move—

That there be added to the motion—

Proviso to article 9—

Leave out the word "propose," line 1, and insert the words "bind themselves."

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	...	...	...	7
Noes	...	...	...	22
Majority	...	...	...	15

AYES.

Dawson, A.	Stewart, J. C.
Higgs, W. G.	Walker, J. T.
Macfarlane, J.	<i>Teller:</i>
Neild, J. C.	Guthrie, R. S.

Noes.

Baker, Sir R. C.	Mulcahy, E.
Clemons, J. S.	O'Keefe, D. J.
de Largie, H.	Pearce, G. F.
Dobson, H.	Playford, T.
Drake, J. G.	Pulsford, E.
Findley, E.	Smith, M. S. C.
Fraser, S.	Story, W. H.
Gould, A. J.	Symon, Sir J. H.
Henderson, G.	Turley, H.
Keating, J. H.	<i>Teller:</i>
McGregor, G.	Croft, J. W.
Millen, E. D.	

Question so resolved in the negative.

Amendment negatived.

Senator Lt.-Col. GOULD (New South Wales) [2.43].—I have two suggestions to offer with regard to the latter portion of this article. I suggest that it should be altered to read as follows:—

The plans of the new mail ships to be built to carry out this agreement shall, within a reasonable time, be submitted to the representative of the Commonwealth Government in London for the approval of such Government.

Or if the Government think that that procedure would be too complicated, I am quite willing to use the expression "submitted to a representative of the Commonwealth Government in London for approval," and to add the words "appointed for that purpose."

Senator PLAYFORD (South Australia—Minister of Defence) [2.44].—Most likely the Government will have a representative in London, and he will not be competent to criticise plans of steam-ships. Suppose that the Commonwealth were represented by a High Commissioner or by Captain Collins, undoubtedly he would appoint some person who had the necessary technical knowledge to advise him, and in the light of that advice he would approve

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of plans. It has been suggested that subsequently the plans should be sent out, and approved of by the Government. But the contractors would desire to begin the building of the ships immediately. The Government will have to oppose any alterations other than those to which we have agreed.

Senator Sir JOSIAH SYMON (South Australia) [2.45].—I think that the Minister has rather misunderstood Senator Gould's proposal. He does not intend that the plans of these ships shall be sent out to Australia.

Senator PLAYFORD.—How can they be submitted to the Government unless they are sent out?

Senator Sir JOSIAH SYMON.—The Minister has got into the same state of confusion as the agreement is in. No one suggests that the Commonwealth Government shall consider the plans. Its approval is to be given through its expert. The article is extremely badly framed. No one desires to delay the approval of the contract for a moment. We wish to hasten it. Nor is it intended that an amendment shall be made which would embarrass the Government in any way. But it is right that it should be put on record that this point has been criticised, and that the explanation of the Government should be forthcoming and recorded. What Senator Gould points out is that owing to the unhappy phraseology used, this article may be understood to mean that the approval is to be that of the ordinary representative of the Government in London. That view is emphasized by the use of the word "the." That representative may be either Captain Collins, the High Commissioner, or some one else.

Senator TRENWITH.—Or some one specially appointed.

Senator Sir JOSIAH SYMON.—I believe that that is the intention. It should be some one competent to give an intelligent approval of the plans. All that Senator Gould has done is to suggest an amendment. Whether it is pressed or not is another matter. I do not know that it need be. But he indicates that to carry out the intention it would be better to make the article read: "A representative of the Government in London appointed for the purpose." The High Commissioner would not be competent. He must have some one to advise him. It would be

better if the article had been framed differently. But the Government has said—and its assurance in that respect may be accepted—that it is intended that a competent representative shall be appointed for the purpose. If the article is understood in that sense by the contractors there will be no trouble.

Senator PEARCE (Western Australia) [2.50].—What Senator Gould is aiming at would be practically accomplished by the article as it stands. As soon as the contract is ratified, I suppose that the Government will decide who its representative for this purpose shall be. The Agent-General for New South Wales at present represents the Commonwealth.

Senator Sir JOSIAH SYMON.—No, Captain Collins.

Senator PLAYFORD.—No, he only represents the Commonwealth in certain affairs; the Agent-General for New South Wales acts as our representative—our ambassador.

Senator PEARCE.—The Government will decide who shall be its representative for the purpose of this agreement. We must give the Government a free hand. I presume that certain instructions will be given to the appointed representative in order that our interests may be protected, and the regular representative of the Commonwealth will rely upon the advice of the expert. Is it worth while to amend the article when we know that no other intelligible course could be followed?

Senator FRASER (Victoria) [2.51].—Personally, I do not care a straw whether the plans of the ships are subject to inspection or not. I believe that the men who are going to plank down their money in this enterprise will take good care to build good up-to-date ships. They would be born idiots if they did not. But I do object to any whinner-snapper having power to knock the contractors' plans about for no good end. It would be far better for the Government to appoint an expert to do this work. If they do that I shall be perfectly satisfied. I recommend them to do it as soon as this contract is closed.

Senator PEARCE.—Is it not reasonable to think that they will?

Senator PLAYFORD.—Hear, hear. Of course they will.

Senator FRASER.—I hope they will. Therefore I shall support the article.

Senator Lt.-Col. GOULD (New South Wales) [2.53].—I have no desire to delay the proceedings. But there must have been

some reason for inserting this article in the contract. It is only fair that we should see that it expresses the wish of Parliament. This is not the only article that does not sufficiently convey what is really intended. I am satisfied with having directed attention to the matter, and shall not propose an amendment, particularly as the Government is not inclined to accept it. But I very much regret that the articles throughout are not more intelligibly drawn. Had they been, a great deal of misunderstanding and explanation would have been prevented.

Article 10—

It is agreed that the sum of Twenty-five thousand pounds (£25,000) already guaranteed by approved guarantee in London, and held and accepted on behalf of the Postmaster-General shall be accepted.

Senator WALKER (New South Wales) [2.54].—Has this guarantee been properly approved? Has any one seen the money, or is it merely a bank guarantee?

Senator KEATING (Tasmania—Honorary Minister) [2.55].—There are personal guarantees, as to the sufficiency of which the Government has communicated with its present representative in London. The Government instructed him to make certain inquiries, and he has an assurance from reputable banks in London that the guarantees are more than sufficient for the purpose.

Article 11—

That each of the mail ships to be employed in pursuance of this agreement shall be of at least 11,000 tons registered tonnage.

Senator CLEMONS (Tasmania) [2.56].—There is a difficulty that we are sure to incur, and be confronted with later on in relation to the tonnage of these ships. The matter has been so thoroughly thrashed out that we are all by this time agreed that the phrase "11,000 tons registered tonnage," as it stands, means if it is correctly interpreted, ships of a tonnage running, we will say, up to anything from 16,000 to 20,000 tons gross. If that is what it means, it may be said that the Commonwealth cannot lose by allowing the article to go as it stands. It has been urged by many honorable senators that if the boats represent 11,000 tons gross tonnage, we should be quite satisfied. If they represent a tonnage of very much more they will be equally satisfied. I am going to assume that the phrase, "11,000 tons registered tonnage" means what it should mean, and what we believe it means—boats of

much larger gross tonnage. I believe personally that the phrase has got into the contract through a blunder. Some one put it in who did not understand what it meant, and it has been passed over by some one else who did not understand it. We may be confronted with the position that if we accept this contract the principals, when they are asked to ratify it, and discover that boats of 11,000 tons registered tonnage are provided for, may say, "We decline to go on; there has been an absurd blunder." I do not believe that we have power to bind them. Suppose the principals say, "This contract binds us to build ships of something like 16,000 or 20,000 gross tonnage, and we decline to do so." What will be the position of the Government? Where will the Commonwealth be? We shall certainly, in my opinion, have the Government coming back to Parliament because the principals will decline to go on. If that be so—and I think I have shown good grounds for the opinion—is it wise for us to let this article pass as it stands, with the sure and certain consequence, in my view, that the principals in England will formally repudiate it, and ask the Government to request Parliament to amend it? I am quite sincere in my desire to get the contract through. I will not even move an amendment. But I must point out the difficulty that I believe the Government will be confronted with, and I hope they realize it. If the contractors say they will not build such boats as are provided, the Government will have to come to it again to alter the contract. Does Senator Keating propose to run that risk, in order to get the contract through without amendment?

Senator KEATING (Tasmania—Honorary Minister [2.59].—I recognise the difficulties that present themselves to my honorable friend's mind, and probably to the minds of other honorable senators. But I am not authorized to ask for any amendment in connexion with this article. I go further, and say that I am not authorized on behalf of the Government to consent to any amendment in it. Even assuming that events did turn out as Senator Clemons suggests that they will, I do not think that the contractors would be able to repudiate the bargain made for them by their accredited agent. If it were necessary—I do not say for a moment that it will be—to come down to Parliament again with a proposal for the amendment of the contract as

ratified, well, then, it would be for Parliament to decide the matter upon its merits.

Senator FRASER.—What is the objection to put in "gross tonnage" now?

Senator KEATING.—I have indicated that the Government is not agreeable to such an amendment. I think that the course we are following in proposing to adopt the contract subject to the amendments agreed to, is the better one. It will be attended not only with the least risk, but with the greatest possible advantage to the Commonwealth.

Senator MACFARLANE (Tasmania) [3.0].—As the senator who first called attention to the matter, I desire to emphasize what I said on that occasion. The law is very clear, and the position is serious; but I am prepared to leave the responsibility with the Government. I feel sure that the law will enable any person who feels aggrieved to bring an action against the contractors if they do not carry out what the law requires in reference to the registered tonnage. If the Government are prepared to take responsibility, I shall say no more, because I have no desire to upset the contract.

Senator DOBSON (Tasmania) [3.1]. — Senator Keating has made the position of the Government perfectly clear, but he has also told us that under some circumstances it may be necessary to refer the matter to Parliament.

Senator KEATING.—I said assuming that were so.

Senator DOBSON. — Quite so. But Senator Keating told us yesterday that an adjournment, even for one day, was a matter of momentous importance, and, believing that the contract is in our favour, I do not desire any delay. I should like to ask, however, what the Government understand by "registered tonnage"?

Senator CLEMONS (Tasmania) [3.2].—I do not like to let the matter drop, but would rather that we faced the practical difficulties. In the interval, since this question was first raised, the Government have had ample opportunity to consult the accredited agent of the contractors in Melbourne. There has been abundance of time to ask Mr. Croker definitely what he means by the use of the term "registered tonnage," and whether, on behalf of his principals, he is prepared to stand by that term. If the Government have, in the interval, approached Mr. Croker, and pointed out to him the difficulties which have

arisen in regard to the interpretation of the article, they may be in possession of information that will make it unnecessary to prolong this debate. It is possible that the Government have taken such a step, but, if so, we have not heard of it; and, therefore, I should assume that they have done nothing, but have left Mr. Croker to suffer because of his own blunder.

Senator DOBSON.—Mr. Croker has heard the debate in both Houses.

Senator CLEMONS.—No doubt. It would not have taken the Government long to cable to the principals asking whether they intend to construct vessels of 11,000 tons registered tonnage, or vessels of 11,000 tons gross tonnage. If we had that information we should know clearly what the contract is that we are asked to approve. My chief objection to this article, as I said yesterday, is that it contains a phrase about which there is a good deal of uncertainty. To put the matter another way, we are asked to affirm a contract containing a condition which renders it very uncertain whether it will be carried out when it comes to be considered by the principals. Even now, without delaying matters, there is time to cable to England. I have no desire to lecture the Government, but it would have been far better policy to settle the matter in the way I have suggested.

Senator FINDLEY.—I suggested that yesterday.

Senator CLEMONS.—I cannot help thinking that some such step ought to have been taken. There are apparently many honorable senators who feel quite confident that, under this contract, we are going to get vessels of from 16 000 to 18,000 tons.

Senator FRASER.—They do not know what they are talking about.

Senator CLEMONS.—That is what the phrase means. I am disinclined to vote for this article. In the interests of a clear understanding as to what we, as a deliberative body, are asked to approve, I shall be compelled, for the first time since we have gone into Committee, to vote against the agreement.

Senator DE LARGIE (Western Australia) [3.5].—I do not agree with what is apparently Senator Clemons' definition of "registered tonnage." We have debated this matter at considerable length on several occasions, and I shall not again go over the ground, but merely say that I am strongly of opinion that "registered tonnage" means gross tonnage.

Senator PLAYFORD.—The tonnage mentioned is that of the smallest-sized vessels we shall get, and we are perfectly satisfied.

Senator DE LARGIE.—I have already given honorable senators my authority for the opinion I hold, and the only contradiction I have heard is that supplied by the British Merchant Shipping Act. I hold, however, that we are not making this agreement under that Act, but are making it in terms well understood by shipbuilders and shippers generally. Considering the beckoning the Government got in another place, and the debates in this Chamber, they would have been well advised to obtain some fresh information for honorable senators. Apparently the Government are themselves not sure of their ground; and, if that be so, they have had sufficient time to make themselves conversant with the facts. If we make any amendment that would have the effect of lessening the tonnage specified, we may be contracting for smaller vessels than are now contemplated, and if "registered" means "gross," there is no difficulty in the way.

Senator GUTHRIE.—There is no such thing as "gross registered" tonnage.

Senator Sir JOSIAH SYMON.—There is only one registered tonnage.

Senator DE LARGIE.—Senator Symon has now entered into the fray!

Senator Sir JOSIAH SYMON.—I only wish to say that I know of no other tonnage except registered tonnage.

Senator DE LARGIE.—I shall repeat the opinion of a gentleman, whose profession it is to understand such matters, and who, in a press interview, said—

Let us take an example; the *Moldavia* is one of the new 10,000-tonners of the Peninsular and Oriental Steam Navigation Company's fleet, and *Lloyds' Register* gives her gross tonnage at 8,500 tons.

Senator Symon will see that the words used are "gross registered tonnage"; and I take that to be correct.

Senator PEARCE.—Give us the name of the authority.

Senator DE LARGIE.—I cannot give the name, but *Lloyds'* is the authority to which the Board of Trade delegates the power of registering ships.

Senator GUTHRIE.—The Board of Trade itself registers the ships.

Senator Sir JOSIAH SYMON.—*Lloyds'* has nothing to do with the registration.

Senator DE LARGIE.—Then what does *Lloyds' Register* mean?

Senator MACFARLANE.—That is for the insurance company.

Senator Sir JOSIAH SYMON.—*Lloyds' Register* is merely a list of names.

Senator DE LARGIE.—I am very much mistaken if *Lloyds* is not the corporation which does the business of the British Government.

Senator Sir JOSIAH SYMON.—No.

Senator DE LARGIE.—Does the Board of Trade not delegate the matter to *Lloyds*.

Senator MCGREGOR.—Why does *Lloyds* have inspectors at most ports?

Senator GUTHRIE.—For the purposes of insurance.

Senator DE LARGIE.—I should like Senator Guthrie to tell us why it is always *Lloyds' Register* that is mentioned in any reference to shipping, and not the Board of Trade register? Perhaps Senator Guthrie, with all his knowledge of navigation and shipping affairs, will answer that question.

Senator GUTHRIE.—The honorable senator ought to know himself.

Senator DE LARGIE.—I contend that it is *Lloyds* which register ships under the Merchant Shipping Act.

Senator MACFARLANE.—Some ships are not in *Lloyds' Register*.

Senator DE LARGIE.—Very few; and that is a fact which tells against such ships.

Senator MACFARLANE.—Yes, in the matter of insurance.

Senator DE LARGIE.—I am surprised that Senator Guthrie, with all his knowledge of law, does not know that much.

Senator HENDERSON (Western Australia) [3.12].—The Government cannot accuse me of having made any attempt to impede the progress of the ratification of this agreement. I should like to say, however, that all through the discussion I have felt that there are a few honorable senators who seem to be desirous to limit the contractors to supplying very small vessels in the Australian service.

Senator FINDLEY.—They seem to want dingies.

Senator HENDERSON.—Those honorable senators seem anxious for a provision to enable the contractors to run any kind of little fishing smacks, so long as they can carry a few bags of mails between England and Australia. That, however, is not my view of the matter. I probably speak feelingly, because I am not a good sailor, and, when making a voyage, prefer as

large a vessel as possible. If the contractors desire to give us vessels of a registered tonnage of 11,000 tons, why should we complain? If the vessels supplied are of 20,000 tons gross, so much the better for the travelling public. However, we do not seem to know what is meant by the phrase. Senator Guthrie and Senator de Largie are both nautical experts. They were members of the Royal Commission on Navigation, and, although they might not have known a ship from a soap-box previously, they are now absolute experts on all questions of navigation. And at what conclusions have they arrived? Judging from the record of their speeches, they have made the position as clear as mud can make it. As to a vessel of 11,000 tons, there is a difference of 5,000 tons between the interpretations placed by those honorable senators on the phrase "registered tonnage." It would be absolutely unreasonable to ask honorable senators to take any notice whatever of such "experts." I am half inclined to follow every step of the road taken by the uninitiated Ministry—men who know so little about shipping that possibly Mr. Croker has "taken them down." It may be, however, that the Government have "taken down" Mr. Croker; but what has really occurred I am not yet prepared to say.

Senator GUTHRIE.—Now is the time, or never.

Senator HENDERSON.—If there is a possibility of having 11,000-ton vessels engaged in this service, I do not care whether that is their gross register or not. I prefer 11,000-tonners to vessels of 3,500 tons, and, consequently, I support the Government in this matter.

Senator GUTHRIE (South Australia) [3.16].—I move—

That there be added to the motion—

Provided that article 11 be left out.

We have been told to-day that it does not matter whether this is gross or registered tonnage. Authorities have been quoted to prove that the register of a ship at *Lloyds* may be interpreted as registered tonnage under this contract. I say the thing is absolutely preposterous, and the man who uses an argument of that sort only shows his entire ignorance of everything connected with shipping. What is the object of registration? It is that the ships registered shall come under British law. An unregistered ship is exactly in the same position

as a person who is not a naturalized subject. I first discovered that the object of registration was to bring a ship under the application of British laws, as the result of a bitter experience, when a vessel was sunk in one of the South Australian Gulfs. Three men lost their lives in the disaster, but no action could be brought against the ship because she was not registered. If these ships were registered at Lloyds, would that registration permit them to fly the Commonwealth flag, of which we are all so proud? It would not. There is a clause in this contract providing that these ships shall fly the Australian flag. I am very glad to see that clause, and will support it.

Senator FRASER.—Does the honorable senator object to the other flag?

Senator GUTHRIE.—No; the other flag is included in the Australian flag. We have the Southern Cross combined with the Union Jack. I might here say that I was an unsuccessful competitor for the design for the Commonwealth flag. I sent in a design comprising the Union Jack, and something representative of Australia.

Senator Col. NEILD.—The honorable senator showed that his loyalty was flagging.

Senator GUTHRIE.—My loyalty to the British Empire has never flagged from the day I was born, and never will.

Senator Col. NEILD.—Then the honorable senator's competition was a flagrant proceeding.

Senator GUTHRIE.—I have been put through a more severe test of loyalty than has any other member of the Committee.

The CHAIRMAN.—Will the honorable senator connect these remarks with the question?

Senator GUTHRIE.—I say that unless the 11,000 tons referred to is registered tonnage the ships can have no protection under the British flag, and can have no recourse to our law courts. It has been suggested during the debate that as these ships are to be registered in Australia, the registration may take place under some other law than the Merchant Shipping Act. But that could not be done, because the provisions of the Merchant Shipping Act respecting the registration of ships apply to the whole of the King's Dominions, and to every part of the known world to which His Majesty's jurisdiction extends. There is no escape from the

fact that the ships must be registered under the Merchant Shipping Act. The provision dealing with the subject will be found in Part 1 of the Merchant Shipping Act, section 2, which reads—

Every British ship—
and these ships being registered in Australia must be British ships—
shall, unless exempt from registration—
and that exemption refers to vessels under 20 tons measurement—
be registered under this Act.

That is to say, that every British ship shall be registered under the Merchant Shipping Act of 1904.

If a ship required by this Act to be registered is not registered under this Act, she shall not be recognised as a British ship.

Senator PLAYFORD.—We are now discussing a question of tonnage.

Senator GUTHRIE.—We are discussing the question of registered tonnage.

Senator PLAYFORD.—If the worst should come to the worst these vessels will be vessels of 11,000 tons, and we shall not object if they are larger.

Senator GUTHRIE.—This contract is laid before me as a representative of the people of South Australia, and when I am told that these ships are to be of 11,000 tons register I want to know what registered tonnage means as referred to in this contract.

Senator PLAYFORD.—What does it matter to us if we get a ship of 11,000 tons?

Senator GUTHRIE.—If the Minister will tell me that this means 11,000 tons register under the Merchant Shipping Act I shall sit down. Is the honorable senator prepared to say what the expression "registered tonnage" means? Surely we have a right to expect that the leader of the Government in the Senate will be able to explain the provisions of this contract?

Senator PLAYFORD.—We have two experts here, and they differ.

Senator GUTHRIE.—I am not referring to the opinions of the experts. I am asking what Ministers mean by the use of this expression.

Senator FRASER.—Let it go, for God's sake.

Senator GUTHRIE.—If Senator Fraser, who is sent here to represent the interests of the people of Victoria, is prepared to open his mouth and take anything the Government care to put into it, well and good.

Senator PLAYFORD.—The honorable senator is expected to shut his eyes first.

Senator GUTHRIE.—If the Ministry expect that from me they are expecting something they will never get.

Senator FRASER.—Is not 11,000 tons enough for the honorable senator?

Senator GUTHRIE.—No, it is not.

Senator MILLEN.—Then let the honorable senator move that the vessels should be of a greater tonnage.

Senator GUTHRIE.—The position I take up is this: These people offer us something, and the question is, are we going to refuse it?

Senator MCGREGOR.—We should refuse it if we did not think it good enough, but we do think it good enough.

Senator GUTHRIE.—Senator McGregor does not know what it is. As the leader of the Senate has said, the honorable senator is accepting something with his eyes shut.

Senator FRASER.—If a man innocently gave the honorable senator a point on him, would he take advantage of it?

Senator GUTHRIE.—Innocently! Does the honorable senator think that these boodlers have come here with this contract innocently? I do not believe for a moment that they have.

Senator Sir JOSIAH SYMON.—The honorable senator should not call them "boodlers."

Senator GUTHRIE.—What should I call them?

Senator Sir JOSIAH SYMON.—Contractors.

Senator PLAYFORD.—They are decent Scotchmen, too.

The CHAIRMAN.—I ask the honorable senator to refrain from replying to interjections which are disorderly.

Senator GUTHRIE.—I should like to reply to the interjection that these contractors are Scotchmen. I do not know that Croker is a Scotchman, and, so far as I know, the firm of Sir James Laing and Sons Limited is a North of England firm, and not a Scotch firm. I do not attribute all the virtues to the Scotch, but they are not to be led into a contract without knowing what it is. The view I take is that I am being asked personally to sign this contract on behalf of the people of South Australia, and I wish to know what I am signing. The contract says that we are to have ships of not less than 11,000 tons register. I have no doubt that the contract was con-

sidered by the Cabinet. There are two members of the Cabinet present, and I wish to know from them what was the opinion of the Cabinet as to the size of these ships.

Senator MCGREGOR.—That they were to be of 11,000 tons, and not less.

Senator GUTHRIE.—I am determined, even if I should have to stand here for a week, to get an understanding of what the Government thought the term meant when the contract was signed. Mr. Croker has refused to tell me what was meant. I am determined that before the article is passed the Minister shall acknowledge either that it means the registered tonnage within the meaning of the Merchant Shipping Act—

Senator DE LARGIE.—Surely the honorable senator is not going to "stone-wall."

Senator GUTHRIE.—No. I think that as a representative of South Australia I have a right to get a reply, but if I am to be ignored I shall discuss the point.

Senator Col. NEILD.—Suppose that the Ministers do not know what the term means, what then?

Senator GUTHRIE.—Ministers ought to know what is meant by the term.

Senator DE LARGIE.—Has the honorable senator replied to my argument concerning *Lloyds' Register*?

Senator GUTHRIE.—If the honorable senator had been in his place he would have heard me say that in this connexion *Lloyds' Register* is waste paper, because a ship is only registered there for the purpose of classification. I stated quite clearly that every ship which expects to get the protection of the British flag and law has to be registered with the Government.

Senator DE LARGIE.—And not with *Lloyds'*.

Senator GUTHRIE.—No; that registration is merely effected for insurance purposes. A ship which is not registered according to British law is in exactly the same position as an alien who has refused to become a naturalized British subject. Just as an alien has no right to the protection of British law, so an unregistered ship has no right to go to a British port, or to fly the British flag.

Senator DE LARGIE.—Is there any registration in Australia?

Senator GUTHRIE.—If the honorable senator will go to the shipping office in Market-street, Melbourne, he can find from the registrar of shipping all the ships which are registered in Victoria, and he can get

similar information in Adelaide. The registrar of shipping here, although paid by the Government of Victoria, is appointed by the Imperial Government to register ships in the State, and a corresponding officer is similarly appointed in Adelaide and Perth. The procedure for registration is laid down in section 4, which reads—

The following persons shall be registrars of British ships :—

- (a) At any port in the United Kingdom, or Isle of Man, approved by the Commissioners of Customs for the registry of ships, the chief officer of Customs :
- (b) In Guernsey and Jersey, the chief officers of Customs, together with the Governor :
- (c) In Malta and Gibraltar the Governor :
- (d) At Calcutta, Madras, and Bombay, the port officer :
- (e) At any other port in any British Possession approved by the Governor of the Possession for the registry of ships, the chief officer of Customs, or if there is no such officer there resident, the Governor of the Possession in which the port is situate, or any officer appointed for the purpose by the Governor.

In schedule 2 of the Act, the procedure for the measurement of tonnage is laid down. It provides that the measurement shall be the measurement of the whole ship with deductions, in the case of a steam-ship, for her propelling space and crew space.

Senator FRASER.—We have had this information fifty times, so what is the use of repeating it?

Senator GUTHRIE.—Is the honorable senator perfectly satisfied that what the Government understood when the contract was signed was that the mails were to be carried in ships of at least 11,000 tons registered tonnage?

Senator FRASER.—That does not matter.

Senator GUTHRIE.—There is no State which has more right to insist upon a clear understanding on this point than has Victoria, considering that she has been bled by the mail companies to a tremendous extent. Mr. Croker has not agreed to put in a provision to protect its producers.

Senator FRASER.—They have taken steps to protect themselves.

Senator GUTHRIE.—They cannot protect themselves. The honorable senator knows that the producers are absolutely at the mercy of either the men in Market-street or the steam-ship companies. It is absolutely imperative to have ships with sufficient capacity to provide a reasonable space for the purpose of cool storage.

Senator MCGREGOR.—These boats will have a reasonable space if they are of 11,000 tons register.

Senator GUTHRIE.—How much space for cool storage could be obtained in a ship of 11,000 tons gross register?

Senator MCGREGOR.—We are not talking about gross register.

Senator Sir JOSIAH SYMON.—The agreement says that the boats are to be of 11,000 tons register, and the honorable senator says that that is net register.

Senator GUTHRIE.—Yes.

Senator Sir JOSIAH SYMON.—If it is net register, then we shall get a bigger tonnage.

Senator GUTHRIE.—Exactly.

Senator Sir JOSIAH SYMON.—And if it is gross register that is all we want.

Senator GUTHRIE.—Probably the honorable senator and I read the article differently. If a difference of opinion should arise, by whom would it be decided? It would have to be decided by the men who signed the contract. I asked the Government for an explanation; but they will not give it.

Senator PLAYFORD (South Australia—Minister of Defence) [3.45].—I am quite willing to tell the honorable senator, if he wishes to know, exactly what the Government considered that they would get under the contract which they were signing. I have heard many arguments on this point while I have been sitting very quietly in my chair. The first question I heard was "Why did you stipulate for boats of 11,000 tons?" It was said that if this was only a mail contract we need have vessels of not more than a few hundred tons. Then we were told that "11,000 tons registered tonnage" meant quite a different thing—that it meant something like 15,000 or 22,000 tons gross. Senator Guthrie, however, informed us that such ships could not go through the Suez Canal, or enter our ports. Now he has told us that ships of 11,000 tons gross register would not have sufficient space for carrying refrigerated produce. First he said that we want small ships for carrying our mails, and, secondly, that we want large ships to enable produce to be conveyed. The Government has considered this matter of registration. They think that what is meant is gross tonnage. We should be satisfied if the company built vessels larger than 11,000 tons gross, but we consider that for our purposes ves-

sels of that size would be ample. We leave it to the contractors to say whether in the management of their business they consider that larger ships are necessary; and if so, we shall be very pleased to have them provided.

Senator PEARCE (Western Australia) [3.46].—I hold in my hand a publication, a perusal of which shows me that we have had a great deal of talk about a very simple matter. The document is the report of a Royal Commission which sat in England some years ago to inquire into the mercantile marine. It shows that Senator de Largie's contention in respect of tonnage is absolutely correct—that registered tonnage means not only gross but also net tonnage. There is not only registered gross tonnage, but also registered net tonnage; but in all cases the registered gross tonnage comes first. For instance, the list of ships contains the name of one which is well known to all Australians, the *Suevic* of the White Star line. The particulars concerning her are taken from the register. In one column is entered her gross registered tonnage, and in another sub-division her net registered tonnage. The gross registered tonnage is 12,499, and the net registered tonnage 8,180. Both are registered tonnages. That is the contention of Senator de Largie. In the case of this contract I have no doubt that 11,000 tons means gross tonnage. At any rate, the words carry that implication, as net tonnage is put in a secondary position in the document before me. Lloyds' Register differs only from the register under the Merchant Shipping Act in this respect: that it includes not only registrations under that Act, but also foreign registrations. That is to say, Lloyds is the register under the Merchant Shipping Act, plus a register of foreign vessels.

Senator GUTHRIE (South Australia) [3.50].—Senator Pearce seems to have made up his mind on very small information. There are many British ships on the British register that are not registered at Lloyds at all. Many are registered with the French *Vois Veritas*. Some register with a German Association. Lloyds' Register is merely a classification for insurance purposes. Lloyds is an insurance institution. It has nothing to do with the law. There is no statutory provision that gives any recognition to Lloyds.

Senator PEARCE.—I never said that there was.

Senator GUTHRIE.—The honorable senator said that Lloyds was a register of British ships. It is nothing of the kind. It is an insurance register. Honorable senators are absolutely at sea regarding this question. Suppose I own a ship. I am compelled by law to register that ship, or I do not get the protection of British law. But I can use my own discretion whether I register at Lloyd's, with the *Vois Veritas*, or with a German organization. Honorable senators are voting for this agreement on absolutely wrong premises.

Senator PLAYFORD.—Let us catch our trains!

Senator GUTHRIE.—This is too big a matter for us to consider the trifling inconvenience of a Minister who wants to catch his train. It will affect every living soul in this Commonwealth for the next ten years. That is a far more important consideration than whether Senator Playford shall go to Adelaide to-night. Up till just now we had been unable to obtain from the Government any declaration of what was meant by registered tonnage. Now the Minister tells us that the Government understands it to mean gross tonnage. Why was not the other branch of the Legislature informed of that? In my opinion, this is too important a matter to be rushed through at the end of the week. The public ought to have an opportunity of considering it.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	...	...	...	2
Noes	...	...	...	24
Majority				22

AYES.

Stewart, J. C.

Teller:

Guthrie, R. S.

NOES.

Baker, Sir R. C.
Clemons, J. S.
Croft, J. W.
Dawson, A.
de Largie, H.
Dobson, H.
Drake, J. G.
Findley, E.
Gould, A. J.
Henderson, G.
Higgs, W. G.
Keating, J. H.
Macfarlane, J.

McGregor, G.
Millen, E. D.
Neild, J. C.
O'Keefe, D. J.
Playford, T.
Pulsford, E.
Smith, M. S. C.
Styles, J.
Turley, H.
Walker, J. T.

Teller:

Pearce, G. F.

Question so resolved in the negative.
Amendment negatived.

Article 15.

Amendment (by Senator KEATING)
agreed to—

That there be added to the motion—

Proviso to article 15—

After "legislation" insert "directly"; after the words "with the consent of," insert "or subject to approval by"; and after "Parliament," insert "by resolution."

Senator GUTHRIE (South Australia) [4.5].—Before we leave the consideration of the articles of agreement, I desire to move—

That there be added to the motion—

Provided that the following new article be inserted—

"16A. That under the option to the Commonwealth or the Postmaster-General, acting on its behalf, to purchase the ships under the said contract, neither the said Postmaster-General, nor the said Commonwealth Government, nor the arbitrators, if appointed, in determining the price to be paid therefor, under the purchase clause of the contract shall take into consideration the alleged book values represented in the books of the builders, who are also the contractors, but that a clause shall be expressly inserted in the said contract forbidding the said alleged book values to be taken into consideration as the basis of valuation in determining the price to be paid, and that the actual then present value of the vessels shall be ascertained by independent valuation in the usual way, quite apart from the alleged book values."

In reading the history of the great combine between American and British shippers in the Western Ocean trade, I found that Pierpoint Morgan, who was virtually the financial manager, brought the White Star Company into line with the American companies. Although the White Star Company had only a paid-up capital of something like £800,000, it received from the combine £8,000,000.

Senator FINDLEY.—Why had £8,000,000 to be paid?

Senator GUTHRIE.—In order to bring about the combination.

Senator FINDLEY.—Would it not have been possible to run the White Star Company off the line for £8,000,000?

Senator GUTHRIE.—It is a long story, and I know that some honorable senators are anxious to catch the train. If, however, the Government will agree to an adjournment, I shall promise to lay the whole facts before honorable senators next week. This was not a matter of combining the various shipping companies, but of keeping in existence the great industry of shipbuilding in Great Britain. The whole scheme was engineered by one of the largest shipbuilders at Home; and it was pointed out

in an article in the *Times* that it did not matter where the registered office of the combination was, or under which flag the vessel sailed, because the hub of the combine would be at Belfast where the ships were built. All I propose by the new article is that if we take over these ships, the only value recognised shall be that of the vessels themselves, and not the values shown in the books. This is a clear cut proposition which, I think, will appeal to every honorable senator. In such a transaction, no goodwill should be considered; and here I may say that in Adelaide, in connexion with the Tramway Company, the Government have had to pay according to the value of the shares. In six years' time if we have to take over these vessels, we shall have to beware of the booming of shares on the Exchange, or we shall find ourselves in a big hole. The sole object of the proposition is to make it clear that the ships shall be taken over at their real, and not their book, value.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	...	...	...	9
Noes	...	...	...	13
Majority				4

AYES.

Croft, J. W.	Stewart, J. C.
Findley, E.	Turley, H.
Higgs, W. G.	Walker, J. T.
Macfarlane, J.	<i>Teller:</i>
Neild, J. C.	Guthrie, R. S.

NOES.

Baker, Sir R. C.	Pearce, G. F.
Dawson, A.	Playford, T.
Drake, J. G.	Pulsford, E.
Henderson, G.	Smith, M. S. C.
Keating, J. H.	Styles, J.
Millen, E. D.	<i>Teller:</i>
O'Keefe, D. J.	de Largie, H.

Question so resolved in the negative.

Amendment negatived.

Postponed Article 1—

That the "general conditions of tender" annexed hereto and marked with the letter "A" shall be deemed to be part of this agreement.

Senator GUTHRIE (South Australia) [4.15].—I think that this article has been carelessly drafted. I direct attention to the fact that the last paragraph of the first clause of the general conditions of tender reads—

The term "Adelaide" shall mean the signalling station (known as "Adelaide Semaphore")

at or off the port of the city of Adelaide in South Australia, until the Outer Harbor is completed and available.

When the Outer Harbor is completed and available, there will be no Adelaide under this contract. I therefore think that it is necessary to add a proviso to meet the difficulty. I move—

That there be added to the motion—

"Proviso to clause 1 of the General Conditions of Tender—

Add the words: 'Then Adelaide shall mean the Outer Harbor at Light's Passage and the wharfs thereof.'"

I do not know, however, that it is necessary that I should labour the matter, but honorable senators may be aware that the State Government of South Australia have gone to an expense of about £500,000 to provide accommodation for the mail steamers at the Outer Harbor. Under this contract, as soon as the works at the Outer Harbor are completed, it will not be necessary, apparently, for the boats engaged in this service to call at Adelaide at all. I have not been able to carry many amendments, but I hope that honorable senators will assist me to carry this one.

Senator PLAYFORD (South Australia—Minister of Defence) [4.18].—There is not the slightest necessity for the amendment. The clause provides that Adelaide shall mean the signalling station known as "Adelaide Semaphore" until the Outer Harbor is completed and available, and then, of course, the Outer Harbor will be the place to which the vessels must go.

Senator GUTHRIE.—That should be stated plainly.

Senator PLAYFORD.—It is perfectly plain as it is. There is not the slightest doubt about it, and there is no necessity at all for the amendment.

Senator GUTHRIE (South Australia) [4.19].—We should put into this contract exactly what we mean, and under clause 1 of the general conditions of tender, when the Outer Harbor is completed and available, Adelaide, according to the definition here given, will be done away with.

Senator MILLEN.—Where else will the ships go?

Senator GUTHRIE.—There will be no such place as Adelaide referred to in this contract, and that may be taken by the company as an excuse for breaking the contract.

Senator PLAYFORD. — If the honorable senator will look through the general con-

ditions of tender, he will see that Adelaide and Brindisi are referred to.

Senator GUTHRIE.—That is so, but Adelaide is defined to mean a certain place until a certain time, and after the Outer Harbor is completed and available, it will not be defined.

Senator MILLEN (New South Wales) [4.20].—I should like to know where we stand. Senator Guthrie is apparently seeking to amend one of the clauses in the general conditions of tender.

The CHAIRMAN.—The Committee are now discussing postponed article 1 of the contract.

Senator MILLEN.—I understood Senator Guthrie to move an amendment on clause 1 of the general conditions of tender.

The CHAIRMAN.—I understand that Senator Guthrie wishes to add to clause 1 of the general conditions of tender the words "then Adelaide shall mean the Outer Harbor at Light's Passage, and the wharfs thereof." With respect to the point raised by Senator Millen, I may say that the Committee postponed article 1 of the agreement for further consideration. This article says that—

"The General Conditions of Tender annexed hereto and marked with the letter 'A,' shall be deemed to be part of this agreement."

And if the Committee agrees to amend anything in the general conditions of tender I do not see that I can prevent it.

Senator PLAYFORD.—If they do they will break the agreement.

The CHAIRMAN.—I think that Senator Guthrie is in order in moving his amendment.

Senator PLAYFORD (South Australia—Minister of Defence) [4.21].—I point out to honorable senators that these general conditions of tender are the conditions under which other people tendered for the contract, as well as the company with whom we are dealing. It would be unfair to them to alter these conditions in any way. I inform Senator Guthrie again that I am perfectly satisfied that the definition of "Adelaide" in clause 1 of the conditions of tender will refer to the Outer Harbor, Adelaide, when it is completed and available.

Senator GUTHRIE (South Australia) [4.22].—The words of the clause which I seek to amend define Adelaide to mean the signalling station known as the Adelaide

Semaphore, until the Outer Harbor is completed and available.

Senator PLAYFORD.—For the mail steamers.

Senator GUTHRIE.—The clause does not say so. It does not provide that the mail steamers are to use the facilities to be afforded on the completion of the Outer Harbor. The matter is one of very great importance to South Australia. I have said that the State Government are making provision at very great cost to give facilities for these ships, and yet under this clause, as soon as the Outer Harbor works are completed, these vessels need not go to the port at all, because there will be no Adelaide under this clause when those works are completed.

Senator MILLEN.—What will become of it?

Senator GUTHRIE.—I do not know. The amendment will provide for exactly what the honorable senator desires, and why should he not accept it?

Senator PLAYFORD.—We cannot alter these contracts in this way.

Senator GUTHRIE.—What I propose is merely to make the contract clear. The amendment will not matter twopence to the contractors or to the Government, whilst it will make it clear that Adelaide, after the completion of the Outer Harbor, will mean the Outer Harbor, and not the anchorage at the Semaphore.

Senator PLAYFORD (South Australia—Minister of Defence) [4.25].—There are two terminal ports mentioned in this contract. Brindisi and Adelaide. So far as Brindisi is concerned, we do not say whether the ships are to go to a pier, or a wharf, or to stand out ten miles away from the town. At Adelaide we have an anchorage known as "Adelaide Semaphore," and the State Government are building an Outer Harbor. The words used in clause 1 of the general conditions of tender are used for the purpose of providing that, until the Outer Harbor is completed, the ships shall go to the Semaphore.

Senator KEATING.—When the Outer Harbor is completed we shall require no definition of Adelaide, any more than of Brindisi.

Senator PLAYFORD.—That is so. There is not the slightest necessity for the amendment.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes ...	...	...	2
Noes ...	...	...	19
Majority ...			17

AYES.

Teller:

Stewart, J. C.

Guthrie, R. S.

NOES.

Croft, J. W.
Dawson, A.
de Largie, H.
Drake, J. G.
Findley, E.
Gould, A. J.
Henderson, G.
Higgs, W. G.
Keating, J. H.
Macfarlane, J.

Millen, E. D.
O'Keefe, D. J.
Pearce, G. F.
Playford, T.
Pulsford, E.
Smith, M. S. C.
Styles, J.
Turley, H.

Teller:

Clemons, J. S.

Question so resolved in the negative.
Amendment negatived.

The CHAIRMAN.—The motion, as amended, is now before the Committee.

Senator GUTHRIE (South Australia) [4.30].—Before this contract is finally ratified, I think the Senate should express an opinion as to whether, after the results of the inquiries by the Butter Commission, we are prepared to allow another contract to be entered into without seeing that it provides for a sufficiency of space for cool storage, a maximum rate of freight for the carriage of produce, and the use of a self-registering thermometer, in order to prove that proper care of the produce has been taken in transit. There are very strong reasons why those provisions should be made. For instance, in their report, the Butter Commission say—

After much deliberation upon the evidence regarding ocean freights, we are of opinion that this is one of the most pressing questions concerning the butter industry. It is also a question of vital importance to the Commonwealth, inasmuch as the majority of our rural producers are interested in the export of butter. This trade, therefore, may now be recognised as one of the most important to the people of Australia.

Since the inception of the export trade in butter, the carriage of this product has been practically in the hands of the mail companies. Whilst readily acknowledging the fact that the facilities offered by the mail companies assisted the butter industry at its inception, the present action of these companies in endeavouring to secure a contract for a number of years at a trivial reduction on the existing high rates, must be looked upon in the light of the evidence, as an attempt to monopolize the trade.

In the face of that extract, do honorable senators intend to ratify a contract which

would allow the new company to join the others in monopolizing the butter trade? The facts which were elicited by that Royal Commission ought to induce honorable senators to pause.

Senator CLEMONS.—Is the extract supported by any evidence?

Senator GUTHRIE.—It is supported by evidence which was adduced by the very gentleman who signed this contract on behalf of Sir James Laing and Sons. It has been explained by the Honorary Minister that the Government took the view that the contract ought not to deal with the question of cold storage, because the State Governments would not guarantee to fill a certain amount of space in each ship. But I take up the position that it is not our place to be guided by a recommendation from the States Premiers. Probably each senator represents more persons in his State than does its Premier. In South Australia, for instance, it is quite possible for its Premier to be a member of the Legislative Council, and, having been elected on a property qualification, to represent only a third of the population of the State. The present Premier is, I admit, the representative of the State, but he is returned for a suburban constituency. A senator, however, is elected on an adult suffrage, and it is our duty to look after the interests of our producers when we are asked to ratify a contract of this kind. I can only imagine that the grant of this subsidy of £125,000 is based on two considerations—one being to secure the carriage of a few tons of mails and the other to insure regularity in delivery. But for the necessity to secure regular delivery, we could get our mail matter carried for £5,000 a year under the poundage system. When we are making a present of £100,000 to the contractors, we have a right, I submit, to require that they shall provide sufficient cool storage on each ship for carrying a portion of our produce. I may mention that, as the result of the inquiries by the Butter Commission, the rate of freight for butter has fallen from 1½d. to ¾d. per lb. The position in Australia is a serious one. Butter is carried to London from Riga, in Russia, at 24s. per ton, and from Australia at £7 per ton. If we desire to hold the European market, ought we not to take advantage of this opportunity to put our producers on equal terms with their competitors in that market? £125,000 a year is too large a price to pay for the carriage of mail mat-

ter, unless the contract secures to the Commonwealth other advantages. I move—

That all the words after "That" be left out, with a view to insert in lieu thereof the following words:—"In the interests of the producers, no mail-ships' contract should be let by the Commonwealth Government until there is a guarantee as to the cool storage to be provided, the maximum freight to be charged, and a guarantee as to maximum temperature, so as to insure the effective preservation of produce shipped."

Amendment negatived.

Original question, as amended, resolved in the affirmative.

Resolved—

That the Committee approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons Limited, for the carriage of mails between Adelaide and Brindisi, as per schedule, with the following modifications:—

Proviso to article 3—

Provided that, in the event of the Postmaster-General requiring the 'period of transit' on the voyage from Brindisi to Adelaide to be reduced to six hundred and twelve hours, the period of six hundred and twelve hours shall thenceforth be deemed to be the 'period of transit' for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period.

Proviso to article 6—

Leave out the words "failing mutual agreement, be determined by arbitration in the manner provided in the said general conditions of tender," and insert in lieu thereof "be determined by mutual agreement, subject to the approval of Parliament by resolution."

Proviso to article 15—

After the word "legislation" insert "directly"; after the words "with the consent of" insert "or subject to approval by," and after "Parliament" insert "by resolution."

Resolution reported.

Motion (by Senator KEATING) agreed to—

That the report be agreed to, and that the resolution be conveyed by message to the House of Representatives, with a request for concurrence therein.

PAPERS.

Senator PLAYFORD laid upon the table the following papers:—

The Financial Problems of the Constitution of the Commonwealth of Australia.—Memorandum by the Honorable Robert Harper, M.P.

Royal Commission on Customs and Excise Tariffs: Section 36 of Progress Report No. 2—Spirits and Distillation of Spirits.

Report of the Departmental Actuary, Statistical Department of Western Australia, on the question of the distribution of the Commonwealth Revenue on a population basis.

Public Service Act 1902.—Return of Temporary Employés in the Commonwealth Public Service during the Financial Year 1905-6.

Senate adjourned at 4.46 p.m.

House of Representatives.*Friday, 3 August, 1906.*

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

TARIFF COMMISSION'S REPORTS.

Mr. FOWLER.—I desire to ask the Minister of Trade and Customs whether he will lay on the table the complete reports of the Tariff Commission relating to the items which were the subject of motions moved by him last night, to be considered next week?

Sir WILLIAM LYNE.—I shall be pleased to lay them on the table as soon as possible now that there is no need to keep the public uninformed of our intentions.

PERSONAL EXPLANATION.

Mr. SALMON.—I desire to say, by way of personal explanation, and in reply to the statements made last night regarding my attendances in this Chamber, that I have consulted the attendance-book, and find that I have not been absent one day during the session, and have only once missed being present at the opening of the proceedings, while I have remained in the Chamber as much as possible during the sittings.

Mr. HUME COOK.—The honorable member is one of the most regular attendants here.

Mr. SALMON.—Honorable members who themselves attend here frequently can vouch for the correctness of my remarks.

HONORABLE MEMBERS.—Hear, hear.

DEPUTY ADJUTANT-GENERAL.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

In view of the fact that allowance has not been made for the payment throughout 1906-7 of the salary of a Deputy Adjutant-General, while a new office of "Assistant Adjutant-General" is proposed to be created, is it intended, after General Finn's retirement, to place the Deputy Adjutant-Generalship and the Inspector-Generalship in charge of the same officer, or is it intended that the former office should lapse?

Mr. EWING.—The answer to the honorable member's question is as follows:—

As no provision exists on the Estimates for the office of the Deputy Adjutant-General after the

31st December, the position will not be filled. Certain amendments to the Regulations and Standing Orders regarding the allotment of duties of the Inspector-General and members of the Military Board are contemplated, and will be submitted in due course.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

1. Is the Deputy Adjutant-General responsible to the Minister for the state of efficiency of the forces?

2. Is it the duty of the Inspector-General to report to the Minister on the state of efficiency of the forces, for which the Deputy Adjutant-General is responsible?

3. Does the Minister think that if the same officer occupies both these positions, his verdict on his own administration would be absolutely unbiased?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. No. The Standing Orders provide that District Commandants will be responsible for the efficiency of the troops under their respective commands.

2. Under the regulations the Inspector-General reports upon the efficiency of the troops, for which efficiency District Commandants are responsible.

3. The Minister does not anticipate that the conditions contemplated by the honorable member are likely to arise.

SOUTH AUSTRALIAN ELECTORAL ROLLS.

Sir LANGDON BONYTHON asked the Minister of Home Affairs, *upon notice*—

Whether he will make arrangements for the South Australian Federal Electoral Rolls to be printed in Adelaide?

Mr. GROOM.—The answer to the honorable member's question is as follows:—

When the rolls for South Australia were last required to be printed, the Government Printer, Adelaide, was unable to undertake the work, consequently it was done in Melbourne, where the type now stands. The Government of South Australia was recently afforded an opportunity of printing the rolls for that State, but for the following reasons it is not considered desirable in the public interest to accept the offer made:—

1. The time required by the Government Printer, Adelaide, namely, three months, as compared with the two weeks required by the Government Printer, Melbourne.

2. The cost involved, namely, £1,250, as compared with the actual cost of a re-print (not exceeding £600) quoted by the Government Printer, Melbourne.

3. The inability of the Government Printer, Adelaide, to print the rolls in the form prescribed in the Regulations under the Commonwealth Electoral Acts 1902-1905.

Sir LANGDON BONYTHON.—Is not some latitude allowed as to form?

Mr. GROOM.—No. A certain form has been specified, so that in future the rolls may be used as registers, in order to save trouble and expense.

POSTAL RATES BILL.

Motion (by Mr. AUSTIN CHAPMAN) agreed to—

That leave be given to bring in a Bill for an Act relating to postal rates.

Bill presented, and read a first time.

BOUNTIES BILL.

SECOND READING.

Debate, resumed from 2nd August (*vide* page 2295), on motion by Sir WILLIAM LYNE—

That the Bill be now read a second time.

Mr. KELLY (Wentworth) [10.36].—Although I have carefully read the information submitted to the House by the Minister of Trade and Customs, and have listened with extreme attention to the speeches of honorable members who have preceded me, I have been unable to discover any justification for the proposals now before us. The right honorable member for East Sydney, in addressing himself to the question, ridiculed the extraordinary choice of productions set down for encouragement, and deplored the slipshod manner in which the measure has been drafted. But he accepted the proposal, because he thinks that it may possibly have some small effect in promoting settlement upon the land. The right honorable member for East Sydney, spoke eloquently about pandanus, of which he knows nothing, and of the Minister, whom he knows only too well. The honorable and learned member for West Sydney, after trying to burlesque the right honorable member's attitude, gave as his only excuse for supporting the measure the fact that it already had the support of his fiscal leader, in return for whose election support he, by the way, seems to keep up his sleeve never anything better than a stiletto. This honorable and learned member favoured the encouragement of the fish and egg industries, subjects with which his political character and political experiences entitle him to deal as an authority. Although the honorable and learned member tried to ridicule the speech of the leader of the Opposition, he was only too glad to follow his lead, and is indeed ready to try to win his support on all occasions

when he really needs it. The honorable member for Laanecoorie, who also entered the lists last night, uttered a panegyric on Australian qualities, thinking, perhaps, that, by eulogising the good qualities of his electors, he might blind them to his own deficiencies.

Mr. JOSEPH COOK.—Are we not a grand lot of fellows?

Mr. KELLY.—We are; but I do not think that much public good is gained by always reciting the fact. It was curious that the honorable member, in speaking of the inventive faculties of our people, used a cry which I think is the meanest invention ever discovered by the necessities of a political party; I refer to the provincial catch cry of "Australia for the Australians."

Mr. MCWILLIAMS.—That is the only stock-in-trade which the Ministerial party has left.

Mr. KELLY.—No doubt. I shall not refer at greater length to the honorable member for Laanecoorie, because I believe that he supports the measure from the deepest conviction of the value of its provisions, quite apart from the inherent good qualities of the Australian people. The other honorable members to whom I refer found their sole ground for supporting it in the remote possibility that the tillers of the soil may derive benefit from it, and that a small number of persons may be induced to leave the great centres of population to settle on the vacant land of our country districts. But where is it proposed that they should go? Where is it that cocoa, coffee, cotton, rice, and rubber are most likely to be grown? Are not the proposals in the Bill inducements to persons to leave the healthy and pleasant conditions of residence in the southern States to be marooned on the fever-stricken shores of the Gulf of Carpentaria? Now, the expenditure of a few miserable thousands per annum is thought to be sufficient to bring about the splendid results which the Minister professes to anticipate in the passing of the Bill; but the bounties have been apportioned so carelessly as to make it extremely unlikely that beneficial results will accrue. It is proposed, for example, that a bounty of £4,500 per annum should be paid for the production of raw cotton, at the rate of 10 per cent. on the value of the cotton produced. In other words, it is proposed to provide a bonus on a yearly output of £45,000. Now, the importation of raw cotton into Australia last

year was valued at only £20,962, and, in the preceding year, at barely £12,000; so that it is proposed to encourage the production of twice as much raw cotton as was required by the Commonwealth last year, or of four times as much as was imported in 1904. Of course, honorable members who support the proposal may take refuge in the excuse that the bounty, by inducing the overproduction of raw cotton, and thus making it a drug in the market, will indirectly foster the industry of cotton spinning. But surely it is a curious anomaly that a bounty that sets out to encourage raw cotton production will eventually ruin this very industry by fostering overproduction, and a consequent slump in prices. The Minister does not seem to understand his own measure. Clause 7 allows the Governor-General to make regulations, not inconsistent with the Act, prescribing all matters permitted to be done, and especially for varying the amount set out in the fourth column of the schedule as the maximum payable in respect to any goods. The fourth schedule indicates that not more than £50,000 is to be paid away in any one year. But the duration of the bounty period will range from five to ten years, and thus it comes about that the total sum to be asked for — if the provisions are intended to be acted upon as they stand — will be £305,000, instead of the £500,000 anticipated by the Minister. But what is £190,000 to the Minister? He does not seem to have fully understood the meaning of his own Bill. The measure contains a provision for the payment of the standard rate of wages in any industry in respect of which a bounty may be claimed. I desire to know whether the Minister intends to standardize the rates of wages throughout the industries affected by the measure. Will the same wages rule in the cocoa, coffee, cotton, and condensed milk industries? The Minister does not appear to have considered the subject. Clause 5 reads as follows:—

Every grower or producer who claims bounty under this Act shall specify the rates of wages paid in respect of the labour employed by him in growing or producing the goods, and, if the Minister finds that the rates so paid are below the standard rates paid in the place or district in which the goods are grown or produced, he may order the bounty to be withheld.

I think that we are entitled, at this stage, to be informed as to the intentions of the Minister. A number of these industries have not been brought into existence in Aus-

M. Kelly.

tralia, and there is, consequently, no standard rate of wages here at the present time. Now, how can the Minister prescribe a standard rate of wages when he has nothing to guide him in Australia? Is he anxious to encourage the employment of white labour in the cultivation of cotton in the Northern Territory at the rates of wages paid in India or to the negroes in the southern States of America? A number of the articles included in the schedule are essentially the products of tropical countries. This applies particularly to cocoa, coffee, cotton, rice, and rubber. I deeply regret that we have had no evidence placed before us as to the possibility of growing cotton, for instance, with white labour. I desire that only white labour should be employed in Australia, but I do not wish to throw away money in an effort to establish an industry which cannot be carried on by means of white labour with any hope of success. Sir George Le Hunte, the Governor of South Australia, recently issued a very valuable report, in which he pointed out that in his opinion it would be impossible to carry on the cultivation of products such as cotton and coffee in the Northern Territory by means of white labour. In addition to this, we have the experience gained in connexion with the sugar industry in Queensland. Every year we spend a large sum of money—a sum which is to be increased by nearly 100 per cent. during the current year—in assisting the sugar planters of northern Queensland to carry on their operations by means of white labour. It is estimated that the sugar bounties payable this year will amount to £278,000, as compared with £148,000 paid last year. In the past we were told that the payment of the bounty would result in white labour being substituted for black, but, unfortunately, we find at the present time that a larger area than ever before has been planted by black labour, and is now under cultivation. If by this enormous expenditure we have failed to substitute white labour for black labour in the cultivation of sugar, what possibility is there of our insuring the employment of white labour in the production of cotton and similar commodities by means of a paltry bounty, such as that now proposed? I am anxious to see a White Australia, and I desire that the northern portion of Australia should be settled; but I am not going to be trapped into giving my support to a political

placard, such as the measure now before us. The Bill contains a most ridiculous provision in clause 6 which reads—

The employment of any aboriginal native of Australia or of any coloured person born in Australia, and having one white parent, in the growing or production of any of the goods specified in the Schedule shall not prejudice any claim to bounty under this Act.

In other words, the half-caste child of one white and one black parent would be entitled to the bounty, whereas the child of two half-caste parents who were each the offspring of one white and one black parent would be debarred from any benefit. Thus, in effect, the bounty could be claimed by those having black blood in their veins only when they most nearly approached the alien race. I am firmly convinced that this measure is nothing but a political placard. The Government have noticed that the farmers are making preparations to give their verdict against them, and they are now hoping to escape by placing a little salt on the tail of the agricultural industry. Ministers hope to placate the commercial community by establishing penny postage, and the farming community are to be mollified by means of this miserable sham. If the Government really wished to confer benefit upon the producing interests why did not they make provision for cold storage transit facilities between here and the old country? For the first time for many years they have entered into a mail contract without considering that important matter. One part of the Government report submitted to the House in connexion with this Bill speaks of the farming interest, and says—

This interest could best be dealt with by making arrangements with regard to transit, cool storage, &c.

Why, then, did not the Government show that they had a real interest in the welfare of the producers by providing cool storage facilities? They regard it as necessary to conciliate the farmers, and very properly so. They have trifled with proposals which are calculated to take away the land from the farmer. They are entirely at the dictation, and dependent for office upon the support, of a party, one of whose main planks when carried into effect will be to bring the value of Australian land down to zero.

Mr. WATSON. — The honorable member should talk a little sense for a change.

Mr. KELLY.—I am glad to see the honorable member in the House for a change.

He is generally only too glad to absent himself, so that the Government may pass their measures without criticism.

Mr. WATSON.—The honorable member is enough to drive any one out of the House.

Mr. KELLY.—The honorable member does not absent himself merely while I am addressing the House; he is absent twenty-three hours out of the twenty-four.

Mr. WATSON.—The honorable member is always speaking.

Mr. KELLY.—I understand that the leader of the Labour Party maintains that the plank in the Labour platform to which I have referred will not have the effect of bringing land values down to zero. I would recommend him to go back and study his own land tax proposal. The farmers know exactly what such a proposal will mean, and they are prepared to give a solid verdict against the Government. The right honorable member for East Sydney stated that he would support the Bill in the hope that some of the seeds proposed to be sown would fall upon other than stony ground. When I see a Bill of this character, however, I am mainly concerned with the consideration as to who will have to supply the seed that is to be recklessly thrown away. We are not so fabulously rich that we can afford to throw away £50,000 per annum for ten years; and I am not prepared to devote the taxpayers' money to the purposes contemplated unless we have some definite guarantee that beneficial results will accrue. The chief duty of honorable members is to recognise their responsibility as trustees of the Australian taxpayer, and in that capacity I shall offer an unrelenting opposition to the passing of this Bill.

Mr. McWILLIAMS (Franklin) [11.1]. —I regret that I cannot support this measure. It is primarily a Bill which is intended to benefit the tropical portions of Australia, at the expense of the more temperate zones. I have never been able to understand the policy which seeks to bolster up those individuals who are not prepared to enter upon an industry unless they receive adventitious aid, whilst totally ignoring those who have the courage and ability to embark upon enterprises on their own initiative, and to make them successful. With the exception of the item of tinned fish, the whole of the articles enumerated in this Bill are tropical products. I make bold to say that no more farcical

proposal was ever submitted to a deliberative body than that to develop the preserved fish industry in Australia. I hold in my hand the statement upon which we are asked to sanction the payment of a bounty for the encouragement of that industry. Speaking of the Tasmanian coast, it says—

The barracouta, kingfish, and rock cod appear periodically in such vast numbers that frequently the supply is greatly in excess of the local demand. Owing to the absence of proper fish-curing establishments, large quantities have at times been known to be wasted, or merely utilized as manure.

What are the facts of the case? There have been practically no kingfish caught upon the Tasmanian coast during the past twenty-five years. I will undertake to say that there have not been a hundred kingfish a year caught upon that coast during the past quarter of a century. So far as barracouta are concerned, it is a fact that we did establish a preserving industry in Tasmania, but it was killed because the people would not purchase its product. The barracouta is the very coarsest of fish—it really resembles young shark—and the people will not eat it.

Mr. WATSON.—There is a lot of it eaten in Victoria.

Mr. McWILLIAMS.—Because, under the Victorian Tariff, any decent fish in a preserved state was shut out, and thus the people were compelled to live practically upon offal.

Mr. WATSON.—The statement comes well from an announced protectionist—from one who was elected to this House as a protectionist.

Mr. McWILLIAMS.—The honorable member must be thinking of himself when he begged the protectionists to take him under their wing.

Mr. WATSON.—That statement is not correct. I never approached the protectionist body for the purpose of getting a single vote.

Mr. McWILLIAMS.—If the honorable member desires a day's amusement, and chooses to indulge in angling in Australian waters, I will guarantee that more than half of the first twenty barracouta which he captures are absolutely worthless, because of a worm which renders them unfit for human consumption.

Mr. WATSON.—That worm is present only during certain seasons.

Mr. McWILLIAMS.—It is present in barracouta during the entire year. I can assure the honorable member that at

the present time these fish are a scourge on the Tasmanian coast.

Sir WILLIAM LYNE.—The honorable member really does not know what he is talking about.

Mr. McWILLIAMS.—I understand thoroughly what I am talking about. The use to which most of the barracouta caught is put is that of making manure. This manure is sold at the rate of £2 per ton, and as evidencing how plentiful the fish are, I may mention that quite recently one boat fishing near Hobart caught 180 dozen within a few hours. I repeat that the barracouta is a scourge which is destroying the more edible fish in Bass Strait. I have already mentioned that the experiment of preserving these fish was tried in Tasmania, but without success, and, after all, one ounce of practice is worth any amount of the theories of the Minister of Trade and Customs, and the honorable member for Bland. That industry was killed because of the want of a market for its product. In this connexion, I would point out that American preserved salmon are retailed to-day at as low a price as 4d. per lb. tin, inclusive of the duty of 1d. per lb. If that impost were abolished, they would be sold at 3d. per lb. tin. What must the wholesale price of those fish be? Further, it is well known that in England those engaged in the preserving industry cannot touch herrings when their price is more than 2d. per dozen. What fish can we preserve in Australia?

Sir WILLIAM LYNE.—The Tasmanian Statistician denies absolutely what the honorable member is saying.

Mr. McWILLIAMS.—Before the Bill emerges from Committee the Minister will be afforded an opportunity of writing to any person engaged in the trade to ascertain whether or not my statements are accurate. I repeat that there are not 100 kingfish of any size caught off the Tasmanian coast yearly. These fish were there in enormous quantities twenty-five years ago. Indeed, they were then so numerous that they were sold for manure. But during the past quarter of a century they have practically disappeared. The barracouta is not a fish which the people will consume in any quantity.

Mr. SALMON.—I can assure the honorable member that he is quite wrong.

Mr. McWILLIAMS.—In Tasmania they can be bought for 2½d. or 3d. per yard. Only the very poorest members of the com-

munity will eat them, and frequently, when a fishing smack comes into port, any person who feels so disposed, can visit it, and take away half-a-dozen of these fish for nothing. They are only used as manure.

Mr. MAUGER.—Trevally and other fish are put to the same use.

Mr. McWILLIAMS.—What really edible fish is sold in Australia which it is within the power of the poorer classes of the community to purchase?

Mr. TUDOR.—That is because the hawkers have to pay a market due in every suburb that they visit.

Mr. McWILLIAMS.—It is well known that the Tasmanian coast is the best coast in the southern hemisphere for fish, and yet I can assure honorable members that the Tasmanian Government not very long since had to take very rigorous steps to prevent the whole of the fishing grounds of that State from being depleted for the purpose of supplying the Melbourne market. I know that the matter was brought under the notice of the Minister of Trade and Customs. As a matter of fact, the Tasmanian Government actually seized a Victorian fishing smack which was violating the Tasmanian regulations.

Sir WILLIAM LYNE.—It was fishing inside Tasmanian bays and harbors.

Mr. McWILLIAMS.—It was fishing within Tasmanian jurisdiction.

Mr. TUDOR.—Its members were fishing at an island which is a lot nearer to Victoria than it is to Tasmania, and the Government inspector was on board the boat.

Mr. McWILLIAMS.—The party were fishing under conditions which the Tasmanian fishermen were not permitted to enjoy. I hold that the statement upon which we are asked to support this particular bounty is incorrect. The kingfish, I admit, is a good edible fish. It is as far ahead of barracouta as a pork chop is ahead of a piece of old ram. The proposal of the Government, so far as preserving barracouta is concerned, will be an absolute failure, because the people will not purchase that fish. Now, I wish to ask the Minister why he has practically confined the Bill to the tropical parts of Australia?

Sir WILLIAM LYNE.—What extra bounty does the honorable member suggest?

Mr. McWILLIAMS.—My complaint is that States which have not been spoonfed—which have had to depend upon the enterprise of their own people to develop

their industries—are now asked to assist other persons who have not the pluck to embark upon industries for themselves.

Sir WILLIAM LYNE.—The Tasmanian industries were built up under a protective Tariff.

Mr. McWILLIAMS.—The Tasmanian Tariff was not so protective in its incidence as is our present Tariff.

Sir WILLIAM LYNE.—It was a higher Tariff.

Mr. McWILLIAMS.—The Tasmanian Tariff was levied almost entirely for revenue purposes, although incidentally it afforded a certain amount of protection. In that State persons are engaged in canning, drying, preserving, and exporting fruit. They do all these things without receiving any assistance from the Government. Yet they are now asked to bolster up industries in other States where the people are not prepared to do the same thing for themselves. What has been the history of the bounty system in Australia? Take the whole of the bounties which have been paid in Victoria as an illustration. Of course the desire underlying that system is to assist our primary and secondary industries. But I would ask what primary industry in Victoria has been able to stand alone after the bounty has been withdrawn? What has become of the beet sugar industry?

Mr. TUDOR.—A bounty was never paid upon beet sugar. The Victorian Government merely loaned so much to a mill.

Mr. McWILLIAMS.—The honorable member is splitting straws. There is no doubt that State assistance was rendered to the beet sugar industry for the purpose of establishing it, and that the effort failed.

Mr. TUDOR.—Owing to the action of one of the honorable member's half leaders.

Mr. McWILLIAMS.—The anxiety that some honorable members display to cast upon the shoulders of others the responsibility for a failure is remarkable. Attempts to establish industries by means of bounties have not succeeded.

Mr. BAMFORD.—Was not the Victorian butter bonus successful?

Mr. McWILLIAMS.—Will the honorable member say that those engaged in the primary industry were materially assisted by that bonus?

Mr. MAUGER.—That was not the honorable member's statement.

Mr. McWILLIAMS.—If a bonus was necessary to establish the industry in Victoria, how is it that New South Wales and Queensland started without such assistance, and are developing a very much larger industry?

Mr. WILKINSON.—The Victorian bonus led the way.

Mr. LONSDALE.—New South Wales led the way in the establishment of butter factories.

Mr. McWILLIAMS.—Is any honorable member prepared to suggest that the enormous export trade in butter, which has been developed by New South Wales and Queensland, would not have been started but for the granting of the Victorian butter bonus?

Mr. MAUGER.—No one has suggested anything of the kind.

Mr. McWILLIAMS.—I am glad to hear it. The great primary industries of Australia have been established without assistance in the form of bounties.

Mr. STORRER.—Do not forget the woollen mills of Tasmania.

Mr. McWILLIAMS.—The woollen industry is not a primary one. I am referring to the great primary industries of Australia, such as the growing of wheat, fruit, and other products which are now being exported in such enormous quantities. Those industries were not established by means of bounties.

Mr. BAMFORD.—But the export trade in wheat secures a big bounty in the shape of special railway freights.

Mr. McWILLIAMS.—The bounty given by the Commonwealth for the production of sugar by white labour has not been a success. The history of the movement is not such as to warrant its repetition. Although we shall shortly be paying away £250,000 per annum in respect to the sugar bounty, the fact remains that in Australia, where it is grown, sugar is £4 or £5 per ton dearer than in England, where it is not. That does not suggest a very satisfactory outlook. But what do the latest figures show? Notwithstanding that coloured labour is to absolutely cease at the end of the present year, we find that during the years 1904-5 the production of sugar in Queensland increased from 120,000 tons to 130,000 tons, and that practically more than half that quantity was produced by means of black labour.

Mr. BAMFORD.—At one time the whole of the sugar produced in Queensland was grown by black labour.

Mr. McWILLIAMS.—Although, as the result of the sugar bounty and the Tariff Australia is paying something like £250,000 per annum to encourage the growth of sugar by means of white labour, the total increase in our output between 1904 and 1905 was less than 10,000 tons. I believe that, provided that the labour difficulty can be overcome, there is a great future before the cotton-growing industry in Queensland, and honorable members are aware that I am not, and never have been, an advocate of black labour in Australia. Already the production of cotton in Queensland is being given a trial. I have read with the greatest interest the pamphlets showing the work done by Dr. Thomatis, who has, at the present time, about 100 acres under crop. If the cotton industry is to succeed, it will be the result not of a bounty, but of the pluck and energy of such men. The proposed bounty will add nothing to the brains or energy of men of the stamp of Dr. Thomatis. They have the pluck and the industry to enter upon this new undertaking, and an industry so established will be on a much firmer basis than one which men enter chiefly with the desire to secure the bounty payable in respect of it. The finances of Tasmania are not in such a flourishing position as to warrant my voting for the granting of bounties in this direction. Tasmania is suffering so severely under the financial provisions of the Constitution that every £1,000 paid out of her Treasury means a reduction in the wages of the lowest-paid men, such as railway employees, policemen, State school teachers and others, in the Public Service of that State. We are not in a position to pay bounties for the establishment of certain industries while the men who have to contribute to those bounties have built up others without any assistance whatever.

Mr. BAMFORD.—The bounty is to come out of our one-fourth of Customs and Excise revenue, and we are not to get any more.

Mr. McWILLIAMS.—If the implication of the honorable member that the States are receiving that which they expected to receive were correct, the position would be different. But the House knows full well that for nearly two years, such States as Queensland have not been receiving 75 per cent. of the Customs and Excise revenue

collected in those States. The intention was that they should do so; that is the spirit of the Constitution, but unfortunately, according to the letter of that instrument, this is not being done. In these circumstances, we have to remember that we are called upon to grant these luxuries, whilst the absolute necessities of the smaller States are suffering. I am not prepared to support a Bounties Bill for which no need has been shown. Not one argument has been advanced to prove that the industries in respect of which these bounties are to be applied cannot be established—if they will pay in Australia—wholly as business transactions, or as commercial speculations. If bounties are to be given for the production of cocoa, coffee, cotton, and so forth, why should they not also be paid in respect of the production of wheat, apples, and preserves? Why not treat all alike? If there is to be a system of spoon-feeding, why should not all our producers participate in it? The Government proposal will be a direct incentive to men lacking the enterprise to embark on these industries without assistance, to set to work at the expense of others who have had sufficient pluck and energy to build up the industries in which they are engaged.

Mr. BAMFORD.—The Opposition desired the other night that a bounty should be paid in respect of astronomy.

Mr. LONSDALE.—That is nonsense.

Mr. McWILLIAMS. — The honorable member will not accuse me of desiring that such a bounty should be given. I regret that I cannot support anything in this direction with a view to encouraging the settlement of the people on the land. Indeed, I do not think that these bounties will have that effect.

Mr. MAUGER.—Then, what will assist us in the direction mentioned by the honorable member?

Mr. McWILLIAMS. — If we removed harassing restrictions, gave the people free access to the land, and made the position of those in the back blocks better by granting improved postal, telegraphic, and educational facilities, we should do more than we should ever be able to do by the granting of bounties.

Mr. CARPENTER.—Does the honorable member believe in State-aided cables?

Mr. McWILLIAMS.—No. I believe that the cables should be dealt with on exactly the same lines as are our telegraph services throughout Australia. I regret

that I am unable to support this Bill, and I trust that in Committee we shall impose such restrictions on the payment of these bounties as will prevent the country being exploited as it has too often been by men who start out merely to obtain a bounty, rather than with the object of establishing a permanent industry.

Mr. SKENE (Grampians) [11.28]. — I think that the honorable member for Franklin touched the key-note of this question when he asked what might have appeared to be a somewhat irrelevant question. During the course of his speech, he inquired why we should not give bounties for the production of wheat and other products. A bounty on wheat is unnecessary, because our wheat industry is now facing the markets of the world. But the question asked by the honorable member points to the supreme test to be applied in dealing with matters of this kind. Everything depends upon a judicious selection of the industries to be assisted in this way. We are indebted for the whole of our national wealth to the exporting industries. Mere production for local consumption does not, to my mind, mean wealth. But any industry which, having been assisted to a small or even to a considerable extent, is eventually able to compete in the markets of the world, must bring wealth to the country. Although it may cost something at the outset to establish such industries, as soon as they are fairly set going on sound lines they are sure to yield a return. The honorable member for Franklin referred to the attempts which have been made in Victoria to establish industries by means of bonuses. I think that his statement that, with the exception, perhaps, of the butter industry, we have very little indeed to show for that system, is practically correct. But the butter industry was one that fulfilled the conditions that I would impose in regard to the adoption of a bounty system. It is one for which our soil and climate are suitable, so that it cannot help succeeding. The industries which have established themselves in Australia already—the pastoral, agricultural, and mining industries—are primary in more senses than one. They are primary in the order of development, and also in the sense that they require the employment of very little skilled labour. The returns given by the pastoral and agricultural industries are very easily won in Australia. I do not think that there is any other place in the world in which a

crop of wheat can be sown and garnered at less expense than in this country. That is why the agricultural industry has so readily established itself here. There are other industries which it is more difficult to enter upon, but which, if established, will eventually yield good results, and it behoves us to see if we cannot offer inducements for their establishment. There are immense potentialities in this country if we can put labour on our land. For some of the productions to which it is proposed to give a bounty, we may look for a good home market, and, later, for an export trade. According to the Minister's figures, the value of the cocoa imported into Australia is about £205,000 per annum, and, of the rice, £226,000. Those sums are considerable, and I think part, and perhaps eventually the whole, of the money might well be paid to our own people. The importation of preserved fish is valued at £280,000 per annum, and of condensed milk at £194,000 per annum. Possibly the milk-preserving industry may, in the future, follow the lines of the butter-making industry, so that we shall have a large export trade in preserved milk. I am more doubtful about the success of the flax and hemp industries, and the proposals for encouraging the production of rubber, coffee, and cotton deserve much wider consideration than it is necessary to give to some of the others, because they are tropical products. Both sides of the House have expressed adherence to the white labour policy, and we are therefore bound to consider how our northern territories can be developed with white labour. The leader of the Opposition said, some time ago, that he would rather see that country remain undeveloped than allow a departure from the White Australia policy, and most people would agree with him to a very considerable extent. But we have a duty in providing for, to use a phrase which has recently come into use, the "effective occupation" of our territory. In my school days the population of the world was estimated at 800,000,000, while it is now estimated at 1,580,000,000. If it continues to increase at that rate, we shall not be allowed to hold land which we are not using. We know that one of the nations of Europe, in particular, makes no secret of its intention to enlarge its navy, in order to extend its colonial influence, and to increase its commerce. Therefore, having adopted the policy of a White Australia, we may be called upon to justify our

Mr. Skene.

occupation of the northern parts of the Continent, and are thus placed in a position which compels us to do something for their development. The importation of raw cotton into Australia last year was valued at only £20,962; but there is a good deal to be said in favour of an attempt to establish cotton-growing here. I have a friend connected with the Geographical Society, who takes a great interest in the matter. Recently, in reply to a request for information as to the prospects of cotton-growing by white labour in the northern parts of Australia, I received from him a letter in which he writes—

The cultivation of our special new Australian variety of cotton . . . can be very profitably worked by white labour, provided the Federal Government will import a proper supply.

He sends two sheets of a letter received from Dr. Thomatis, Ph.D., of Cairns, one *re* his coffee, of which my friend has a splendid sample, and the other *re* the cotton, "which," my friend writes—

He continues to improve, and for which he has a market at 1s. 6d. per lb. Such a price for a cotton yielding one ton of lint (ginned cotton) per acre, seems much too good to be true, but I have a letter from a Mr. Hedley, of Sunday Island, King's Sound, Western Australia, to whom I sent seed, that even in his almost barren island, the trees yielded in the first nine months 112 bolls per tree, equal to 1½ lbs. seed cotton, equalling 1,200 lbs. per acre, and that although they had experienced a drought for that season, the cotton trees did not appear to be affected by it. The tree comes into profitable bearing on the second year, and is perennial.

I have also a copy of some reports issued to various Governments by Mr. John Bottomley, who says—

I left England at the close of 1903, for the purpose of collecting information for the British Cotton-Growing Association, as to whether cotton could be successfully cultivated in Queensland under present conditions. On my arrival in Australia, I was commissioned by the Governments of Queensland, South Australia, and Fiji, to report on the cotton question in those States. I have traversed the whole of Queensland and the Northern Territory of South Australia, and visited many of the islands in the Fiji group, and the results of my investigations have been embodied in reports to the British Cotton-Growing Association, and to the Federal and State Governments of Australia.

I do not intend to make many quotations from his report, nor to consider his suggestions as to what might be done by means of black labour, because we wish to employ only white labour; but, in a report to the late Premier of South Australia, he says—

Many years ago several attempts were made to establish cotton-growing in Queensland, but

after a trial lasting for several years, the industry was abandoned, and at the present time is non-existent. Although cotton had been grown in the early history of Queensland, it was not until the time of the American civil war that the industry became important. In 1862 14,344 lbs. of cotton were exported, of an average value of 1s. 11d. per lb.; and from that date up to 1871 8,000,000 were exported. A large bonus, granted by the Government on every bale of cotton exported, helped to stimulate the industry. Later on it was decided to abolish the subsidy, and very soon cotton ceased to be cultivated. Then the idea of manufacturing their own cotton fabrics in the State came to the front, and led to the second period of cotton-growing. The Queensland Parliament sanctioned the payment of a large sum of money to the first factory which turned out a quantity of cotton manufactured goods. With this inducement a company was formed, and a factory established at Ipswich; and thus with the prospect of a market at their doors, the farmers at West Moreton again included cotton among their crop. This revival, however, was short-lived, lasting only from 1890 to 1897, when financial difficulties brought the operations of the cotton manufacturing company to an end; and by this misfortune cotton-growing was stopped for a second time. It was proved, however, that cotton could be grown, and experience was gained as to the soils to be selected. Errors were made in planting on rich alluvial ground, where the plant grew vigorously, but produced wood rather than cotton fibre. One difficulty attaching to the cotton-growing industry is the amount of labour demanded in picking, and although the work is light, it involves an outlay of much time, and this renders the crop only profitable when cheap labour is available for the purpose. Hence the Federal laws, which prevent the introduction of cheap coloured labour, seriously affect the question of re-starting the industry. But hopes are entertained that cotton may be grown in districts where the white farmer can cultivate it on small holdings, capable of being managed by a white family with occasional hired labour. I have spent about six months in Queensland, acting on the Commission appointed last January by the State Government for the purpose of ascertaining whether cotton could be successfully grown by white labour. An officer of the Department of Agriculture accompanied me, and we both traversed the State, interviewing farmers, examining soils, &c., and the results of our investigations were embodied in a report which the Government forwarded to the British Cotton-Growing Association of Manchester. We came to the conclusion that cotton could be successfully cultivated by the farmers in small and easily worked areas (from 5 to 10 acres) as an adjunct to other crops; but that it could not be successfully grown in large plantations in the absence of cheap coloured labour. That is the view I still hold. I found, however, that in Queensland the farmer wished to be guaranteed a minimum price for several years before undertaking the cultivation of cotton. The Queensland farmer is quite aware that to cultivate cotton successfully it is necessary to receive some measure of protection from the coloured labour of the tropical countries. If tropical Australia is to enter into competition with other countries in the production of cotton, the conditions must

be equalized as respects labour, or he must receive protection by the granting of a bonus or the fixing of a minimum price. The successful establishment of cotton cultivation in the Northern Territory at the present time will depend to a large extent on the prevailing economic conditions, especially on the possibility of cultivating other and more profitable crops than cotton, as well as on the supply of labour and the facilities for transport.

As there is a possibility of something being done in the direction of cotton-growing in our northern districts, we are bound to offer encouragement to the industry. We cannot satisfactorily attempt to hold our northern country if we are not prepared to do something for its development. I agree with what other speakers have said as to the need for protective legislation. The establishment of a Federal bureau of agriculture was proposed at a very early stage in the history of this Parliament by the honorable and learned member for Bendigo. The Minister, in introducing the measure referred to the need for obtaining assistance from the Departments of the States, and, so satisfied have I always been that it is necessary to work in co-operation with the States, that I moved an amendment to the motion of the honorable and learned member, to the effect that pending the establishment of a Federal Bureau of Agriculture, assistance should be sought from the States Departments. I also think that some means should be provided for obtaining expert opinions as to the localities in which various products could be grown to the greatest advantage. It would be useless to leave it open to farmers to embark upon the cultivation of crops in localities entirely unsuitable as to soil and climate. Unless something is done in the direction I have indicated, a large amount of money will be wasted. We shall have a repetition of the experience gained in Victoria in connexion with vineyards which were planted in unsuitable localities solely with the object of obtaining the bonus offered by the Government. Considerable areas near Melbourne were planted with vines, under the encouragement of the bonus, but grass is now growing amongst the vines, and sheep are grazing in the vineyards. The State should be divided into districts suitable for the growth of specified products, and the bounty should be payable only in respect to operations carried on under conditions which would offer a reasonable prospect of success. I think that we have a very important work to perform in

regard to the industrial development of the Commonwealth, and particularly in regard to the occupation of the Northern Territory, but I trust that before any definite steps are taken the whole question will be very carefully thought out. If reasonable care is taken in connexion with the regulations, good results may be brought about.

Mr. LONSDALE (New England) [11.48].—If we go on as we are now proceeding this will be known as the placard session. Flags and banners are being displayed for election purposes, and, in connexion with the measure now before us, an attempt is being made to blind the farmer to the effects of other legislation passed by us which has had a detrimental effect upon his industry. I wonder what benefit the proposed bounties will confer upon the great producing interests of this country? We were told by the Minister in a "high-falutin'" way that the measure would tend to attract people from the cities, and settle them on the land where they would have an opportunity to make a living, and to even grow rich. Just imagine a man going out into the country, and starting a plantation of rubber trees which would have to grow for nine years before they would yield any return. Just fancy taking an unfortunate member of the unemployed out of the city streets, and dumping him down upon a rubber plantation. He would have to sit in the midst of his trees for eight or nine years before he would handle a penny as the result of his labours. I understand that a rubber tree when tapped produces about 1 lb. of rubber per annum, and that the highest value of 1 lb. of rubber is 6s. 6d. Therefore, a planter would have to wait for nine years for a tree that would produce 6s. 6d. per annum. What a magnificent prospect this would open up to men who are unable to do any good for themselves in the city. Some of the provisions of the measure are most amusing. Take, for instance, the case of peanuts. It is proposed to encourage the production of peanuts. Why, peanuts were grown in Australia when I was a boy. I used to row with my father across the Hunter River, and dig up peanuts by the bushel. No bounty is required for the establishment of the peanut industry. The measure seems to me to reduce legislation to a farce. It is proposed to give a bounty for the production of coffee. That is another commodity that we are producing here. Recently, when I was in Queens-

land, I visited a plantation, and saw the proprietor, who told me that he was able to do all the work required in looking after the coffee plants, except during the picking season. I asked him whether he could produce coffee by means of white labour, and he told me that he could do so if he were paid 5s. per lb. for the berries.

Mr. BAMFORD.—Let me tell the honorable member that planters have never yet employed black labour in coffee growing in Queensland.

Mr. LONSDALE.—Although I do not live in Queensland, like the honorable member, I can inform him that this gentleman to whom I have referred does employ black labour. He told me that he used black Australian labour, that is, aboriginal labour. Surely the honorable member would allow the native blacks to work upon the Queensland plantations?

Mr. BAMFORD.—Decidedly. The honorable member is now on a different footing altogether.

Mr. LONSDALE.—I am speaking of black labour. The coffee planter told me that he gave the aboriginals tobacco and clothing, and, during the time that they were engaged in picking the berries, paid them wages. He represented that it was absolutely impossible to pay the wages demanded by white labourers. The work of picking the coffee berries can be very well performed by children, and the cost of gathering the crop would be altogether too heavy if adult white labour had to be employed at 6s. or 7s. per day. Our consumption of coffee is not very great, and I should like to know what we should do if we produced coffee more than sufficient to supply the home market? How could we expect the product of our bounty-fed industry to successfully compete in the markets of the world? Then, again, it is proposed to offer a bounty for the production of condensed milk. For years past there have been condensed milk factories in New South Wales, and, I believe, also in Victoria. It appears to me that in nearly every case it is proposed to give a bounty in respect of an industry which is already established, and that the Ministry desire to confer an advantage upon some one who is looking to them for assistance. The difficulty in connexion with the condensed milk industry has not been to establish factories, but to turn out a high-class article. I could have understood the action of the Minister if he had decided to employ experts, fully acquainted with the successful methods

adopted in other parts of the world, to advise those engaged in the industry here. I know of one factory where they produce good milk, as a rule; but, now and again, a bad lot of milk is placed on the market. Every effort has been made to discover the reason, but without avail. If the Minister would bring out an expert, who could point out where mistakes were made, and overcome some of the difficulties now experienced, he would confer benefit upon the community. With regard to the proposed bonus for the production of rice, I understand that some Japanese have recently gone to the Goulburn Valley with a view to cultivating rice. It would almost appear that the Government desire to give a bounty for rice to be grown by coloured labour. If rice is a product that we can with advantage grow in this country, there should be no necessity to offer any bounty. The New South Wales dairy expert, whose report is quoted in the papers laid on the table by the Minister, points out that some stimulus is required to be given to the condensed milk industry. He knows better than that, because he points out—

But the greatest reason why more condensed milk is not made in Australia is lack of knowledge with regard to the fine points of manufacture. Many thousands of pounds have been lost in experimental work, and one enthusiast lost as much as £30,000 in endeavouring to make a satisfactory milk. It is much more difficult to make condensed milk here than in the colder climate of Europe. There are two reasons for this, the main one being that fermentation proceeds so rapidly in this warm climate that the milk is really unfit for condensing by the time it reaches the factory, if it receives only the ordinary treatment which the farmer usually gives his milk to be used for butter-making. The knowledge possessed by the average farmer here regarding the changes that take place in milk is not on the whole equal to that possessed by dairy farmers in the colder countries of the world.

How will the payment of a bounty affect that industry? Then this dairy expert says that the industry requires some stimulus. He tells us that the cost of the milk which is contained in a lb. tin is 1d., that the value of the tin itself is $\frac{1}{2}$ d., and that the total cost per lb. tin is 2 $\frac{1}{2}$ d. He further informs us that these tins are retailed at 7d. I take it, therefore, that they could be purchased wholesale for 4d. per lb. If that does not allow a sufficient margin of profit to induce private enterprise to embark upon the preserved milk industry, I do not know what will. Then we have the magnificent fish industry. This morning, we

have heard a good deal in reference to barracouta. I think I know the difference between a garfish and a shark, but that is about all. I do not know what a barracouta is—I have never seen one. But so far as the tinned fish industry is concerned, I hold that we shall not be able to compete with the salmon and other fish which are imported. Any bounty which we may grant for that purpose is not likely to make the industry a success. What is the value of the fishing industry in other countries? In Canada, the product is worth between £5,000,000 and £6,000,000, and there are 93,000 persons engaged in the industry. I claim that if an industry be natural to a country, it will develop itself. Here is an industry, the Canadian product of which is worth £51 per head of those engaged in it, and we are asked to grant a bounty of $\frac{1}{2}$ d. per lb. to assist in its development here. Does anybody imagine for a moment that such a scheme will be successful? In Newfoundland, the value of the produce is about £2,000,000 annually. The United States fisheries are worth £10,000,000, and employ about 212,000 people—an average return of £47 per head. In Italy, the value of the annual product of the industry is estimated at £700,000, and the industry employs about 100,000 fishermen—an average return of £7 per head. I have no doubt that if I had time to study the paper which has been circulated by the Government in connexion with this Bill, I should be convinced that the Minister did not inquire thoroughly into this matter before submitting his proposals. If he attempted to assist the agricultural industry by proposing to impart instruction to those who are engaged in its various branches, at the expense of the State, I should be prepared to support him. Such a course would certainly bestow some advantage upon the producers. The honorable member for Herbert has stated that the other night certain members of the Opposition wished to grant a bounty to promote the study of the science of astronomy. I do not know whether he meant that we wished to weigh the stars, and to pay so much per lb. upon them. When he is compelled to advance arguments of that sort in support of the Bill, his position must be extremely desperate. Then we are asked to grant a bounty to encourage the production of olive oil when, as a matter of fact, it is already being produced in South Australia.

I understand that the olive oil produced there is very good. Only the other day, I saw that the Premier of that State had made some disparaging remarks in reference to olive oil, and that when Sir Samuel Davenport called his attention to the fact, and forwarded him some samples of the locally manufactured article, he stated that he had spoken of an article which was produced when he was a boy.

Sir LANGDON BONYTHON.—Mr. Price was referring to imported olive oil.

Mr. LONSDALE.—At any rate, he admitted that the local article was a good one. That being so, where is the necessity to grant a bounty to foster its production? The idea is an absolutely erroneous one. To my mind, there is a good deal of comedy in this Bill. Underlying it is the idea of putting before those who are engaged in farming pursuits this placard—"See how we are endeavouring to help you." Under the Bill the Government will be robbing the potato grower and every other man in the community to bolster up industries which can be established naturally. They will be taking from the wheat growers a contribution to Sir Samuel Davenport, and to the coffee plantations of Queensland. If there be anybody in Australia who is in need of assistance from the State, I claim that it is the man who frequently loses his crop of wheat. Surely he is deserving of some consideration, seeing that he is compelled to toil all through the seasons—whether they be hot and dry or cold and wet—and at the end of the harvest may find himself without any return whatever. In conclusion, I claim that we have no right whatever to levy tribute upon one section of the community for the purpose of benefiting another.

Mr. WILKINSON (Moreton) [12.12].—The honorable member for New England has argued that we should not grant bounties to encourage industries which are likely to be established naturally. Had that policy been adopted in the past, I venture to say that the development of Australia would have been very much retarded. We mortgaged both our present and our future in order to develop the resources of this continent by building railways and telegraphs, and in a hundred other different ways. We did far more than private enterprise would have done under the circumstances. Whilst I admit that most of the industries enumerated in this Bill will

eventually be established under natural conditions—

Mr. LONSDALE.—They exist now.

Mr. WILKINSON.—I propose to speak of an industry in which I was engaged in my youth. I know something about the cotton industry, and I am not one who is prone to waste the time of the House, and to feel most assurance upon matters concerning which I am most ignorant. I agree with the honorable member for Franklin and the honorable member for New England that the cotton industry will eventually be established in the Commonwealth, irrespective of whether we grant a bounty to it or not. But the question we have to consider is, "Will it not pay the Commonwealth to set aside a certain sum of money to encourage the early establishment of that enterprise, in view of the important part which it is likely to play in our economic and industrial development?" Australia, I think, is more favorably situated than is any other country for the production of cotton. We are near the most populous Empires in the world, the inhabitants of which are nearly all clad in cotton. I refer to the Chinese and Japanese Empires. It may be that by-and-by wool will enter more and more largely into the texture of the clothing of their people, but at the present time cotton is the fabric with which their myriads clothe themselves. If Australia had to supply the demand for cotton of the Japanese alone, this particular industry would be one of the most important in the Commonwealth. According to a memorandum that I have before me, they imported during the first six months of 1904 151,693,259 lbs. of raw cotton. My view is that not a pound of the cotton required by Japan need come from any other place than Australia. I think it was the leader of the Opposition who said last night that industries which were successful in other parts of the world might prove a failure in Australia. I interjected at the time that they might improve in Australia. We have ample evidence that there is something in that contention. In Andalusia, Spain, as well as other places, very fine wool is produced, but when the sheep from those lands were acclimatized in Queensland and other parts of Australia, they improved to such an extent that to-day there is no finer wool in the world than the merino of Australia. Although I am not an expert, I think I can safely make that statement.

Our climatic conditions in certain circumstances will improve staples, whether animal or vegetable, that have practically reached the acme of perfection, under the climatic conditions of other parts of the world. Great and vast as our pastoral industry is becoming, with all the subsidiary returns obtained from it, I believe that in the cotton industry we have one that will by-and-by assume much greater proportions. I should like to see the pastoral and every other industry in the Commonwealth grow. In reply to the interjection of the honorable member for New England, who said a few minutes ago that the industries in respect of which bounties were proposed to be given were all peculiar to Queensland, I may say that I believe that cotton will be successfully grown in the northern parts of Victoria, as well as over a large part of New South Wales, a certain part of Western Australia, and certainly in the Northern Territory.

Mr. KNOX.—It will be grown in all that northern belt.

Mr. WILKINSON.—That is so. The Commonwealth is within a zone which, so far as its climatic conditions are concerned, will admit of the growth of cotton in two-thirds of the territory. I am speaking, not as a Queenslander, but as one who desires to see established in Australia an industry that will assume proportions of which we have at present but a very slight conception. I have a number of reports from men who have engaged in the cotton industry. I have already mentioned that, as a youth, I had something to do with it, and I know that cotton can be produced with a minimum of labour. It is not costly to grow. The chief difficulty is experienced at the time of picking. I should be one of the last to advocate the establishment—especially by Government subsidization—of any industries which would take away our children from school. When cotton was being grown in Queensland some years ago certain arrangements were made by the Council of Education—not the Department of Instruction that we now have in that State—to allow children a certain time off in given seasons of the year. That is a principle in which I do not believe. Mechanical science and invention have solved more difficult problems than those relating to the picking of cotton. I confess that knowing what I do about the growth of cotton, I

thought it was almost impossible to secure a machine that would pick it without also picking the withered leaves from the bottom of the pod, and allowing them to mix with the cotton, which would thus be rendered useless. According to a recent report from America, however, the difficulty of picking cotton by mechanical means has been solved, and cotton can now be picked by those means at a very much cheaper rate than is possible by the employment of low-paid negro child labour. Australian inventors have shown before that their mechanical genius is quite equal to the conditions with which we have to contend. We have already invented several machines that have been adopted in other parts of the world. In the Mallee country the cost of clearing by ordinary means was so great that the land would have been practically useless, but for the invention of the stump-jumping plough. Stripper harvesters and other machines peculiar to Australia and Australian conditions have also been invented. Given proper encouragement we shall find amongst our own people not only the enterprise, but the mechanical genius necessary to enable us to cope with all the difficulties that are likely to confront us in the establishment of the industries enumerated in the Bill. As to the quality of the staple, the honorable member for Franklin paid a well-deserved compliment to Dr. Thomatis, of Cairns, with respect to the celebrated "Caravanica" species of cotton which he has produced there. The virtue of that cotton is that it is a perennial; its fibre is long and fine, and it commands at present a high price. So far as I have been able to judge, however, its yield is not so great as is that of the ordinary shrub cotton grown in other parts. It is certainly finer, and is, I believe, a cross between the Peruvian and Sea Island varieties. Last season we produced in Queensland cotton which, according to the reports, was of excellent quality. Honorable members doubtless saw a paragraph published in the press during the present week, to the effect that some of the cotton produced in Queensland last season was sent to the Liverpool market, and that bids were made for it, although it was ultimately withdrawn from sale. The brokers stated that it was worth from 10d. to 11d. per lb. The average price obtained for cotton sent from America to England is from 4½d. to 5½d. per lb., so that the incident shows that the quality of the staple has not

deteriorated under Australian conditions, but that, like merino wool, it seems to have improved. Objection has been raised to the encouragement of the cotton industry, because, on a former occasion, when the Queensland Government subsidized it to a considerable extent, a satisfactory result was not achieved. I have on previous occasions tried to account for the failure of the venture, and I hope I shall not be accused of tedious repetition if I briefly recount the causes. I have been asked privately, and also in the House, how it was that the industry was not established at that time. Mr. Daniel Jones, the expert associated with the Agricultural Department of Queensland, has given his reasons, one of them being that we were not sufficiently acquainted with the conditions of culture essential to success. But to my mind the chief reason was that in those days we planted all sorts of seeds, and secured a mixed staple that would appeal to the experts in the cotton manufacturing centres of the old world just as successfully as would a bale of unclassified wool. There are other honorable members who know more about wool than I do, but I think they will agree that the value of our clip would be considerably reduced if, instead of properly classifying our product we adopted the system which was adopted in the case of cotton. We had the Uplands, New Orleans, Sea Island, Egyptian, and other varieties growing. The farmers in those days walked along the drills and sowed a mixture of all kinds, with the result that we secured a mixed crop, which was not worth nearly as much as it would have been had we sown particular varieties. Further than that, in those days we had no experts to advise us. We had insect pests which we did not know how to combat. Long and tedious delays were also experienced in securing the returns from the crop sent to the old country, because it was conveyed, not in steamships, as would be the case to-day, but in sailing vessels. At that time we had but little railway extension. The cotton crop had to be brought, by means of bullock waggons and horse drays, into centres, where it was ginned; nowadays it would be conveyed to those places by rail. The delay to-day would be infinitesimal as compared with what it was before, and I am satisfied that, under present conditions, a very much smaller return would pay the farmer. In those days, the bounty given by the Queensland Government was distributed in such a way that, although indirectly it doubtless enabled the purchasers of raw cotton to give a slightly increased price, the farmers themselves did not receive the benefit of it. It was given chiefly to landlords, and it led to the accumulation of large estates, rather than to the encouragement of small holdings devoted to the growth of cotton. All of these conditions helped at the time to bring about the failure of the industry. The conditions to-day are entirely different, and I think we should now embark upon the enterprise under far more favorable conditions. Whilst we are free to admit that the industry must grow, it may take thirty, forty, or fifty years to do so naturally, whereas, as the result of the stimulus proposed by the Government, it might become a big industry in the course of five or ten years. Is it worth while spending this money to bring about in ten years that for which we might, under normal conditions, have to wait fifty years? We are wise in providing this little nest-egg, so that we may reap the advantage of the industry at an earlier date than we should otherwise do. In dealing with this question, some honorable members appear to have lost sight of the possibility of manufacture. We are now importing a certain quantity of cotton to be mixed with wool in the manufacture of certain goods. We have a small quantity of machinery for the manufacture of cotton, and it has been demonstrated that, within the Commonwealth, cotton can be manufactured of a quality quite as good as anything that has been produced in any other part of the world. I may be twitted with the fact that although cotton manufacture was encouraged in Queensland by means of a bonus, it proved a failure. I am compelled to admit that that was so, though the time at my disposal does not permit me to fully explain the circumstances. It is sufficient to say that the enterprise got into the hands of men who were anxious, not to encourage the industry, but to make money by the sale of their property. Machinery which used to employ about 100 hands, who were not ill paid, is now lying idle, covered with white lead and grease. That machinery ought to be working, and, if in use, would give employment to some of those who are now living on the charity of the State. The Queensland duty on cotton-piece goods at the time this experiment was made was the same as the present Commonwealth duty. I should like

Mr. Wilkinson.

to see the rate raised, to give more encouragement to the growing and manufacture of cotton by our own people. The inhabitants of the northern parts of Australia, like other peoples living in hot climates, are largely wearers of cotton, and the possibilities of the cotton industry there are therefore enormous. Capital has been made of the fact that the cotton expert of the Queensland Agricultural Department has stated that the cotton-growing industry should succeed without the aid of a bounty. I have already admitted that it will do so, but it will take longer for that to happen than it is wise for us to wait. He has shown that the cost of production is about £3 16s. 2d. per acre, and letters received from persons engaged in the cultivation of cotton last season inform me that £9 per acre has been netted by their enterprise.

Mr. EWING. — They were working on small areas.

Mr. WILKINSON.—In Australia there are not large plantations such as are to be found in the southern States of America, and I hope that cotton-growing will always be done here on small areas, so that, instead of having large numbers of men living in barracks upon big estates, without home ties, and caring not how the country is ruled, so long as they have food, clothing, and shelter, we may have numbers of small holdings, each supporting a comfortable home, and may thus rear a sturdy yeomanry, always ready and willing to use their rifles in defence of their property and of the Commonwealth. The great need of this country is homes, and, by the establishment of small holdings, we shall increase the number of homes, and the work of the farms will be done largely by the owners and their families. I hope to go into this matter in greater detail when the Bill gets into Committee. There are also immense possibilities in the development of other industries which the Bill seeks to encourage. When speaking in this Chamber a short time ago, I referred to the possibility of profitably producing castor oil in Australia. I am not entirely enamoured of the proposal to encourage the production of China oil, because I do not think that we can compete against the coolie women of India, who are employed to follow the drills, and, by pulverizing the soil with their fingers, to extract the nuts and remove little lumps and stones. There is no reason, however, why the castor oil industry should not thrive in Australia. The

castor oil plant is sometimes grown as an ornament in gardens in Victoria, and grows wild in the northern parts of New South Wales and in Queensland, the seed germinating almost anywhere. The crop is not difficult to harvest, since the fruit grows in bunches, and is easily hulled by the thrashing process, while the percentage of oil in the berries is very large. I do not see why Australia should not meet her own requirements in regard to castor oil, and I am glad that the Government are offering a bounty for its production. I am also in favour of the proposed bounty for the production of fibres. A short time ago, the Queensland Government distributed a large number of plants to encourage the production of sisal hemp, and those who are experimenting find that the crop is likely to prove profitable. It has been argued that these industries will be established by natural development, and, no doubt, that is so; but it will pay the Commonwealth to stimulate production, so that we may get returns ten, twenty, or thirty years sooner than would otherwise be the case. I have much more information here, but have occupied the house sufficiently long at this stage, and will therefore conclude by promising my hearty support to the measure, and expressing the hope that its passing will result in the greater development of our agricultural and rural industries.

Mr. STORRER (Bass) [12.40].—It is my intention to support the Bill, because I think that its provisions, if carried into effect, will do good by stimulating the development of industries, some of which have already been entered upon to a slight extent, and thus giving more employment to labour. I have been in favour of the bounty system ever since, in my early days, the Tasmanian Government, by paying a bounty for the production of woollen goods in the State from which I come, brought about the establishment of woollen mills there. The woollen industry has led to the expenditure of a large amount of money in Tasmania, and the production of goods which are the best of their kind made in Australia, and, perhaps, as good as any similar goods made elsewhere in the world.

Mr. LONSDALE.—The Victorian bounty for the production of worsteds was a failure.

Mr. STORRER.—I am speaking, not of Victoria, but of Tasmania. I have a little more taste than the honorable member possesses, inasmuch as I do not interject when

others are speaking, and, although he has lived longer in the world than I have, I trust that he will take a lesson from my good example. Neither am I in the habit of imputing to the Government bad motives for their proposals, by such suggestions as that which we have heard in regard to these bounty proposals—that the intention is to obtain support from the industries which it is proposed to benefit. One of the industries to be encouraged is that of coffee-growing. When in Queensland some time ago, I had a long conversation with a man who had been so engaged there. He told me that, if he could have obtained another rd. per lb. for his berries, he would have been able to make the industry profitable, but, under existing conditions, he had to abandon the work, and, when I saw him, he was driving two horses for a Chinaman.

Mr. LONSDALE.—No doubt we should all do well if we were given assistance at the expense of other people.

Mr. STORRER.—He told me that he had established a home, and had cultivated a certain area of land, but had afterwards to abandon his farm. If encouragement can be given to the enterprise of individuals such as he, it will be a good thing for the Commonwealth, and will tend to prevent the drifting of population from the country to the towns. The honorable member for New England, speaking about the milk industry, said that our climate is too hot for it.

Mr. LONSDALE.—I said nothing of the kind. I was reading from a report. I object to having placed in my mouth words which I have not uttered.

Mr. SPEAKER. — If the honorable member desires to make a personal explanation, he may do so when the honorable member for Bass has finished his speech.

Mr. STORRER.—The honorable member unfortunately thinks only of his own State. He forgets that the climate of Australia varies so much that the conditions of the Commonwealth are suitable for the production of almost any crop, if the proper situation is chosen. The honorable member said that we were going to rob the wheat-growers in order to encourage the growth of other products. I am in favour of encouraging persons to come to the Commonwealth, and to engage in the production of any commodities which can be grown here with advantage. By adopting this policy, we shall confer great benefit upon the wheat-growers, be-

cause the greater our population the more wheat will be required for home consumption. It will be to the advantage of our wheat-growers if they can dispose of the whole of their product locally instead of being obliged to sell it in competition with growers abroad. We should do well if we could settle a large number of white men upon the cultivable land of the Northern Territory. We should then have a number of defenders upon whom we could call in time of emergency to repel any attempt at invasion on our northern shores. It seems to me that that is the best kind of provision we could make for the defence of Australia. The honorable member for the Grampians stated that we should aim at growing products suitable for outside markets, rather than direct our energies to meeting our own requirements in the manner contemplated by the Bill. I entirely disagree with the honorable member. The greater the extent to which we produce what we require the more wealthy we shall become, because we shall keep in the country the money that now has to be sent to parts beyond the seas. A great deal has been said during this debate with reference to the desirability of establishing a Bureau of Agriculture. I had some remarks to offer on this subject when the motion of the honorable and learned member for Bendigo was submitted some time ago. I think that we have rather neglected our duty in failing to deal practically with this matter. My view is that it would be a good thing for the Commonwealth to establish a Bureau of Agriculture, and to issue a publication suitable for farmers all over the Commonwealth, which would supersede the agricultural journals now published by the States Governments. It would be very interesting, for instance, for Tasmanian farmers to be able to read information relating to the doings of agriculturists in Queensland and *vice versa*. An agricultural journal issued by the Commonwealth would be very much more useful than any State publication of a similar character. I think that we have, to some extent, overlooked the importance of this matter, and I trust that the Government will take steps at an early date to establish a bureau which will enable the States Governments to dispense with their present Departments of Agriculture. I am not quite clear as to the effect of clause 4. It appears to me that the bounty could be paid to any persons who had anything to do with the production of an article.

For instance, it would appear that the bounty might be claimed by a man who ground coffee of Australian growth. I know that there is a difficulty in the matter, and, although, as was pointed out by the honorable member for Moira, the producer may obtain an indirect benefit, the bonus is not actually paid to him, and I think that we should aim at handing over the money to the producer direct.

Mr. LONSDALE (New England) [12.53].—By way of personal explanation, I desire to say that I did not make the statement that our climate was too hot to permit of the successful manufacture of condensed milk. I was merely quoting from the report of the dairy expert of New South Wales, who says—

Many thousands of pounds have been lost in experimental work, and one enthusiast lost as much as £30,000 in endeavouring to make a satisfactory milk. It is much more difficult to make condensed milk here than in the colder climate of Europe. There are two reasons for this, the main one being that fermentation proceeds so rapidly in this warm climate that the milk is really unfit for condensing by the time it reaches the factory, if it receives only the ordinary treatment which the farmer usually gives his milk to be used for butter-making. The knowledge possessed by the average farmer here regarding the changes that take place in milk is not on the whole equal to that possessed by dairy farmers in the older countries of the world.

Mr. McLEAN (Gippsland) [12.54].—I wish to give the Minister of Trade and Customs every credit for his desire to promote primary production by means of bounties. I believe that the judicious expenditure of a reasonable amount of money in this way will be attended by excellent results, but I am sorry that I cannot compliment my honorable friend upon the manner in which he proposes to apply the principle of the measure. There is no doubt that the success of the scheme must, to a large extent, depend upon the supervision exercised, and it appears to me that the Government have commenced at the wrong end. Whilst I am as strongly in favour of bounties as are most honorable members, I think that we should first either establish an agricultural bureau of our own or make suitable arrangements with the States Departments to supervise the operations to be carried on under the Bill. The Minister told us that it was intended to utilize the services of the States Agricultural Departments. But I think that arrangements should have been made beforehand, in order that we might know how the money

was to be applied. Although I am a strong believer in the payment of bounties under certain conditions, I think that a great deal more good would be done if we provided for a thorough system of agricultural education. In no country in the world do the people on the land require more education than in Australia. In the older countries of the world people follow the same occupation from youth to old age, and generally walk in the steps of their fathers. Australia, however, is a more progressive country, and the people are continually changing from one occupation to another. We frequently find people who have saved money by working as miners, or in business, or labourers who have been thrifty, investing their money in land and entering upon the occupation of farming. These men had no previous knowledge of the industry, and yet there are few callings in which technical knowledge with regard to the latest and most improved methods is more necessary. An unskilled farmer placed on good land, whilst doing no good for himself, impoverishes the soil by slovenly cultivation or may neglect to apply the proper fertilizers. The State is in a much better position than is any private individual to collect and distribute useful information relating to the cultivation of the soil. We should educate our farmers with regard to the most approved methods of cultivation, the best kinds of machinery, the best seeds to sow, and the purposes to which certain soils can be best applied. Under the Bill, it is intended to spend a large sum of money, the greater part of which could have been much better applied to the purposes I have indicated. I admit, however, that bounties may be made very useful if they are offered under proper supervision. In the first place, we should be extremely careful to offer bounties only in regard to such industries as may reasonably be expected to achieve success after the initial cost of their establishment has been incurred. A bounty should never be paid with a view to bolster up an industry that will not stand after the difficulties of establishing it have been fairly overcome.

Sitting suspended from 1 to 2 p.m.

Mr. McLEAN.—When the sitting was suspended, I was pointing out that in my opinion it would be a very great mistake for this Parliament to authorize the payment of a bounty to any industry which could not be profitably carried on after

the initial cost of establishing it had been overcome. The real object of granting a bounty is to compensate the pioneers in any particular industry for the experimental work which they undertake, and for the inevitable loss incurred in transplanting that industry to another country. No doubt it is difficult to ascertain what industries are likely to prove remunerative after they have been established. The Minister has submitted to us a number of figures which are very useful, so far as they go. They show the extent to which these industries are already being carried on in the Commonwealth, and the quantity of their products which is being imported. No doubt that is very valuable information as showing the margin of the home market which is still available. But we require a great deal more than that. In saying this, I wish to assure the Minister that any word of criticism which I may offer to the Bill is offered in the most friendly spirit, and with a sincere desire to make it as perfect a measure as possible. But in asking this House to authorize the payment of a bounty for the establishment of new industries within the Commonwealth, the Minister should be able to inform us of the conditions under which these industries are conducted in other countries. He should be in a position to tell us of the nature of the soil, and of the climate necessary for, and of the wages which are paid in, these industries in foreign countries. We should then be in a position to form an independent judgment as to whether suitable conditions for their establishment prevail in Australia. I would strongly urge the honorable gentleman when the second reading of the measure has been disposed of, to postpone its consideration in Committee until he has collected, and is in a position to place before honorable members, information of the character which I have indicated. The Bill is essentially one for Committee. Speaking generally, my own opinion is that the industries which are specified in it, and which are carried on in all other parts of the world by means of the cheapest coloured labour, cannot be successfully established in Australia under existing conditions. Reference has been made to the cotton industry. There is no doubt that that industry is a splendid one wherever local conditions are adapted to the production of the article. It is one of the largest industries in the world.

Mr. McLean.

Speaking from memory, Great Britain, in 1903, exported more than £66,000,000 worth of manufactured cotton, and more than £7,000,000 worth of yarn, or a total of over £73,000,000. Her next largest exports were iron and steel, the value of which was only about £30,000,000, or very much less than one-half. Her third largest line of export was woollen goods, the value of which amounted to something more than £25,000,000. These give us some idea of the magnitude of the industry. We cannot ignore the fact that in other parts of the world cotton is produced by means of very cheap labour. I agree with the honorable member for Moreton, that in paying the proposed bounties we should keep in view, as far as possible, the establishment of small holdings and family industries. But I may mention that I went very carefully into this matter—I collected all the information that I could obtain—and that I was not able to discover that cotton could be profitably produced even by families. We know very well that in Queensland the cotton industry is by no means a new one. During the period succeeding the American war, when the prices ruling were as high as 1s. 8d. and 1s. 9d. per lb., it was carried on with a fair amount of success, but as soon as prices dropped to the normal level it had to be abandoned. I very much fear that under our present labour conditions the enterprise cannot be successfully established in the Commonwealth, although nobody would be better pleased to see it firmly established than I would. Of course, any industry which is suitable to our soil and climate, and to our labour conditions, occupies an entirely different position. In this connexion I am very pleased to notice that provision has been made in the Bill for the development of the fishing industry. The Government proposal opens up an entirely new field. Hitherto there has been very little done in the way of deep-sea fishing around the coasts of Australia, and I think that a small expenditure in that direction can be thoroughly justified.

Mr. DUGALD THOMSON. — Outside our territorial limits.

Mr. McLEAN. — Wherever a payable supply can be procured. I think that we are justified in incurring a little risk to test the possibilities of that industry. There are other enterprises mentioned in the Bill

which are suited to our soil and climate and to our conditions of labour. I refer to the fibre, flax, and vegetable oil industries. I do not see why they should not be successful here. But I should like the Minister to obtain all possible information regarding the cost of producing these commodities in other countries, so that we may be in a position to deal with the matter intelligently. If he will do that, I believe that the House will be disposed to assist him to establish any industry which has a reasonable prospect of being successfully carried on after the initial cost of its establishment has been overcome.

Sir LANGDON BONYTHON (Barker) [2.12].—It is my intention to support the second reading of the Bill, and I am glad to know that there is every prospect that it will be carried. In the course of this debate many good, practical speeches have been delivered by honorable members, as the result of personal knowledge. I listened with a very great deal of interest to the remarks of the leader of the Opposition, and I am extremely pleased to find that he intends to support the measure. For many years this Parliament has been contemplating action upon the lines laid down in the Bill, but up to the present nothing has been done beyond offering a bonus for the production of sugar by white labour—a matter which is exclusively to the advantage of Queensland and New South Wales. The products covered by this Bill, however, may be grown over a very much wider area, and it seems to me there is substantial reason to hope that, at no distant period, some of them may bear a very important relation to the manufactures and commerce of Australia. There is one particular in which, I trust, the measure will have an important effect, and that is in regard to the establishment of the cotton-growing industry in the Northern Territory. So far as climate and soil are concerned, there is no doubt that the Territory is eminently suited to the industry. I know that it is said that nothing can be done without the employment of coloured, or cheap, labour; but it may yet be proved that that is not so essential a factor as many people imagine. In this connexion I listened this morning with very great interest to the able speech which was delivered by the honorable member for Moreton. The honorable member for New England, during the course of his remarks, referred to the fact that the olive oil industry is already established in South Australia. That

is perfectly true. He also mentioned the name of Sir Samuel Davenport—a name that is held in the highest honour there. Sir Samuel Davenport started the olive oil industry in South Australia more than fifty years ago, and that industry to-day is still in a struggling condition. The reason is that the local product has to compete with the very inferior and highly adulterated article which comes from across the seas. The olive oil produced in South Australia is pure, wholesome, and in every way excellent, and I am disposed to think that the people of the Commonwealth would be wise if they consented to pay a little more for that article in preference to using the admittedly inferior oil from abroad. I believe that there is a great future before the olive oil industry—that the time is not far distant when sufficient olive oil will be manufactured in the Commonwealth to meet local requirements, and that, eventually, it will figure amongst our exports. Last night the leader of the Opposition asked the Minister who is in charge of this Bill whether he could name one article of those enumerated in the measure which was being successfully produced anywhere in the Commonwealth at the present time. I can answer that question. There is no doubt that the vicinity of Adelaide is admirably suited to the growth of the olive tree. As you are aware, Mr. Speaker, the olive tree contributes to the landscape a colour which is a distinct feature of the locality. There is one matter, the importance of which I wish to emphasize. I refer to the fact that in the administration of this measure everything possible should be done to insure that the advantage of the bounties shall go to the growers. I am informed that at present, in South Australia, the olive grower receives 6s. per cwt. for his berries, and that it costs 2s. 6d. per cwt. to gather them. The manufacturer produces from 1 cwt. of olives 2 gallons of oil, and that quantity yields 16s. If these figures be accurate, it seems to me that the manufacturer distinctly comes out on top. I know that there must necessarily be great difficulty in dealing with the individual grower; but I trust that by means of co-operation it may be possible so to bring the manufacturer and the producer together that their interests will be identical. I have much pleasure in supporting the motion.

Mr. FISHER (Wide Bay) [2.18].—There seems to be only one view in regard

to the provisions of this Bill. I may say, however, that I fail to find in it any provision as to where the articles in respect of which the bounties are to be paid shall be grown. It is quite true that the areas in which they may be grown may be prescribed, but as we have power to acquire territory beyond Australia, it would be as well, unless we intend to extend the bounty to producers outside the Commonwealth itself, to clearly define in the Bill where these products shall be raised. I mentioned the matter to the Minister at the close of his speech on the motion for the second reading of the Bill, and I believe that the law advisers of the Crown share my view. I understand that a more specific provision will be inserted.

Mr. DEAKIN.—If it be necessary, but the regulations will make it absolutely plain. Of course, the intention is that these goods shall be produced in Australia.

Mr. FISHER.—I am not sufficiently well versed in the law to be able to say that if we do not prescribe in the Act itself the places in which these products shall be raised, the Government may not extend the bounty to articles produced in any Commonwealth territory beyond Australia.

Mr. DEAKIN.—I think that we should not do so without the express assent of Parliament.

Mr. FISHER.—When the honorable gentleman who is a lawyer says that he "thinks"—

Mr. DEAKIN.—I have not locked into the question, but that is my view.

Mr. FISHER.—I availed myself of an opportunity to consult the secretary of the Attorney-General's Department, and whilst he was not prepared to express a definite opinion, he said that he thought it would be better to state in the Bill itself where these products shall be grown. That is the first point I wish to make. It is evident that the Bill is not going to be treated as a party measure. Indeed, the interest aroused by it has not been sufficient to give rise to even a keen debate. Yesterday we were discussing the effect of certain prescriptions consisting of tonics and so forth for the use of individuals. This is a prescription by the Parliament to which none of our patients will object. It is a golden prescription which all will cheerfully take. It can do no harm even if it does no good. Of all the schemes designed to encourage industries, I think that the bounty system

is the best. Arguments have been advanced in favour of it by honorable members on both sides of the House, and I congratulate the Minister upon the introduction of a Bill forecasting an expenditure of £500,000 which has not aroused any severely hostile criticism. I am pleased to say that the sugar bounty has been a great success. There appears in this morning's issue of the *Argus* an article that is so far from being correct that to those not acquainted with the true position it must be absolutely misleading. It is singular that those who talk most freely about the bounty system seem to have the least knowledge of it. I admit at once that the position of the Commonwealth in regard to the granting of bounties is a very technical one, and as the article to which I have referred in the *Argus* deals with the question, I presume that I shall be in order in further alluding to it since this measure also relates to the granting of bounties for the encouragement of primary industries and manufactures. It is stated in the article that if there had been no duty, sugar would have been cheaper, and that if there had been a duty, and the local production of sugar had not increased, more revenue would have been secured. The point is that in the latter event, we should not have had the industry. We cannot have both the industry and the revenue. The further statement is made that the bounty has not enabled the white growers to make the progress that was predicted. The position is quite the reverse. I may state that the figures quoted by the *Argus* are not accurate, although I have no desire at this stage to refer very fully to them. They leave entirely out of account the effect which I and others stated last year would be produced by the bounty.

Mr. SPEAKER.—I think it would be convenient, and it appears to me to be desirable, at this stage, to state the position in which honorable members stand in discussing the sugar bounties in relation to this question. I recognise, as the honorable member for Wide Bay has said, that inasmuch as the Bill is one relating to bounties, a reference to the sugar bounty is relevant. The honorable member is, therefore, at liberty to refer freely to the sugar bounty in so far as it illustrates any argument in relation to this measure; but if his reference to it took the form of a justification of its payment, or an exposition of its

general policy, he would be anticipating the debate which must necessarily occur on the Budget, and I should have to prevent his making any such further allusion to it on this occasion. The honorable member will see that any matter relating to the sugar bounty which bears upon or illustrates the question now under consideration, may be dealt with by him, but that any statement which may be made in justification of the sugar bounty, or relating to it exclusively, must be reserved until the Budget is under consideration.

Mr. FISHER.—I desire to refrain from making any statement that will not be in order. The article in question is misleading, although I do not say that it is wilfully misleading, and I shall avail myself of another opportunity to refer to it. It appears that it is possible to clearly misstate the facts in relation to these matters for no other purpose than to damage, in other parts of the world, the interests of the northern part of Australia. The question is near akin to that now under discussion, because the result of the sugar bounty absolutely bears out the contention that the system is a valuable one for promoting agricultural settlement. Like the sugar bounty, the bounties under this Bill are, according to the Minister, to be paid to the actual producers.

Sir WILLIAM LYNE.—Hear, hear.

Mr. FISHER.—There is one important distinction, however, between the sugar bounty and those now under consideration. The sum paid by way of bounty to the growers of sugar by white labour is the exact amount—less £1 per ton—which they themselves contribute to the revenue by means of the Excise duty. Under this Bill, however, no Excise duties are to be imposed. I am not an advocate of the imposition of an Excise duty for the purpose of paying a bounty, but I mention this because I feel that if we were to impose an Excise duty, in addition to the bounties we propose to pay, no one would say that we were making a gift to those who are to produce these goods.

Mr. McLEAN.—An Excise duty ought always to be accompanied by a correspondingly high import duty, so as to make the consuming public pay it.

Mr. FISHER.—The protective duties imposed on some of the articles, which are to form the subject of these bounties, are higher than that imposed on sugar. It is

because these proposals are not involved in another great question that we hear so little about them.

Mr. McWILLIAMS.—Would it not be better to abolish the bounty and Excise, and to increase the duty?

Mr. SPEAKER.—The honorable member will see that his question would lead the honorable member who is speaking to discuss the sugar question.

Mr. FISHER.—Then I shall make no further reference to it. The honorable member for Gippsland remarked that I should agree with him that bounties ought not to be given continuously—that only industries that were native to the soil should be bounty fed, until they were able to maintain themselves without assistance in the shape of a contribution from the whole of the people. Speaking generally, that is a sound principle, but at the same time I am not one of those who think that money spent in this way is lost if it accelerates in any way the production of commodities which can be manufactured here, and tends to encourage settlement. It is particularly desirable that the northern parts of Australia should be settled, and I would rather expend a large sum of money in promoting their settlement than in paying for the maintenance of Defence Forces, because the presence of population there will be a more efficient means of defence than we can provide in any other way.

Mr. JOSEPH COOK.—It is wonderful what arguments can be found for these propositions when they are looked for.

Mr. FISHER.—In my opinion, the northern parts of Australia cannot be settled more cheaply and in a more statesmanlike and efficient manner than by the payment of bounties for the stimulation of productions which will enable persons to earn their living there.

Mr. JOSEPH COOK.—That argument has been used by the Prime Minister in support of high protective duties.

Mr. FISHER.—Protective duties have done a great deal of good in many instances.

Mr. JOSEPH COOK.—The honorable member is coming on.

Mr. FISHER.—I cheerfully admit that, when the Tariff was under discussion, I advocated the imposition of a duty of 30 per cent. on boots, and the leader of the Opposition said that he thought it a very fair thing.

Mr. REID.—I opposed that duty very strongly.

Mr. FISHER.—It is useless to ignore the difficulties which face us in connexion with the occupation of the northern parts of Australia. The settlement of semi-tropical regions wholly by white races has not been successfully attempted in any other part of the world, but our legislation in regard to the sugar industry shows that it can be brought about.

Mr. KELLY.—Has the sugar bounty proved successful?

Mr. FISHER.—Yes; startlingly so.

Mr. McWILLIAMS.—More than half the Queensland sugar is grown by black labour.

Mr. FISHER.—Although honorable members have been supplied with authoritative information on the subject, they seem wholly ignorant of the facts. Seventy per cent. of the sugar produced in Queensland this year has been grown by white labour.

Mr. McWILLIAMS.—That is not shown by the last figures.

Mr. FISHER.—It is shown by the figures in the printed statements supplied to me.

Mr. DUGALD THOMSON.—There is an error in the tables. They do not work out accurately.

Mr. FISHER.—I am not responsible for that. But I stated last year that it would be found this year that the bounty had been a magnificent success, and that has happened. I hope that the bounties provided for in the Bill will be equally successful.

Mr. JOSEPH COOK.—There is no difficulty about getting results if one will pay enough for them.

Mr. FISHER.—A few years ago I heard it said, even by residents of Queensland, who should have known better, that the growing of sugar by white labour under a bounty system would never prove a success, because it was physically impossible to carry out the industry under those conditions. But even the leader of the Opposition has had to admit, since visiting the State, that it has been beyond doubt a success. I cannot, however, deal with the subject in detail at the present time, though nothing would give me greater pleasure than to be allowed to do so. I refer honorable members who wish for accurate and full information in regard to the whole question to some articles which recently appeared in the Melbourne *Herald*.

The writer of those articles is among the few persons who have a clear and full knowledge of the subject. I hope that, in Committee, the date for the coming into operation of the bounty system will be made not earlier than the 1st January, 1907. I make this suggestion because it is provided that the bounties shall be paid only for the production of articles by white labour. Now, a number of persons in Queensland are committed until the end of the year to agreements requiring them to employ coloured labour, and I should like an opportunity to be given to them to take advantage of the proposed bounties.

Mr. KELLY.—The honorable member merely wishes to divert employment from one industry to another.

Mr. FISHER.—The difficulty which I have in mind is this: Many persons in Queensland have entered into agreements, having currency until the end of this year, to employ coloured labour, and therefore cannot take advantage of the bounty proposals until next year, because bounties are not to be payable in respect to production by black labour. A Mr. Wells, who, the leader of the Opposition, if he met him during his recent visit to Queensland, knows to be a very straightforward man, has spent at Childers, in my electorate, over £1,000 in preparing ground and planting sisal hemp.

Mr. JOSEPH COOK.—The honorable member, then, is looking after the interests of his own constituents.

Mr. FISHER.—I knew nothing of the Government proposals until they were announced, and did not read them in detail until the Bill had been laid upon the table.

Mr. KELLY.—Has the experiment been a success?

Mr. FISHER.—Mr. Wells has not yet obtained a crop. As a sugar-grower, he is under agreement to employ a certain number of coloured labourers until the end of the year, and, unless the coming into force of the bounties is postponed until the beginning of next year, will be prevented from taking advantage of these proposals.

Mr. REID.—A provision might well be inserted in the Bill, indemnifying those who, prior to its passing, had employed coloured labour in any of the industries which it is proposed to encourage, but prohibiting the employment of any but white labour in the future.

Mr. KELLY.—Did Mr. Wells plant hemp in anticipation of a bounty?

Mr. FISHER.—I do not think so. But, in any case, I do not think that he should be deprived of the benefits of this measure.

Mr. REID.—On the contrary, I am inclined to give such persons all the more consideration.

Mr. FISHER.—That is a remark which should be generally applauded. There is no extreme urgency in this matter, and another reason for postponing the operation of the bounties is the fact—I have often heard it mentioned in this Chamber—that our agriculturists are not in close touch with what we do here, and therefore it takes some little time to make them acquainted with the provisions of our legislation. I desire to know whether the Minister proposes to take power to so distribute the £50,000 per annum, which it is proposed to set apart for bounties, that, in the event of certain production not being entered upon, he may increase the bounties for other productions.

Sir WILLIAM LYNE.—No, though I propose to move the insertion of a clause which will enable the Minister to slightly vary the payments, if necessary. In no case is the expenditure to exceed £50,000 in any one year.

Mr. FISHER.—What I wish to know is whether, in the event of all the industries named in the Bill not being started, the Minister will have power to increase the bounties paid to those which are started. I ask for enlightenment on this subject in order that I may know exactly what I am voting for, because, when I support a measure, I take full responsibility for its effects, whether good or ill. I am opposed to giving the Minister power to increase the bounties paid for one article by applying the sum voted by way of bounty for the stimulation of the production of something else which no attempt is made to produce. I do not mean that I would not give consideration to any proposal brought before Parliament for increasing a bounty, but I am against the granting to the Executive of what I may call legislative powers. I have no complaint to make with regard to the administration of the present Minister of Trade and Customs, but I do not believe in conferring too much power upon the Executive.

Mr. JOSEPH COOK.—The honorable member voted enthusiastically in favour of giv-

ing the Minister very large powers under the Commerce Act and the Industries Preservation Bill.

Mr. FISHER.—I take the full responsibility for my action in those matters, and I trust that the measures referred to may be wholly successful in their operation. I am not prepared, however, to grant power to the Minister to allocate the money proposed to be devoted to bounties in the manner that may seem best to him. If the amount available for the payment of bounties in connexion with the encouragement of any particular industry is not claimed, it should not be devoted to any other purpose until Parliament has been consulted. There is no dispute with regard to the principle of the measure, and I do not think that there is any need to discuss it at any great length. I hope that the Minister will give consideration to the matters to which I have directed attention. It is pleasing to note that honorable members are unanimous in regard to the expenditure of £500,000—

Mr. JOSEPH COOK.—Who says that the House is unanimous?

Mr. FISHER.—Hardly a discordant note has been sounded. Even the leader of the Opposition was in an optimistic mood with regard to the object of the Bill.

Mr. KNOX (Kooyong) [2.49].—I shall support the motion for the second reading of the Bill, but I shall reserve to myself the right to ask the Minister to reconsider some of the items that appear in the schedule, and the incidence of the proposed bounties. We have in the dairying industry in Victoria an example of the successful application of the bounty system, and there is no doubt that bounties properly applied are very beneficial in their influence. I have another case in my mind, however, namely, that of the Victorian prospecting vote, and it appears to me that it is proposed to apply the bounties under the Bill in much the same way that that vote is distributed. If the whole or half of the amount now devoted to prospecting in Victoria were spent in one definite direction, beneficial results might ensue, but, under existing circumstances, the money is frittered away in carrying on a number of small and independent operations. I venture to think that the Bill has in it a very great deal of the same element. For instance, the whole of the amount proposed to be devoted to the bounties might be advantageously applied to conducting a systematic experiment

in connexion with the cultivation of cotton in areas suitable for its growth. The importations of cotton into Great Britain are valued at £55,000,000 per annum, and the production of cotton would undoubtedly become one of our most important industries if it could be successfully carried on here. We have indisputable evidence that excellent cotton can be produced in countries situated between 40 degrees north and 35 degrees south of the Equator. Dr. Thomatis, the well-known Queensland expert, has been most successful in experimenting with cotton, and has shown that with proper attention cotton can be grown in that State with enormous profit. I feel, therefore, that we should be perfectly justified in supporting the Minister if he brought down a business-like scheme for the encouragement of the growth of cotton within the Commonwealth. The sum of £4,000 proposed to be devoted to bounties for the encouragement of cotton growing would be entirely inadequate. The Minister may not be aware that the British Association of Cotton Spinners, in Lancashire, are prepared to send experts to any part of the British Possessions for the purpose of giving information with regard to the production of cotton. I suggest that he should place himself in communication with that body. They have spent a considerable amount of money in Egypt, and have been successful in promoting the growth of cotton in that country. If the Minister had had any serious intention to encourage the production of cotton in Australia, he should have been prepared to devote a very much larger sum to the accomplishment of that object. We should arrange for the systematic cultivation of cotton under white labour conditions, in order to ascertain whether the industry can be successfully carried on here. So far as I can learn, cheap labour is required in other countries to carry on the work of picking the cotton and dressing it with due regard to economy. It has been stated, however, that machinery is being introduced with successful results in the southern States of America. I hope that that is true. Whilst I should be only too glad to see the cotton growing industry established here, I would not be a party to any attempt to palter with it. A cotton mill was in operation at Ipswich, in Queensland, some little time ago, but it was closed down because of the failure of the growers to maintain a sufficient supply. I do not think that the industry would be helped on to any appre-

Mr. Knox

able extent by the payment of a bonus of £4,000 per annum to the growers. We should endeavour to guard against making a mistake similar to that which has been committed in connexion with the Victorian prospecting vote. Although some portion of the money is usefully applied, the results obtained are entirely out of keeping with the large expenditure incurred. The vote is mainly of benefit to members of Parliament, who are able to obtain small grants for expenditure within their electorates. I should like to know how the bounties are to be allotted, and who will control the expenditure. We shall certainly require the assistance of experts to advise us in regard to the operations that are to be carried on under the Bill. As the honorable member for Gippsland pointed out, we are apparently starting at the wrong end. We ought to employ a number of experts capable of giving advice and assistance to those who desire to embark in the various industries that it is proposed to encourage. I shall support the second reading of the Bill, but I earnestly urge the Minister to consider the question of providing proper machinery for carrying it into effect. The principle of the Bill is all right, but I am afraid that unless the Minister proceeds on lines different from those which he has apparently laid down, the measure will fail to achieve its object.

Mr. SPENCE (Darling) [2.59]. — The honorable member for Kooyong has pointed out that the amount provided for bounties is not sufficiently large. I would point out, however, that, if we were to offer very large bounties, we might induce some persons to embark in enterprises with the sole object of securing the Government grant. The amounts proposed to be offered are not very large, but it must be understood that in some of the industries that it is proposed to encourage, the initial work has already been done. It has already been demonstrated that there is an enormous area in Australia which is specially adapted to cotton cultivation. The cotton plant is not a difficult one to grow. As a matter of fact, it flourishes like a weed, and I see no reason why Australia should not become just as great a producer of cotton as she is of wool. In this connexion, I may mention that cotton has been grown by means of irrigation upon the Darling at the Pera bore. I may also tell honorable members that upon the western

edge of the central division of New South Wales—a drought-stricken area—one of my constituents, a Mr. Greig, has grown quite a number of tropical products. This gentleman has been experimenting with a variety of these products for many years past. He was a great friend of the late Mr. Ferrier, the wheat experimenter, whom Australia did not appreciate at anything like his true value, although outside this Continent he was regarded as a very clever scientist. Mr. Greig astonished many persons at Nyngan by exhibiting a number of tropical products which he had grown there, either by means of irrigation or in some other way. One of these commodities—I refer to millet—he forwarded to certain manufacturers, who offered him £4 per ton more than they were prepared to pay to other producers of millet, if he would supply them with an article of equal quality. Unfortunately the tendency of mankind seems to be to remain in the old grooves as regards production. Consequently most people urge that we should go in more for the growth of cereals. I contend that we should not. The list of articles the production of which it is proposed to encourage by means of bounties is not as comprehensive as it might be. Nevertheless, it comprises a beginning. I recollect that only a few years ago the general opinion was that it was impossible to grow wheat upon the western side of Dubbo. But some men, who were laughed at for their pains, proceeded to grow cereals in the doubtful area, with the result that to-day the biggest wheat-growers in New South Wales are located many miles west of Dubbo. These pioneers are not appreciated as they should be. The cultivation of cotton does not require a very good soil, and the plant itself takes less out of the soil than does any other with which I am familiar. I understand that the bounty proposed to be granted under this Bill is limited to raw cotton. If it is intended to assist the production of manufactured cotton, we shall have to compete with a class of labour that I hope will never find employment in our cotton factories. In the United States 75 per cent. of the labour employed in these establishments consists of children under fourteen years of age. The cotton there is manufactured by child labour, and many of the employes are even younger than the laws of the States themselves prescribe, whilst the degeneracy of the people is such that, from time to time, the cotton factories have to

send out agents to induce whole families to enter these establishments, where their health is utterly ruined. I trust that in Australia—which I believe, from every point of view, is the finest country in the world—we shall never reproduce the conditions which have made for the degeneracy of the race in older lands. In dealing with this Bill, I wish to emphasize that the list of articles which it includes is not nearly so comprehensive as it might be. I recollect that, in giving evidence before the Royal Commission upon western lands in New South Wales, an economic botanist pointed out that there was an immense field there for the production of perfumes from indigenous shrubs which flourish in the drought-stricken areas. He stated that some of the most valuable perfumes in the world can be produced from them. During the course of this debate reference has been made to the development of our fishing industry by means of deep-sea trawling. In Victoria there are indications from time to time that a very large quantity of fish is going to waste. I hope that our efforts to establish this industry upon a sound basis will bear good fruit. The point has been raised that there may be more claimants for the bounties provided in this Bill than the money which we vote will satisfy. Under such circumstances, I hope that the bounties will be so allocated that each will receive a little assistance. At the same time, I feel that if these bounties prove of any value a demand will probably be made for their continuance. When vested interests have been created they will naturally desire to retain the assistance as long as possible. The question, therefore, arises whether it would not be wise to make provision for the gradual reduction of the bounties until they reached the vanishing point. I think that the Bill constitutes a fair attempt to develop tropical industries. In this connexion, I believe that the Northern Territory offers us a very promising field. We must always recollect that in our wheat production we have to compete with the markets of the world, whereas Mr. Volker, who was recently in charge of the Hawkesbury College, has expressed the opinion that cotton grown in small areas—even if the industry paid the present Australian rate of wages—would prove more profitable than would wheat growing. Cotton picking in the open fields is a much more healthy life than is cotton manufacture, and there is no reason why this industry should not achieve very

large dimensions. There are other phases of this matter upon which I will not touch at the present stage. I congratulate the Government upon the introduction of a Bill, and later on I think that the principle which it embodies should be applied to several other industries, for the productions of which, as our population increases, there will be a market. I have already mentioned one of these. Upon our abandoned gold-fields there is an immense area of Crown lands available which would grow an unlimited supply of fruit, for which there is a grand market in the old world. In my opinion, it is quite time that we diverted public attention to these matters. In New South Wales a very valuable and interesting periodical—the *Agricultural Gazette*—is issued monthly. In my judgment, we should be acting wisely if we established a central organ of that kind to circulate information relating to our waste lands. These lands, I am convinced, would, if put to a proper use, yield higher returns per acre than does the production of cereals.

Mr. BROWN (Canobolas) [3.15].—I am pleased that the Government have taken action in this direction. There are a number of agricultural and other industries which, for lack of knowledge and encouragement, have not been taken up as they should have been; but the bounty system will do something to provide the incentive necessary to promote their growth. Great difficulty and inconvenience is experienced in establishing a new industry. In my own district some years ago an effort was made to promote the growth of oil plants, and notably the castor oil tree. Farmers there were loth, however, to enter upon the industry. It was entirely new to them; the machinery necessary for the extraction of the oil was not at hand, and although those who interested themselves in the movement claimed that the district was well suited for the growth of such products, the effort failed. By means of bounties, some of these initial difficulties might be overcome, and the avenues of production largely widened. I know that some honorable members are anxious to assist these industries, but would prefer to do so by means of Customs duties. Our experience of that system of encouragement is, however, that as a rule the advantage is derived by the wrong man, and does not go to the actual producer. Under the bounty system we can take care that the man who does the pioneer work in

these industries shall receive a direct benefit. The position in regard to the production of sugar by white labour is an illustration of what can be done. Had assistance been given to that industry only through the medium of Customs duties, a number of those now reaping the advantage of the bounty system would not have received anything like the same encouragement. In the granting of bounties we should not confine our attention to the encouragement of new forms of production; we ought to look to some of those which promise to be material factors in our wealth production. Owing to lack of knowledge, great difficulty has been experienced by our wheat growers. In certain districts unsuitable seed has been sown, with the result that those districts have been declared unfitted for wheat cultivation; but happily, as the result of the establishment of experimental farms, these blunders are now being obviated. Seed wheat, suitable for sowing in the dry districts of the interior, has been obtained, and the farmers have secured good returns from crops grown in districts where their efforts were at one time fruitless. It would be wise for the Minister to give some encouragement to those who conduct experiments with the object of improving our wheat production. I have known for some years the gentleman mentioned by the honorable member for Darling, and am aware that he has devoted much of his time to the production of wheat suitable for the drier parts of the interior, working with another gentleman—the late Mr. Ferrier—who at one time received official recognition. Such experiments ought to be encouraged. The development of rust-resistant wheats, and of wheats suitable for the drier districts of Australia, and for milling and food purposes, ought to be promoted by every means in our power. These are matters that might well receive the attention of the Minister now that he is distributing his favours in the shape of bounties. Any one who does useful work on the lines I have indicated is a public benefactor, and should receive some official recognition and encouragement. The production of cotton is to be encouraged under this Bill. Some experiments have been made in the growing of cotton in New South Wales; but so far as I am aware, nothing has been done there to make it a marketable commodity. Two or three years ago a gentleman planted some small experimental plots at Parkes, and assured me

that he obtained excellent results. From the samples which he showed me, I am inclined to think that it is possible to develop the cotton industry there, and to make it a commercial success. The same remark will apply to Queensland, and also, it would seem, to the Northern Territory. A difficulty is experienced in inducing people to invest their capital in these new forms of production, but by means of the bounty system, something may be done in that direction. I notice that it is proposed to grant a bounty of $\frac{1}{4}$ d. per lb. on sweetened or condensed milk, and of $\frac{3}{4}$ d. per lb. on powdered milk. I fail to see why this distinction should be made. If there is to be a differentiation, it should be in favour of the condensed milk. From inquiries I have made, I know that a considerable amount of capital has been expended on condensed milk works. At present, there is a very large trade in that commodity, and the imports, particularly from Switzerland, are considerable. I am informed, however, that the local manufacturers are unable to place upon the market an article equal to the imported milk.

Mr. HARPER.—They can do so.

Mr. DUGALD THOMSON.—And it is being done.

Mr. BROWN.—I am told that they have not succeeded in placing on the market an article that will keep as long and secure as ready a sale as the imported milk. I had the privilege some time ago of visiting a factory, the proprietor of which went to the expense of journeying to the old country, and visiting the Swiss factories in order to procure information that would assist him in his industry. He came to the conclusion that there was a trade secret in relation to the preparation of this commodity, the knowledge of which was limited to a very few producers, and gave them practically a monopoly of the trade.

Mr. MAUGER.—The bulk of that at present distributed in Broken Hill is made in Australia.

Mr. BROWN.—I do not wish it to be inferred that I consider that condensed milk cannot be made here, but it has been said that those engaged in the local trade have not been able to place on the market a condensed milk equal to the imported article.

Mr. LONSDALE.—The local article is at times equally good, but I am informed that there are failures.

Mr. BROWN.—Quite so. The local manufacturers in some cases are unable to maintain a regular standard, and to produce a milk that will keep as long as the imported article.

Mr. DUGALD THOMSON.—Some of their issues are satisfactory, while others are not.

Mr. BROWN.—That seems to indicate a lack of knowledge.

Mr. DUGALD THOMSON.—A lack of care and cleanliness.

Mr. BROWN.—I do not think that such a remark would apply to the factory that I visited.

Mr. DUGALD THOMSON.—The lack of cleanliness may be the fault, not of the factory, but of the suppliers.

Mr. BROWN.—There may be something in that contention, but from what I can learn, a great deal of care is being exercised to secure cleanliness. The proper treatment of the cattle and accessories connected with the production of this milk are important factors, but I do not know that in this respect there is a great difference between the imported and the local article.

Mr. DUGALD THOMSON.—Some of the imported goods are lacking in that respect.

Mr. BROWN.—I was informed by the manufacturer to whom I have referred that he had arrived at the conclusion that there was a secret method of preparation which he was unable to ascertain. He says that he went to great trouble, and incurred much expense in inquiring into the question, and endeavoured, without avail, to secure from Europe the services of a competent man to take charge of his factory. If that be so, in view of the large consumption of condensed milk, I think that the Minister would be well advised if he granted a bounty that would assist our manufacturers to discover where the fault lies, and to enable them to place upon the market an article which is as good both in its keeping qualities—

Mr. LONSDALE.—Or secure the services of an expert to teach them.

Mr. BROWN.—That might remove the difficulty, but I know that there are engaged in this industry dairymen who have expended much money in trying to solve it. They should receive some encouragement. I would commend this view to the Minister. The possibility of developing the fishing industry has already

been referred to, and some consideration is to be given to it. There is another matter to which I wish to allude, and that is the need to develop forestry. That may seem a far-fetched idea; but it is a fact that the destruction of trees has been carried on to such an extent in New South Wales, and, I think, in the other States too, that we are within a measurable distance of the time when we shall have great difficulty in obtaining timber for our local requirements. In the electoral division which I represent, country which was originally heavily forested, has been ruthlessly cleared, with a view to improving it for pastoral purposes. The district was recently swept by bush fires, and as a result, fences, originally erected at comparatively small cost, because of the accessibility of timber, were destroyed, while it is now being found very expensive to replace them, because of the comparative scarcity of timber. Encouragement should be given to the growing of timber trees. Some landholders have already recognised the increasing need for timber, and are making plantations; but it is found difficult to obtain young trees. Good work in producing stock for this purpose might be done by the subsidizing of nurseries. I do not see anything in the Bill to which to take much exception. The Minister, in order that the benefits to be given shall not go wholly to the employers, but shall be shared by the employes in the industries which are to be encouraged, has provided that reasonable rates of wages shall be paid. I wish to point out, however, that there is a tendency, when industries are protected by Customs duties, or fostered by the payment of bounties, for them to become parasitical in their nature, because those interested in them are never willing to give up the advantages which they are obtaining at the expense of the community, and urge the continuance of these benefits as essential to the existence of their enterprises. I foresaw that trouble of this kind would arise in connexion with the sugar bounties. We were told when the bounty was first proposed that, after a certain number of years, the industry would be carried on with white labour without needing further assistance. But we have since found that those connected with the industry are not disposed to forego the bounty, and it seems to me that the only way in which its extinction can be pro-

Mr. Brown.

vided for is by the introduction of a sliding scale, whereby the rate of bounty will gradually be reduced until it vanishes altogether. I think that a sliding scale should certainly be provided for in the Bill. In Committee, I shall do what I can to make the measure as perfect as possible. I trust that the Government will shortly establish an Agricultural Department to assist the development which the Bill is designed to encourage. Such a Department need not clash with, or be a duplicate of, the Agricultural Departments of the States, but, as a central bureau, may give much assistance to the States Departments.

Mr. FULLER (Illawarra) [3.38].—I have not heard the debate which has taken place in connexion with the Bill, and therefore the important matter to which I wish to direct the special attention of the Minister may already have been brought before him by other honorable members. I have been informed by a gentleman in New South Wales who is intimately acquainted with the circumstances under which an attempt was made to manufacture condensed milk in the Illawarra district, that the proposed bounty of $\frac{1}{4}$ d. per lb. on the selling price of condensed milk would amount to only 5 per cent., and would be altogether ineffective. I rise, therefore, to ask the Minister to make special inquiries into the matter, and, I hope that, if he finds that the facts are as I have stated, he will, to make his proposal effective for the establishment of this important industry, see that the rate is increased.

Mr. CHANTER (Riverina) [3.40].—The House and the country are to be congratulated upon the introduction of the Bill, and upon the conversion of the leader of the Opposition to a recognition of the fallacies of free-trade, he having announced himself in favour of the encouragement of industries by the bounty system provided for. It is very pleasing to those of us who for so many years have battled for the establishment of industries in Australia to find that he is now coming to our assistance. Last night he tried to prove that there are bounties and bounties, and, in reply to a question as to why he did not see his way clear to establish the iron and steel industry here by the granting of a bounty for the production of iron and steel, said that that industry was in a different category, and was succeeding in New South Wales without the assistance of a bounty. The

Government of the State, however, are practically paying a bounty to a certain person for the manufacture of iron and steel, though the payment is not in that form. It is very pleasing that both sides of the House are now resolved that the industries of Australia shall be encouraged, fostered, and protected either by bounties or by duties. The right honorable gentleman must have known, and could have mentioned with pride, the fact that in Lord Howe Island, which for many years was under the administration of the New South Wales Government, and is now, I believe, under Commonwealth control, coffee beans have been grown, and exhibited in Sydney, which have been claimed to be superior to any grown in any other part of the world.

Mr. LONSDALE.—Coffee has been grown in Queensland for years past.

Mr. CHANTER. — Coffee has been grown in various parts of the Commonwealth, but it has not been put upon the market, because of the competition which has been permitted, owing to the prevalence of free-trade principles. I am glad that the honorable member is supporting the Bill, and intends to help our industries in that way. He is awakening to a recognition of the fact that persons will not embark in industries unless they can put their productions on the market at a profit. Those who have made themselves acquainted with the magnificent resources of the Commonwealth know that there is nothing which cannot be produced within our borders.

Mr. LONSDALE.—We could produce anything at the expense of the community.

Mr. CHANTER.—Whatever we produce will be produced at the expense of the foreign manufacturer and producer and to the advantage of our own people, whether manufacturers, producers, or workmen. The honorable member for Gippsland told us that flax had been grown in Gippsland for many years, and I know that it has also been produced in other parts of Victoria and in other States. There is no article in the schedule that cannot be produced in Australia. The leader of the Opposition took exception to the provision in clause 5, which provides that persons claiming the bounty must satisfy the Minister that they have paid fair wages to those employed by them. I consider that this is a desirable provision, because we should avoid doing anything that would have a tendency to reduce the wages paid to our workers. We should not devote the public money to

the encouragement of industries unless they can be carried on under such conditions that they will confer benefit upon the workers as well as upon the employers. I do not understand how any one could object to that principle. Some years ago an application was made to the Minister of Lands in New South Wales for permission to occupy a reasonable area of land upon the Murray River for the purpose of producing cotton, rice, and tea—articles which some persons may be rash enough to say cannot possibly be produced in Australia. It has, however, been demonstrated that all these products can be grown here. I am informed that one or two persons have entered into an arrangement with the Victorian Government for the occupation of a tract of land on the Murray River, with a view to the cultivation of tropical products such as I have indicated. Queensland is not the only State in which cotton can be produced. It has been grown in Victoria and New South Wales.

Mr. McLEAN.—I have a sample of cotton grown in the Gippsland district.

Mr. FOWLER.—Cotton can be grown pretty well all over Australia.

Mr. CHANTER.—I contend that we should make up our minds to grow all the cotton required to meet our own requirements, so that we may render ourselves independent of supplies from abroad, and, at the same time, afford profitable employment for our people. The honorable member for Gippsland has indicated that cotton can be grown in his constituency, which has a comparatively cold climate, a short summer, and a long winter. The climatic conditions on the northern borders of Victoria are very different, and yet cotton can be grown there. About twelve or eighteen months ago the mayor of Echuca received from the Director of Agriculture, in Queensland, a small parcel of cotton seed which he handed over to the curator of the local gardens. The seed germinated, and the plants were cultivated under natural conditions, and the product from them has been declared by experts to be equal in quality to anything they have seen. I sincerely trust that the Minister will take the utmost care to satisfy himself that proper labour conditions are observed by those who claim the bounty. The leader of the Opposition made a few humorous comments upon the provision in clause 6, which relates to the employment of aborigines. I think that the action of the Minister in inserting the clause is to be

highly commended. We should endeavour to afford every encouragement to the small remnant of our aboriginal natives to engage in suitable industrial pursuits. The colour line indicated by the leader of the Opposition was never intended to be drawn to the exclusion of our aborigines. Some of the blacks are very well trained, and are capable and reliable workers, and every opportunity should be given to them to obtain employment, so that we may, as far as possible, be relieved of the necessity of spending the taxpayers' money in affording them relief. I hope that this Bill will mark the beginning of a system under which assistance will be granted to all desirable industries. If the members of the Opposition will join loyally with the Government in this movement, there will be no further occasion for the display of the heat that has marked some of our political controversies in the past. We shall be able to heartily join hands in furthering the interests of the State. With regard to the cultivation of the olive, it has been my pleasure to notice the beautiful groves of olive trees round about Adelaide and in other parts of that State. The olive tree has also been successfully cultivated in Victoria and New South Wales. Mr. J. Ednie Browne, when he was Conservator of Forests in New South Wales, caused some olive trees to be planted in that State, with the result that they flourished and bore heavy crops of fruit of the highest quality. I believe that there are great possibilities before the olive oil industry in Australia. The honorable member for Barker spoke upon this matter from a practical point of view. He told us that, whereas the olive growers were receiving only 6s. per cwt. for their berries, the oil manufacturers were obtaining 16s. for the oil extracted from that quantity of fruit. In such a case, it would be the duty of the Minister to step in and see that fair payment was made to the growers before any bounty was granted to the oil manufacturers. With regard to flax, I would point out that most of the operations connected with the production of a marketable article can now be performed by means of machinery, and that there is no reason why we should not have a large output of that commodity. I am very pleased that the Bill has been so well received, and I trust that it will soon become law, and have the effect of promoting the establishment of valuable industries. I hope that it marks the beginning of a new era in connexion with

Mr. Chanter.

the encouragement of the production of commodities which can be grown with advantage in the Commonwealth.

Mr. CULPIN (Brisbane) [4.0].—I hope that this Bill will speedily become law. I recognise that the Queensland sugar industry is really being assisted by the payment of a bounty, and that any proposal which has for its object the establishment of new industries in Australia is one to be encouraged and commended. At the same time I hope that the Minister will take pains to guard against the same result following this experiment which attended the payment of a bounty upon cotton manufactures in Queensland. At Ipswich, a cotton factory was established, which was nourished by means of a bounty, but for some unexplained reason as soon as that bounty had been expended, the factory closed its doors. We ought to insert in this Bill a penal clause to prevent that sort of thing. To my mind five years is a fair period over which to extend the bounty. The bounty system is really another method of affording protection to industries. I recognise that industries can sometimes be established by means even better than a protective Tariff. I should like to quote one of these means, which was mentioned by the leader of the Opposition in speaking at Toowoomba in 1901. He said—

If industries cannot be established without protection, let the Commonwealth Government establish them, because then we can be quite sure of the condition of the factories, of proper wages being paid, and of decent hours being kept. There would be no one to sweat, because there would be no one to make a profit. I would prefer that system even to the bounty system.

Mr. RONALD (Southern Melbourne) [4.3].—This Bill has the hearty support of all sections of the House—a fact which augurs well for the development of the great natural resources of Australia. The system of assisting new industries by means of bounties may almost be said to be the free-trader's phase of protection. I have the conviction that the bounty system may be very well associated with protection. To-day the honorable member for Gippsland emphasized the necessity which exists for instructing our people in all branches of agriculture, with a view to developing our resources. Really there is no subject to which a Government can devote its energies with more profit than that of teaching our agriculturists how to develop the resources of the land upon which they live.

I have always advocated that they should be given a proper academic training in agricultural chemistry—that the young farmer should be taught, not only what seed and products he can grow to the best advantage, but what particular commodities his soil is best capable of producing. I am very glad, indeed, that the measure is receiving hearty support from all sections of the House. There is just one phase that we ought to bear carefully in mind. We ought to prevent these bounties from being exploited upon behalf of the promoters of any industry. To this end I think that a clause should be inserted in the Bill which will have the effect of prohibiting any individual from participating in the bounty, if, so soon as it is withdrawn, he intends to allow the industry in which he is engaged to perish. Unfortunately that has been the disastrous consequence of the bounty system hitherto. The adoption of my suggestion would insure that the industry, and not the individual, would receive the full measure of the bounty. When we have done that, we shall have accomplished all that we can for the country in this direction. The evil which is usually associated with fostered industries is that their managers grow careless regarding the quality of their product. This Bill represents a new phase of protection, and if it should prove successful, it will go a long way towards making Australia one of the foremost producing countries of all the necessities of life. With regard to the fishing industry, I hold that the Commonwealth probably possesses fish of as fine a quality—and quite as large in quantity—as does any country in the world. I cordially indorse the proposal to encourage this industry by the payment of a bounty, especially as it is to be paid upon results.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Clause 2—

There shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the sum of Fifty thousand pounds per annum during the period of ten years commencing on the first day of July, One thousand nine hundred and six, for the payment of bounties on the production of the goods specified in the schedule.

Mr. DUGALD THOMSON (North Sydney) [4.12].—I understood that the Minister intended to submit an amendment to this clause. If the sum of £50,000

annually is to be expended by the Minister—assuming that some of the articles enumerated in the schedule of the Bill are not produced in the earlier years of its operation—it can only be expended by an increase of the bounties payable upon others. I do not think that he has any intention of that kind.

Amendment (by Sir WILLIAM LYNE) proposed—

That the word "Fifty" be left out, with a view to insert in lieu thereof the words "Five hundred," and that the words "per annum" be left out.

Mr. FISHER (Wide Bay) [4.14].—It seems to me that we should be acting wisely if we specified the various years during which the bonus of £50,000 is to operate. Under the Minister's amendment it would be quite possible for him to disburse £100,000 one year, nothing the next year, and £300,000 for the following year.

Sir WILLIAM LYNE.—The expenditure is governed by the schedule.

Mr. FISHER.—I think that a matter of principle is involved, and not a mere detail.

Mr. JOSEPH COOK (Parramatta) [4.15].—If the full amount of £500,000 be appropriated for the purpose of paying these bounties, I take it that there will be no further need for us to make an annual appropriation.

Sir WILLIAM LYNE.—There would not be in any case.

Mr. JOSEPH COOK.—I think that there ought to be. These bounties ought to come up for review each year.

Mr. FISHER.—I do not think that would be fair.

Mr. JOSEPH COOK.—I do.

Sir WILLIAM LYNE.—We should not induce any one to undertake the work if the bounties were subject to revision every year.

Mr. JOSEPH COOK.—Why not? I fail to see why there should not be some provision to enable us to see, for instance, what is being done—whether the money is being thrown into a bottomless pit, or whether it is being devoted to the objects named in the Bill. I certainly object most strongly to the immediate appropriation of the total amount. It would be far preferable to leave the clause as it stands, so that we should have an annual appropriation of £50,000 rather than that we should appropriate the whole amount, leaving the Minister free—

Sir WILLIAM LYNE.—Not at all. This clause will be governed by the schedule. Under this clause we shall appropriate the whole amount, subject to the conditions set forth in the schedule.

Mr. JOSEPH COOK.—But the Minister proposes to amend the schedule so as to make it more elastic.

Sir WILLIAM LYNE.—I am merely going to move an amendment with regard to the regulations.

Mr. JOSEPH COOK.—Clearly for the purpose of making the schedule so elastic that the Minister may transfer portion of the amount voted from one item to another.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [4.17].—I desire to be reasonable, and it seems to me that if any sum is not absorbed in respect of a particular bounty, we should be empowered to devote it to another item in respect of which the amount appropriated has been exhausted. I shall have to readjust the schedule in view of the statements made by a number of honorable members during the debate on the motion for the second reading that the amount proposed to be appropriated in respect to some of these items is too small. I propose, if I have the power, to make an alteration in respect of the Excise duties on one or two of these articles, so as to improve their position, and I must so adjust the schedule as to meet amendments that may be made in that regard. I propose that we shall appropriate the total sum of £500,000, but re-adjust the schedule, as from the remarks that have been made during the debate I believe that the bounty proposed in one or two cases is not large enough. If there is any serious objection, I shall not move any amendment of the clause that will enable me to make an alteration, but shall move to amend the schedule when we come to it. I hope that that will satisfy honorable members opposite.

Mr. FISHER (Wide Bay) [4.20].—I am sorry that none of the legal members of the House are present.

Sir WILLIAM LYNE.—I do not need them; I prefer their absence.

Mr. FISHER.—The Minister proposes to so amend this clause as to provide that the sum of £500,000 shall be appropriated during the period of ten years. My point is that the schedule will not sufficiently bind the Minister to an expenditure of £50,000 per annum, nor to its annual distribution according to the terms

set forth therein. If the honorable gentleman's proposal be carried he may spend £100,000 or £200,000 in any one year, and a smaller proportion in any of the remaining years. There is a matter of policy involved. In my opinion the adoption of the Minister's proposal would not be of assistance to those who embark upon these industries, since their position would be less assured than it would be if we passed the clause as it stands. What we need to insure is that the total sum of £500,000 shall be paid during the ten years' period. If we do not make that intention clear, the Minister may do an injustice in expending, with the best of intentions, more than £50,000 in any one year. If there is a necessity for an increased bounty being offered owing to the number of people entering upon any one of these industries, the honorable gentleman or his successors will always be able to appeal to Parliament for a further vote.

Sir WILLIAM LYNE.—I wish the honorable member would cease; our trains will be leaving very soon.

Mr. FISHER.—I desire to assist the Minister. My disposition is not to embarrass him in any way, but I wish to take up a position that I shall be able to substantiate when it is necessary to do so.

Mr. DUGALD THOMSON (North Sydney) [4.22].—I do not know whether the Minister intends to proceed with the consideration of the Bill this afternoon, but if he proposes to alter the schedule this clause should remain as it is. The Bill has been discussed on the understanding that it is intended to devote not more than £50,000 in any one year to the payment of these bounties. It is true that the Minister stated that he might propose an amendment which would possibly provide for an annual expenditure of more than £50,000, but the House debated the motion for the second reading on the understanding that a sum not in excess of £50,000 per annum would be devoted to the payment of the bounties. If the Minister is going to carry out his intentions by amending the schedule the clause should be allowed to remain as it stands. It will not fetter the honorable gentleman in any way.

Sir WILLIAM LYNE.—I think it will.

Mr. DUGALD THOMSON.—It will not fetter him unless he wishes to spend more than £50,000 in any one year. If the Minister is not to be limited to an expenditure of £50,000 per annum, we may

have a sum of £100,000 or £150,000 devoted to the payment of these bounties in any one year.

Sir WILLIAM LYNE. — The honorable member forgets that there will be no expenditure in respect of many of these bounties for three or four years, so that as the Bill now stands, the bounties will extend over a period of only two or three years.

Mr. DUGALD THOMSON.—Surely the Minister does not desire that in the event of only £10,000 per annum being expended during the first two years, he shall have power to expend £130,000 during the third year.

Sir WILLIAM LYNE.—If a very large number of claims were sent in what harm would there be in adopting that course, as long as not more than the total of £500,000 were spent during the ten years' period? Complaint has been made that the amount set opposite some of these items is not half enough, but when I propose to meet that objection, it is said that I must not do so.

Mr. DUGALD THOMSON.—I think the complaint was that the percentage was not high enough.

Sir WILLIAM LYNE.—No, the complaint was in regard to the amount to be paid in respect to certain products.

Mr. DUGALD THOMSON.—Personally, I think that the sum proposed is quite sufficient. As the honorable member for Wide Bay has said, if it be necessary, later on, to make any variation in the amount payable, it will be quite time enough for such a proposal to be brought forward when Parliament is in possession of the facts.

Mr. EWING.—The Bill was discussed by the House on the assumption that £50,000 per annum was to be expended for a period of ten years. That means a total of £500,000, and the Minister now asks the Committee to agree to such an appropriation.

Mr. DUGALD THOMSON.—But he desires to be at liberty to expend possibly £200,000 in one year.

Mr. EWING.—There is no difference, so far as the total amount is concerned; it is only a question of method.

Mr. DUGALD THOMSON.—As to the method of paying out these bounties, and the rate per annum. The House has agreed to the second reading on the assumption that the annual expenditure will not exceed £50,000, and the clause as it stands will

give effect to that understanding. The Minister says that he desires to make some alteration, and I suggest that he can carry out his object by altering the schedule.

Mr. JOSEPH COOK (Parramatta) [4.30].—I should like to point out that a number of honorable members left the House on the clear understanding that this Bill would not be taken to-day beyond the second-reading stage.

Sir WILLIAM LYNE.—I do not wish to proceed further this afternoon.

Mr. JOSEPH COOK.—It is most unfair to proceed with the consideration of these clauses and try to press them to a division.

Sir WILLIAM LYNE.—We do not desire to do so.

Mr. JOSEPH COOK.—I understand that the Government are awaiting a message from the Senate in regard to the contract for the mail service to Europe, which apparently is being mildly "stone-walled." The consideration of the Budget proposals might well be postponed until Wednesday, which would give us more time to consider them, while this measure could be disposed of on Tuesday.

Progress reported.

PAPERS.

MINISTERS laid upon the table the following papers:—

Royal Commission on Customs and Excise Tariffs—Spirits and the Distillation of Spirits—Section 36 of Progress Report.—(Recommendations.)

Financial Problems of the Constitution of the Commonwealth of Australia—Memorandum by the Honorable Robert Harper.

Ordered to be printed.

Return showing the names of all persons temporarily employed in the Public Service during the year 1905-6, their periods of employment, and the remuneration paid to them.

DESIGNS' BILL.

Ordered—

That the Bill be recommitted for the reconsideration of clauses 25 and 48.

In Committee (Recommittal):

Clause 25 (Appeal to law officer).

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.34].—The honorable member for Parramatta asked that an appeal should be expressly provided for, to remove a doubt as to the meaning of this clause, and, although I have been advised

that its meaning is quite clear, I move, to meet the honorable member's objection—

That the following sub-clause be added:—

"3. The applicant may, within the time and in the manner prescribed, appeal to the Supreme Court against any decision of the law officer refusing any application for the registration of a design."

Amendment agreed to.

Clause, as amended, agreed to.

Clause 48 (International arrangements for protection of designs).

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.36].—I have moved the recommittal of this clause in order to secure an opportunity to inform honorable members that it follows the English legislation, and is based on the terms of the convention, whereby the rights of third parties are preserved. The Crown Law officers advise that it should be retained in its present form.

Clause agreed to.

Bill reported with a further amendment.

Motion (by Mr. GROOM) agreed to—

That the Standing Orders be suspended to allow the Bill to be passed through its remaining stages this day.

Report adopted.

Bill read a third time.

TARIFF COMMISSION'S REPORT.

Mr. FULLER.—This morning the honorable member for Perth asked that the reports of the Tariff Commission dealing with the items covered by the resolutions moved in Committee of Ways and Means last night may be laid on the table, so that honorable members may have the fullest information when dealing with those very important propositions. I understand that the Minister has now laid these reports on the table, but I rise to impress upon the Government the necessity of making them available as soon as possible, so that honorable members may understand the grounds on which the Tariff Commission, after months of investigation, arrived at unanimous recommendations.

Mr. DEAKIN.—I shall have great pleasure in complying with the request, which is reasonable.

Mr. JOSEPH COOK.—Quite reasonable, in view of the amount of "Joshua" in the proposals of the Government.

Mr. DEAKIN.—The full reports of the Commission would have been laid on

the table, and circulated, had it not been necessary to avoid giving, either directly or indirectly, any intimation as to the probable action of the Government, or the time when action would be taken.

THE COMMONWEALTH AND MUNICIPAL BODIES.

Mr. CARPENTER.—I wish to ask the Prime Minister a question with regard to a matter which the Fremantle Municipal Council have brought under my notice. Upon the 25th April last, the Council sent to the Prime Minister a copy of a resolution passed by its members relating to the delay in dealing with certain charges against employes of the Commonwealth. On the 3rd May the Town Clerk received a formal acknowledgment of his letter. After waiting for six weeks, he again wrote to the Prime Minister, and asked for some reply, and on the 29th June he received a communication, simply stating that the matter was one for the Public Service Commissioner—that power to deal with public servants was vested in the Commissioner by Act of Parliament. The Fremantle Council complain that there has been undue delay in forwarding to them an answer which merely conveys information which might have been imparted when their letter was formally acknowledged. Of course, it is an open question whether it is desirable for municipal bodies to pass resolutions such as that indicated; but I am not now discussing that point. Honorable members know that a great deal of criticism is directed to what is called red-tapism in Government Departments. The opinion is held outside that there is a good deal of unnecessary delay in answering correspondence addressed to the Government Departments, and I think that the delay to which I have referred calls for some explanation.

Mr. DEAKIN.—The procedure, although it may appear to be purely formal, is rather important, because it arises out of a very extraordinary attempt on the part of a municipal body to establish a political precedent of a most improper character. The right of criticism exists in every citizen of the Commonwealth, and no meeting, however small, which has representations to make, either as to the conduct of Federal business or the administration of the Federal Departments, is unworthy of notice. On the contrary, it is entitled to consideration. But when a number of citizens, who are appointed under State

laws for the transaction of municipal business, meet, not simply as citizens of the Commonwealth, but as a municipal council, they are, in my opinion, disqualified while discharging those functions from expressing any opinion upon the administration of the Public Service. If that were not so, not only would the municipal council be justified in criticising the Public Service of the State, but, naturally, the State Legislature would be entitled to express an opinion as to the manner in which the council treated its employés. In the same way, if the Municipal Council of Fremantle were to be permitted to criticise the Public Service of the Commonwealth, we should be justified in criticising their methods of discharging their municipal functions. Under such conditions, we might have a number of bodies, large and small, neglecting their own business for which they were elected in order to devote their time to the discussion of each other's methods, without any advantage to the public. Therefore, whilst we recognise the fullest right of criticism on the part of every citizen of the Commonwealth, we cannot admit any right in a municipal body, as such, to review the policy of the Commonwealth or the administration of its Departments in any particular. We are responsible only to the electors, and not to such of them as happen to be municipal councillors. There is some legal connexion between the State Legislature and the local bodies which are brought into being under legislation passed by it; but between these creations of State laws and this Legislature there is no possible relation, and no possible scope for mutual criticism. I did not desire to treat the resolution passed by the Fremantle Municipal Council contemptuously, and, therefore, wrote, in the first place, simply acknowledging the communication, and on the second occasion setting it aside. I had hoped that the resolution had been passed merely by accident, and that, upon reconsideration, the Fremantle Council would desire the matter to rest. Inasmuch, however, as it has now been brought before Parliament, I trust that it will be recognised that the Commonwealth, although it owes the fullest responsibility to all its citizens, can acknowledge none to municipal councils, as such, nor to any other bodies constituted for local government purposes, nor even to the State Legislatures creating them.

MAIL SERVICE TO EUROPE.

Mr. DEPUTY-SPEAKER.—I have to report that I have received the following message from the Senate:—

In reply to message No. 6 of the House of Representatives, dated 27th July, 1906, transmitting for the concurrence of the Senate a resolution in reference to the agreement between the Postmaster-General and Sir James Laing and Sons Limited, for the carriage of mails between Brindisi and Adelaide, the Senate acquaints the House of Representatives that the Senate has agreed to a resolution on the subject, as follows:—

“That the Senate approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons Limited, for the carriage of mails between Adelaide and Brindisi, as per schedule, with the following modifications:—

Proviso to clause 3—

Provided that, in the event of the Postmaster-General requiring the ‘period of transit’ on the voyage from Brindisi to Adelaide to be reduced to six hundred and twelve hours, the period of six hundred and twelve hours shall thenceforth be deemed to be the ‘period of transit’ for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period.

Proviso to clause 6—

In last two lines leave out ‘failing mutual agreement be determined by arbitration in the manner provided in the said “general conditions of tender”’, insert ‘be determined by mutual agreement, subject to approval of Parliament, by resolution.’

Proviso to clause 15—

After the word ‘legislation’ insert ‘directly’: after the words ‘with the consent of’ insert ‘or subject to approval by’, and after ‘Parliament’ insert ‘by resolution.’

Ordered—

That the message be considered forthwith.

Mr. AUSTIN CHAPMAN (Eden-Monaro — Postmaster-General) [4.49]. — I move—

That the House concur in the resolution as amended by the Senate.

Only one alteration has been made in the proposed contract, namely, the proviso to clause 6. This simply means that, in making any fresh arrangement for an accelerated service—as is provided for in clause 6—the Postmaster-General must ask Parliament to ratify it.

Question resolved in the affirmative.

House adjourned at 4.50 p.m.

large dimensions. There are other phases of this matter upon which I will not touch at the present stage. I congratulate the Government upon the introduction of a Bill, and later on I think that the principle which it embodies should be applied to several other industries, for the productions of which, as our population increases, there will be a market. I have already mentioned one of these. Upon our abandoned gold-fields there is an immense area of Crown lands available which would grow an unlimited supply of fruit, for which there is a grand market in the old world. In my opinion, it is quite time that we diverted public attention to these matters. In New South Wales a very valuable and interesting periodical—the *Agricultural Gazette*—is issued monthly. In my judgment, we should be acting wisely if we established a central organ of that kind to circulate information relating to our waste lands. These lands, I am convinced, would, if put to a proper use, yield higher returns per acre than does the production of cereals.

Mr. BROWN (Canobolas) [3.15].—I am pleased that the Government have taken action in this direction. There are a number of agricultural and other industries which, for lack of knowledge and encouragement, have not been taken up as they should have been; but the bounty system will do something to provide the incentive necessary to promote their growth. Great difficulty and inconvenience is experienced in establishing a new industry. In my own district some years ago an effort was made to promote the growth of oil plants, and notably the castor oil tree. Farmers there were loth, however, to enter upon the industry. It was entirely new to them; the machinery necessary for the extraction of the oil was not at hand, and although those who interested themselves in the movement claimed that the district was well suited for the growth of such products, the effort failed. By means of bounties, some of these initial difficulties might be overcome, and the avenues of production largely widened. I know that some honorable members are anxious to assist these industries, but would prefer to do so by means of Customs duties. Our experience of that system of encouragement is, however, that as a rule the advantage is derived by the wrong man, and does not go to the actual producer. Under the bounty system we can take care that the man who does the pioneer work in

these industries shall receive a direct benefit. The position in regard to the production of sugar by white labour is an illustration of what can be done. Had assistance been given to that industry only through the medium of Customs duties, a number of those now reaping the advantage of the bounty system would not have received anything like the same encouragement. In the granting of bounties we should not confine our attention to the encouragement of new forms of production; we ought to look to some of those which promise to be material factors in our wealth production. Owing to lack of knowledge, great difficulty has been experienced by our wheat growers. In certain districts unsuitable seed has been sown, with the result that those districts have been declared unfitted for wheat cultivation; but happily, as the result of the establishment of experimental farms, these blunders are now being obviated. Seed wheat, suitable for sowing in the dry districts of the interior, has been obtained, and the farmers have secured good returns from crops grown in districts where their efforts were at one time fruitless. It would be wise for the Minister to give some encouragement to those who conduct experiments with the object of improving our wheat production. I have known for some years the gentleman mentioned by the honorable member for Darling, and am aware that he has devoted much of his time to the production of wheat suitable for the drier parts of the interior, working with another gentleman—the late Mr. Ferrier—who at one time received official recognition. Such experiments ought to be encouraged. The development of rust-resistant wheats, and of wheats suitable for the drier districts of Australia, and for milling and food purposes, ought to be promoted by every means in our power. These are matters that might well receive the attention of the Minister now that he is distributing his favours in the shape of bounties. Any one who does useful work on the lines I have indicated is a public benefactor, and should receive some official recognition and encouragement. The production of cotton is to be encouraged under this Bill. Some experiments have been made in the growing of cotton in New South Wales; but so far as I am aware, nothing has been done there to make it a marketable commodity. Two or three years ago a gentleman planted some small experimental plots at Parkes, and assured me

that he obtained excellent results. From the samples which he showed me, I am inclined to think that it is possible to develop the cotton industry there, and to make it a commercial success. The same remark will apply to Queensland, and also, it would seem, to the Northern Territory. A difficulty is experienced in inducing people to invest their capital in these new forms of production, but by means of the bounty system, something may be done in that direction. I notice that it is proposed to grant a bounty of $\frac{1}{4}$ d. per lb. on sweetened or condensed milk, and of $\frac{3}{4}$ d. per lb. on powdered milk. I fail to see why this distinction should be made. If there is to be a differentiation, it should be in favour of the condensed milk. From inquiries I have made, I know that a considerable amount of capital has been expended on condensed milk works. At present, there is a very large trade in that commodity, and the imports, particularly from Switzerland, are considerable. I am informed, however, that the local manufacturers are unable to place upon the market an article equal to the imported milk.

Mr. HARPER.—They can do so.

Mr. DUGALD THOMSON.—And it is being done.

Mr. BROWN.—I am told that they have not succeeded in placing on the market an article that will keep as long and secure as ready a sale as the imported milk. I had the privilege some time ago of visiting a factory, the proprietor of which went to the expense of journeying to the old country, and visiting the Swiss factories in order to procure information that would assist him in his industry. He came to the conclusion that there was a trade secret in relation to the preparation of this commodity, the knowledge of which was limited to a very few producers, and gave them practically a monopoly of the trade.

Mr. MAUGER.—The bulk of that at present distributed in Broken Hill is made in Australia.

Mr. BROWN.—I do not wish it to be inferred that I consider that condensed milk cannot be made here, but it has been said that those engaged in the local trade have not been able to place on the market a condensed milk equal to the imported article.

Mr. LONSDALE.—The local article is at times equally good, but I am informed that there are failures.

Mr. BROWN.—Quite so. The local manufacturers in some cases are unable to maintain a regular standard, and to produce a milk that will keep as long as the imported article.

Mr. DUGALD THOMSON.—Some of their issues are satisfactory, while others are not.

Mr. BROWN.—That seems to indicate a lack of knowledge.

Mr. DUGALD THOMSON.—A lack of care and cleanliness.

Mr. BROWN.—I do not think that such a remark would apply to the factory that I visited.

Mr. DUGALD THOMSON.—The lack of cleanliness may be the fault, not of the factory, but of the suppliers.

Mr. BROWN.—There may be something in that contention, but from what I can learn, a great deal of care is being exercised to secure cleanliness. The proper treatment of the cattle and accessories connected with the production of this milk are important factors, but I do not know that in this respect there is a great difference between the imported and the local article.

Mr. DUGALD THOMSON.—Some of the imported goods are lacking in that respect.

Mr. BROWN.—I was informed by the manufacturer to whom I have referred that he had arrived at the conclusion that there was a secret method of preparation which he was unable to ascertain. He says that he went to great trouble, and incurred much expense in inquiring into the question, and endeavoured, without avail, to secure from Europe the services of a competent man to take charge of his factory. If that be so, in view of the large consumption of condensed milk, I think that the Minister would be well advised if he granted a bounty that would assist our manufacturers to discover where the fault lies, and to enable them to place upon the market an article which is as good both in its keeping qualities—

Mr. LONSDALE.—Or secure the services of an expert to teach them.

Mr. BROWN.—That might remove the difficulty, but I know that there are engaged in this industry dairymen who have expended much money in trying to solve it. They should receive some encouragement. I would commend this view to the Minister. The possibility of developing the fishing industry has already

been referred to, and some consideration is to be given to it. There is another matter to which I wish to allude, and that is the need to develop forestry. That may seem a far-fetched idea; but it is a fact that the destruction of trees has been carried on to such an extent in New South Wales, and, I think, in the other States too, that we are within a measurable distance of the time when we shall have great difficulty in obtaining timber for our local requirements. In the electoral division which I represent, country which was originally heavily forested, has been ruthlessly cleared, with a view to improving it for pastoral purposes. The district was recently swept by bush fires, and as a result, fences, originally erected at comparatively small cost, because of the accessibility of timber, were destroyed, while it is now being found very expensive to replace them, because of the comparative scarcity of timber. Encouragement should be given to the growing of timber trees. Some landholders have already recognised the increasing need for timber, and are making plantations; but it is found difficult to obtain young trees. Good work in producing stock for this purpose might be done by the subsidizing of nurseries. I do not see anything in the Bill to which to take much exception. The Minister, in order that the benefits to be given shall not go wholly to the employers, but shall be shared by the employes in the industries which are to be encouraged, has provided that reasonable rates of wages shall be paid. I wish to point out, however, that there is a tendency, when industries are protected by Customs duties, or fostered by the payment of bounties, for them to become parasitical in their nature, because those interested in them are never willing to give up the advantages which they are obtaining at the expense of the community, and urge the continuance of these benefits as essential to the existence of their enterprises. I foresaw that trouble of this kind would arise in connexion with the sugar bounties. We were told when the bounty was first proposed that, after a certain number of years, the industry would be carried on with white labour without needing further assistance. But we have since found that those connected with the industry are not disposed to forego the bounty, and it seems to me that the only way in which its extinction can be pro-

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vided for is by the introduction of a sliding scale, whereby the rate of bounty will gradually be reduced until it vanishes altogether. I think that a sliding scale should certainly be provided for in the Bill. In Committee, I shall do what I can to make the measure as perfect as possible. I trust that the Government will shortly establish an Agricultural Department to assist the development which the Bill is designed to encourage. Such a Department need not clash with, or be a duplicate of, the Agricultural Departments of the States, but, as a central bureau, may give much assistance to the States Departments.

Mr. FULLER (Illawarra) [3.38].—I have not heard the debate which has taken place in connexion with the Bill, and therefore the important matter to which I wish to direct the special attention of the Minister may already have been brought before him by other honorable members. I have been informed by a gentleman in New South Wales who is intimately acquainted with the circumstances under which an attempt was made to manufacture condensed milk in the Illawarra district, that the proposed bounty of $\frac{1}{4}$ d. per lb. on the selling price of condensed milk would amount to only 5 per cent., and would be altogether ineffective. I rise, therefore, to ask the Minister to make special inquiries into the matter, and, I hope that, if he finds that the facts are as I have stated, he will, to make his proposal effective for the establishment of this important industry, see that the rate is increased.

Mr. CHANTER (Riverina) [3.40].—The House and the country are to be congratulated upon the introduction of the Bill, and upon the conversion of the leader of the Opposition to a recognition of the fallacies of free-trade, he having announced himself in favour of the encouragement of industries by the bounty system provided for. It is very pleasing to those of us who for so many years have battled for the establishment of industries in Australia to find that he is now coming to our assistance. Last night he tried to prove that there are bounties and bounties, and, in reply to a question as to why he did not see his way clear to establish the iron and steel industry here by the granting of a bounty for the production of iron and steel, said that that industry was in a different category, and was succeeding in New South Wales without the assistance of a bounty. The

Government of the State, however, are practically paying a bounty to a certain person for the manufacture of iron and steel, though the payment is not in that form. It is very pleasing that both sides of the House are now resolved that the industries of Australia shall be encouraged, fostered, and protected either by bounties or by duties. The right honorable gentleman must have known, and could have mentioned with pride, the fact that in Lord Howe Island, which for many years was under the administration of the New South Wales Government, and is now, I believe, under Commonwealth control, coffee beans have been grown, and exhibited in Sydney, which have been claimed to be superior to any grown in any other part of the world.

Mr. LONSDALE.—Coffee has been grown in Queensland for years past.

Mr. CHANTER. — Coffee has been grown in various parts of the Commonwealth, but it has not been put upon the market, because of the competition which has been permitted, owing to the prevalence of free-trade principles. I am glad that the honorable member is supporting the Bill, and intends to help our industries in that way. He is awakening to a recognition of the fact that persons will not embark in industries unless they can put their productions on the market at a profit. Those who have made themselves acquainted with the magnificent resources of the Commonwealth know that there is nothing which cannot be produced within our borders.

Mr. LONSDALE.—We could produce anything at the expense of the community.

Mr. CHANTER.—Whatever we produce will be produced at the expense of the foreign manufacturer and producer and to the advantage of our own people, whether manufacturers, producers, or workmen. The honorable member for Gippsland told us that flax had been grown in Gippsland for many years, and I know that it has also been produced in other parts of Victoria and in other States. There is no article in the schedule that cannot be produced in Australia. The leader of the Opposition took exception to the provision in clause 5, which provides that persons claiming the bounty must satisfy the Minister that they have paid fair wages to those employed by them. I consider that this is a desirable provision, because we should avoid doing anything that would have a tendency to reduce the wages paid to our workers. We should not devote the public money to

the encouragement of industries unless they can be carried on under such conditions that they will confer benefit upon the workers as well as upon the employers. I do not understand how any one could object to that principle. Some years ago an application was made to the Minister of Lands in New South Wales for permission to occupy a reasonable area of land upon the Murray River for the purpose of producing cotton, rice, and tea—articles which some persons may be rash enough to say cannot possibly be produced in Australia. It has, however, been demonstrated that all these products can be grown here. I am informed that one or two persons have entered into an arrangement with the Victorian Government for the occupation of a tract of land on the Murray River, with a view to the cultivation of tropical products such as I have indicated. Queensland is not the only State in which cotton can be produced. It has been grown in Victoria and New South Wales.

Mr. McLEAN.—I have a sample of cotton grown in the Gippsland district.

Mr. FOWLER.—Cotton can be grown pretty well all over Australia.

Mr. CHANTER.—I contend that we should make up our minds to grow all the cotton required to meet our own requirements, so that we may render ourselves independent of supplies from abroad, and, at the same time, afford profitable employment for our people. The honorable member for Gippsland has indicated that cotton can be grown in his constituency, which has a comparatively cold climate, a short summer, and a long winter. The climatic conditions on the northern borders of Victoria are very different, and yet cotton can be grown there. About twelve or eighteen months ago the mayor of Echuca received from the Director of Agriculture, in Queensland, a small parcel of cotton seed which he handed over to the curator of the local gardens. The seed germinated, and the plants were cultivated under natural conditions, and the product from them has been declared by experts to be equal in quality to anything they have seen. I sincerely trust that the Minister will take the utmost care to satisfy himself that proper labour conditions are observed by those who claim the bounty. The leader of the Opposition made a few humorous comments upon the provision in clause 6, which relates to the employment of aborigines. I think that the action of the Minister in inserting the clause is to be

highly commended. We should endeavour to afford every encouragement to the small remnant of our aboriginal natives to engage in suitable industrial pursuits. The colour line indicated by the leader of the Opposition was never intended to be drawn to the exclusion of our aborigines. Some of the blacks are very well trained, and are capable and reliable workers, and every opportunity should be given to them to obtain employment, so that we may, as far as possible, be relieved of the necessity of spending the taxpayers' money in affording them relief. I hope that this Bill will mark the beginning of a system under which assistance will be granted to all desirable industries. If the members of the Opposition will join loyally with the Government in this movement, there will be no further occasion for the display of the heat that has marked some of our political controversies in the past. We shall be able to heartily join hands in furthering the interests of the State. With regard to the cultivation of the olive, it has been my pleasure to notice the beautiful groves of olive trees round about Adelaide and in other parts of that State. The olive tree has also been successfully cultivated in Victoria and New South Wales. Mr. J. Ednie Browne, when he was Conservator of Forests in New South Wales, caused some olive trees to be planted in that State, with the result that they flourished and bore heavy crops of fruit of the highest quality. I believe that there are great possibilities before the olive oil industry in Australia. The honorable member for Barker spoke upon this matter from a practical point of view. He told us that, whereas the olive growers were receiving only 6s. per cwt. for their berries, the oil manufacturers were obtaining 16s. for the oil extracted from that quantity of fruit. In such a case, it would be the duty of the Minister to step in and see that fair payment was made to the growers before any bounty was granted to the oil manufacturers. With regard to flax, I would point out that most of the operations connected with the production of a marketable article can now be performed by means of machinery, and that there is no reason why we should not have a large output of that commodity. I am very pleased that the Bill has been so well received, and I trust that it will soon become law, and have the effect of promoting the establishment of valuable industries. I hope that it marks the beginning of a new era in connexion with

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the encouragement of the production of commodities which can be grown with advantage in the Commonwealth.

Mr. CULPIN (Brisbane) [4.0].—I hope that this Bill will speedily become law. I recognise that the Queensland sugar industry is really being assisted by the payment of a bounty, and that any proposal which has for its object the establishment of new industries in Australia is one to be encouraged and commended. At the same time I hope that the Minister will take pains to guard against the same result following this experiment which attended the payment of a bounty upon cotton manufactures in Queensland. At Ipswich, a cotton factory was established, which was nourished by means of a bounty, but for some unexplained reason as soon as that bounty had been expended, the factory closed its doors. We ought to insert in this Bill a penal clause to prevent that sort of thing. To my mind five years is a fair period over which to extend the bounty. The bounty system is really another method of affording protection to industries. I recognise that industries can sometimes be established by means even better than a protective Tariff. I should like to quote one of these means, which was mentioned by the leader of the Opposition in speaking at Toowoomba in 1901. He said—

If industries cannot be established without protection, let the Commonwealth Government establish them, because then we can be quite sure of the condition of the factories, of proper wages being paid, and of decent hours being kept. There would be no one to sweat, because there would be no one to make a profit.

I would prefer that system even to the bounty system.

Mr. RONALD (Southern Meltourne) [4.3].—This Bill has the hearty support of all sections of the House—a fact which augurs well for the development of the great natural resources of Australia. The system of assisting new industries by means of bounties may almost be said to be the free-trader's phase of protection. I have the conviction that the bounty system may be very well associated with protection. To-day the honorable member for Gippsland emphasized the necessity which exists for instructing our people in all branches of agriculture, with a view to developing our resources. Really there is no subject to which a Government can devote its energies with more profit than that of teaching our agriculturists how to develop the resources of the land upon which they live.

I have always advocated that they should be given a proper academic training in agricultural chemistry—that the young farmer should be taught, not only what seed and products he can grow to the best advantage, but what particular commodities his soil is best capable of producing. I am very glad, indeed, that the measure is receiving hearty support from all sections of the House. There is just one phase that we ought to bear carefully in mind. We ought to prevent these bounties from being exploited upon behalf of the promoters of any industry. To this end I think that a clause should be inserted in the Bill which will have the effect of prohibiting any individual from participating in the bounty, if, so soon as it is withdrawn, he intends to allow the industry in which he is engaged to perish. Unfortunately that has been the disastrous consequence of the bounty system hitherto. The adoption of my suggestion would insure that the industry, and not the individual, would receive the full measure of the bounty. When we have done that, we shall have accomplished all that we can for the country in this direction. The evil which is usually associated with fostered industries is that their managers grow careless regarding the quality of their product. This Bill represents a new phase of protection, and if it should prove successful, it will go a long way towards making Australia one of the foremost producing countries of all the necessities of life. With regard to the fishing industry, I hold that the Commonwealth probably possesses fish of as fine a quality—and quite as large in quantity—as does any country in the world. I cordially indorse the proposal to encourage this industry by the payment of a bounty, especially as it is to be paid upon results.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Clause 2—

There shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the sum of Fifty thousand pounds per annum during the period of ten years commencing on the first day of July. One thousand nine hundred and six, for the payment of bounties on the production of the goods specified in the schedule.

Mr. DUGALD THOMSON (North Sydney) [4.12].—I understood that the Minister intended to submit an amendment to this clause. If the sum of £50,000

annually is to be expended by the Minister—assuming that some of the articles enumerated in the schedule of the Bill are not produced in the earlier years of its operation—it can only be expended by an increase of the bounties payable upon others. I do not think that he has any intention of that kind.

Amendment (by Sir WILLIAM LYNE) proposed—

That the word "Fifty" be left out, with a view to insert in lieu thereof the words "Five hundred," and that the words "per annum" be left out.

Mr. FISHER (Wide Bay) [4.14].—It seems to me that we should be acting wisely if we specified the various years during which the bonus of £50,000 is to operate. Under the Minister's amendment it would be quite possible for him to disburse £100,000 one year, nothing the next year, and £300,000 for the following year.

Sir WILLIAM LYNE.—The expenditure is governed by the schedule.

Mr. FISHER.—I think that a matter of principle is involved, and not a mere detail.

Mr. JOSEPH COOK (Parramatta) [4.15].—If the full amount of £500,000 be appropriated for the purpose of paying these bounties, I take it that there will be no further need for us to make an annual appropriation.

Sir WILLIAM LYNE.—There would not be in any case.

Mr. JOSEPH COOK.—I think that there ought to be. These bounties ought to come up for review each year.

Mr. FISHER.—I do not think that would be fair.

Mr. JOSEPH COOK.—I do.

Sir WILLIAM LYNE.—We should not induce any one to undertake the work if the bounties were subject to revision every year.

Mr. JOSEPH COOK.—Why not? I fail to see why there should not be some provision to enable us to see, for instance, what is being done—whether the money is being thrown into a bottomless pit, or whether it is being devoted to the objects named in the Bill. I certainly object most strongly to the immediate appropriation of the total amount. It would be far preferable to leave the clause as it stands, so that we should have an annual appropriation of £50,000 rather than that we should appropriate the whole amount, leaving the Minister free—

Sir WILLIAM LYNE.—Not at all. This clause will be governed by the schedule. Under this clause we shall appropriate the whole amount, subject to the conditions set forth in the schedule.

Mr. JOSEPH COOK.—But the Minister proposes to amend the schedule so as to make it more elastic.

Sir WILLIAM LYNE.—I am merely going to move an amendment with regard to the regulations.

Mr. JOSEPH COOK.—Clearly for the purpose of making the schedule so elastic that the Minister may transfer portion of the amount voted from one item to another.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs) [4.17].—I desire to be reasonable, and it seems to me that if any sum is not absorbed in respect of a particular bounty, we should be empowered to devote it to another item in respect of which the amount appropriated has been exhausted. I shall have to readjust the schedule in view of the statements made by a number of honorable members during the debate on the motion for the second reading that the amount proposed to be appropriated in respect to some of these items is too small. I propose, if I have the power, to make an alteration in respect of the Excise duties on one or two of these articles, so as to improve their position, and I must so adjust the schedule as to meet amendments that may be made in that regard. I propose that we shall appropriate the total sum of £500,000, but re-adjust the schedule, as from the remarks that have been made during the debate I believe that the bounty proposed in one or two cases is not large enough. If there is any serious objection, I shall not move any amendment of the clause that will enable me to make an alteration, but shall move to amend the schedule when we come to it. I hope that that will satisfy honorable members opposite.

Mr. FISHER (Wide Bay) [4.20].—I am sorry that none of the legal members of the House are present.

Sir WILLIAM LYNE.—I do not need them; I prefer their absence.

Mr. FISHER.—The Minister proposes to so amend this clause as to provide that the sum of £500,000 shall be appropriated during the period of ten years. My point is that the schedule will not sufficiently bind the Minister to an expenditure of £50,000 per annum, nor to its annual distribution according to the terms

set forth therein. If the honorable gentleman's proposal be carried he may spend £100,000 or £200,000 in any one year, and a smaller proportion in any of the remaining years. There is a matter of policy involved. In my opinion the adoption of the Minister's proposal would not be of assistance to those who embark upon these industries, since their position would be less assured than it would be if we passed the clause as it stands. What we need to insure is that the total sum of £500,000 shall be paid during the ten years' period. If we do not make that intention clear, the Minister may do an injustice in expending, with the best of intentions, more than £50,000 in any one year. If there is a necessity for an increased bounty being offered owing to the number of people entering upon any one of these industries, the honorable gentleman or his successors will always be able to appeal to Parliament for a further vote.

Sir WILLIAM LYNE.—I wish the honorable member would cease; our trains will be leaving very soon.

Mr. FISHER.—I desire to assist the Minister. My disposition is not to embarrass him in any way, but I wish to take up a position that I shall be able to substantiate when it is necessary to do so.

Mr. DUGALD THOMSON (North Sydney) [4.22].—I do not know whether the Minister intends to proceed with the consideration of the Bill this afternoon, but if he proposes to alter the schedule this clause should remain as it is. The Bill has been discussed on the understanding that it is intended to devote not more than £50,000 in any one year to the payment of these bounties. It is true that the Minister stated that he might propose an amendment which would possibly provide for an annual expenditure of more than £50,000, but the House debated the motion for the second reading on the understanding that a sum not in excess of £50,000 per annum would be devoted to the payment of the bounties. If the Minister is going to carry out his intentions by amending the schedule the clause should be allowed to remain as it stands. It will not fetter the honorable gentleman in any way.

Sir WILLIAM LYNE.—I think it will.

Mr. DUGALD THOMSON.—It will not fetter him unless he wishes to spend more than £50,000 in any one year. If the Minister is not to be limited to an expenditure of £50,000 per annum, we may

have a sum of £100,000 or £150,000 devoted to the payment of these bounties in any one year.

Sir WILLIAM LYNE. — The honorable member forgets that there will be no expenditure in respect of many of these bounties for three or four years, so that as the Bill now stands, the bounties will extend over a period of only two or three years.

Mr. DUGALD THOMSON.—Surely the Minister does not desire that in the event of only £10,000 per annum being expended during the first two years, he shall have power to expend £130,000 during the third year.

Sir WILLIAM LYNE.—If a very large number of claims were sent in what harm would there be in adopting that course, as long as not more than the total of £500,000 were spent during the ten years' period? Complaint has been made that the amount set opposite some of these items is not half enough, but when I propose to meet that objection, it is said that I must not do so.

Mr. DUGALD THOMSON.—I think the complaint was that the percentage was not high enough.

Sir WILLIAM LYNE.—No, the complaint was in regard to the amount to be paid in respect to certain products.

Mr. DUGALD THOMSON.—Personally, I think that the sum proposed is quite sufficient. As the honorable member for Wide Bay has said, if it be necessary, later on, to make any variation in the amount payable, it will be quite time enough for such a proposal to be brought forward when Parliament is in possession of the facts.

Mr. EWING.—The Bill was discussed by the House on the assumption that £50,000 per annum was to be expended for a period of ten years. That means a total of £500,000, and the Minister now asks the Committee to agree to such an appropriation.

Mr. DUGALD THOMSON.—But he desires to be at liberty to expend possibly £200,000 in one year.

Mr. EWING.—There is no difference, so far as the total amount is concerned; it is only a question of method.

Mr. DUGALD THOMSON.—As to the method of paying out these bounties, and the rate per annum. The House has agreed to the second reading on the assumption that the annual expenditure will not exceed £50,000, and the clause as it stands will

give effect to that understanding. The Minister says that he desires to make some alteration, and I suggest that he can carry out his object by altering the schedule.

Mr. JOSEPH COOK (Parramatta) [4.30].—I should like to point out that a number of honorable members left the House on the clear understanding that this Bill would not be taken to-day beyond the second-reading stage.

Sir WILLIAM LYNE.—I do not wish to proceed further this afternoon.

Mr. JOSEPH COOK.—It is most unfair to proceed with the consideration of these clauses and try to press them to a division.

Sir WILLIAM LYNE.—We do not desire to do so.

Mr. JOSEPH COOK.—I understand that the Government are awaiting a message from the Senate in regard to the contract for the mail service to Europe, which apparently is being mildly "stone-walled." The consideration of the Budget proposals might well be postponed until Wednesday, which would give us more time to consider them, while this measure could be disposed of on Tuesday.

Progress reported.

PAPERS.

MINISTERS laid upon the table the following papers:—

Royal Commission on Customs and Excise Tariffs—Spirits and the Distillation of Spirits—Section 36 of Progress Report.—(Recommendations.)

Financial Problems of the Constitution of the Commonwealth of Australia—Memorandum by the Honorable Robert Harpei.

Ordered to be printed.

Return showing the names of all persons temporarily employed in the Public Service during the year 1905-6, their periods of employment, and the remuneration paid to them.

DESIGNS' BILL.

Ordered—

That the Bill be recommitted for the reconsideration of clauses 25 and 48.

In Committee (Recommittal):

Clause 25 (Appeal to law officer).

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.34].—The honorable member for Parramatta asked that an appeal should be expressly provided for, to remove a doubt as to the meaning of this clause, and, although I have been advised

that its meaning is quite clear, I move, to meet the honorable member's objection—

That the following sub-clause be added:—

"3. The applicant may, within the time and in the manner prescribed, appeal to the Supreme Court against any decision of the law officer refusing any application for the registration of a design."

Amendment agreed to.

Clause, as amended, agreed to.

Clause 48 (International arrangements for protection of designs).

Mr. GROOM (Darling Downs—Minister of Home Affairs) [4.36].—I have moved the recommittal of this clause in order to secure an opportunity to inform honorable members that it follows the English legislation, and is based on the terms of the convention, whereby the rights of third parties are preserved. The Crown Law officers advise that it should be retained in its present form.

Clause agreed to.

Bill reported with a further amendment.

Motion (by Mr. GROOM) agreed to—

That the Standing Orders be suspended to allow the Bill to be passed through its remaining stages this day.

Report adopted.

Bill read a third time.

TARIFF COMMISSION'S REPORT.

Mr. FULLER.—This morning the honorable member for Perth asked that the reports of the Tariff Commission dealing with the items covered by the resolutions moved in Committee of Ways and Means last night may be laid on the table, so that honorable members may have the fullest information when dealing with those very important propositions. I understand that the Minister has now laid these reports on the table, but I rise to impress upon the Government the necessity of making them available as soon as possible, so that honorable members may understand the grounds on which the Tariff Commission, after months of investigation, arrived at unanimous recommendations.

Mr. DEAKIN.—I shall have great pleasure in complying with the request, which is reasonable.

Mr. JOSEPH COOK.—Quite reasonable, in view of the amount of "Joshua" in the proposals of the Government.

Mr. DEAKIN.—The full reports of the Commission would have been laid on

the table, and circulated, had it not been necessary to avoid giving, either directly or indirectly, any intimation as to the probable action of the Government, or the time when action would be taken.

THE COMMONWEALTH AND MUNICIPAL BODIES.

Mr. CARPENTER.—I wish to ask the Prime Minister a question with regard to a matter which the Fremantle Municipal Council have brought under my notice. Upon the 25th April last, the Council sent to the Prime Minister a copy of a resolution passed by its members relating to the delay in dealing with certain charges against employes of the Commonwealth. On the 3rd May the Town Clerk received a formal acknowledgment of his letter. After waiting for six weeks, he again wrote to the Prime Minister, and asked for some reply, and on the 29th June he received a communication, simply stating that the matter was one for the Public Service Commissioner—that power to deal with public servants was vested in the Commissioner by Act of Parliament. The Fremantle Council complain that there has been undue delay in forwarding to them an answer which merely conveys information which might have been imparted when their letter was formally acknowledged. Of course, it is an open question whether it is desirable for municipal bodies to pass resolutions such as that indicated; but I am not now discussing that point. Honorable members know that a great deal of criticism is directed to what is called red-tapism in Government Departments. The opinion is held outside that there is a good deal of unnecessary delay in answering correspondence addressed to the Government Departments, and I think that the delay to which I have referred calls for some explanation.

Mr. DEAKIN.—The procedure, although it may appear to be purely formal, is rather important, because it arises out of a very extraordinary attempt on the part of a municipal body to establish a political precedent of a most improper character. The right of criticism exists in every citizen of the Commonwealth, and no meeting, however small, which has representations to make, either as to the conduct of Federal business or the administration of the Federal Departments, is unworthy of notice. On the contrary, it is entitled to consideration. But when a number of citizens, who are appointed under State

laws for the transaction of municipal business. meet, not simply as citizens of the Commonwealth, but as a municipal council, they are, in my opinion, disqualified while discharging those functions from expressing any opinion upon the administration of the Public Service. If that were not so, not only would the municipal council be justified in criticising the Public Service of the State, but, naturally, the State Legislature would be entitled to express an opinion as to the manner in which the council treated its employes. In the same way, if the Municipal Council of Fremantle were to be permitted to criticise the Public Service of the Commonwealth, we should be justified in criticising their methods of discharging their municipal functions. Under such conditions, we might have a number of bodies, large and small, neglecting their own business for which they were elected in order to devote their time to the discussion of each other's methods, without any advantage to the public. Therefore, whilst we recognise the fullest right of criticism on the part of every citizen of the Commonwealth, we cannot admit any right in a municipal body, as such, to review the policy of the Commonwealth or the administration of its Departments in any particular. We are responsible only to the electors, and not to such of them as happen to be municipal councillors. There is some legal connexion between the State Legislature and the local bodies which are brought into being under legislation passed by it; but between these creations of State laws and this Legislature there is no possible relation, and no possible scope for mutual criticism. I did not desire to treat the resolution passed by the Fremantle Municipal Council contemptuously, and, therefore, wrote, in the first place, simply acknowledging the communication, and on the second occasion setting it aside. I had hoped that the resolution had been passed merely by accident, and that, upon reconsideration, the Fremantle Council would desire the matter to rest. Inasmuch, however, as it has now been brought before Parliament, I trust that it will be recognised that the Commonwealth, although it owes the fullest responsibility to all its citizens, can acknowledge none to municipal councils, as such, nor to any other bodies constituted for local government purposes, nor even to the State Legislatures creating them.

MAIL SERVICE TO EUROPE.

Mr. DEPUTY-SPEAKER.—I have to report that I have received the following message from the Senate:—

In reply to message No. 6 of the House of Representatives, dated 27th July, 1906, transmitting for the concurrence of the Senate a resolution in reference to the agreement between the Postmaster-General and Sir James Laing and Sons Limited, for the carriage of mails between Brindisi and Adelaide, the Senate acquaints the House of Representatives that the Senate has agreed to a resolution on the subject, as follows:—

“That the Senate approves the agreement made and entered into on the 7th day of July, 1906, between the Postmaster-General, in and for the Commonwealth, and Sir James Laing and Sons Limited, for the carriage of mails between Adelaide and Brindisi, as per schedule, with the following modifications:—

Proviso to clause 3—

Provided that, in the event of the Postmaster-General requiring the ‘period of transit’ on the voyage from Brindisi to Adelaide to be reduced to six hundred and twelve hours, the period of six hundred and twelve hours shall thenceforth be deemed to be the ‘period of transit’ for each voyage from Brindisi to Adelaide, and each such voyage shall be completed within that period.

Proviso to clause 6—

In last two lines leave out ‘failing mutual agreement be determined by arbitration in the manner provided in the said “general conditions of tender”’, insert ‘be determined by mutual agreement, subject to approval of Parliament, by resolution.’

Proviso to clause 15—

After the word ‘legislation’ insert ‘directly’; after the words ‘with the consent of’ insert ‘or subject to approval by’; and after ‘Parliament’ insert ‘by resolution.’

Ordered—

That the message be considered forthwith.

Mr. AUSTIN CHAPMAN (Eden-Monaro — Postmaster-General) [4.49]. — I move—

That the House concur in the resolution as amended by the Senate.

Only one alteration has been made in the proposed contract, namely, the proviso to clause 6. This simply means that, in making any fresh arrangement for an accelerated service—as is provided for in clause 6—the Postmaster-General must ask Parliament to ratify it.

Question resolved in the affirmative.

House adjourned at 4.50 p.m.

House of Representatives.

Tuesday, 7 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

CUSTOMS PROSECUTIONS AT PORT ADELAIDE.

Mr. HUTCHISON.—In connexion with the Customs prosecutions at Port Adelaide, I wish to ask the Minister of Trade and Customs the following questions:—

1. Was Forwood a recognised Customs agent, acting solely for himself; or
2. Was Forwood a servant?
3. If so, who was his employer, and was said employer a recognised Customs agent?
4. Who were the owners of the goods involved?
5. Have the suspended Customs officers been reinstated?

Sir WILLIAM LYNE.—I have been furnished by the Comptroller-General—to whom the honorable member evidently forwarded a copy of these questions—with the following replies:—

1. He was a licensed Customs-house agent.
2. It is not known to the Department whether he was a servant.
3. See reply to No. 2.
4. It is not considered desirable to mention names until the investigation is completed.
5. The officer originally suspended has not been reinstated.

PAPER.

Mr. DEAKIN laid upon the table the following paper—

Correspondence with the Premier of Queensland, and a departmental memorandum, relating to the repatriation of kanakas.

Ordered to be printed.

COMMONWEALTH FINANCIAL PROBLEMS.

Mr. KNOX asked the Treasurer, *upon notice*—

1. How and when does he intend to take action with regard to his proposals for dealing with the financial problems of the Commonwealth, which were circulated with the Budget papers and referred to in his Budget speech?
2. Is it his intention to introduce legislation for the purpose of securing the necessary powers to give effect to his proposals?

Sir JOHN FORREST.—Action will be taken as soon as possible, and in part by legislation.

LAUNCESTON MAILS.

Mr. BAMFORD (for Mr. KING O'MALLEY) asked the Postmaster-General, *upon notice*—

Whether he will supply the House with information showing—

- (a) The times of the delivery of the mails at the Launceston Post-office for the last six months?
- (b) The times they should be delivered according to mail contract—if not at Post-office, on Launceston wharf?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and answers will be furnished at the earliest possible moment.

BRITISH OFFICIALS IN PAPUA.

Mr. WEBSTER (for Mr. BROWN) asked the Prime Minister, *upon notice*—

1. Whether the particulars of case and claims in connexion with the suit, *Strachan v. the Commonwealth of Australia*, had been submitted to the Government prior to instituting legal proceedings in the High Court?
2. If so, will he cause the papers relating to such claim to be made available to members prior to asking the House to vote moneys for the maintenance of the British New Guinea Civil Service?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. Yes, to the Prime Minister's and Attorney-General's Departments.
2. Yes.

Mr. WEBSTER (for Mr. BROWN) asked the Prime Minister, *upon notice*—

1. Whether his attention has been called to a telegram in the *Age*, of the 2nd instant, stating that the High Court had delivered judgment in the case of *Strachan v. the Commonwealth of Australia*, in which plaintiff was non-suited on the plea that the Commonwealth was not responsible for acts committed by British New Guinea officials?
2. Was this plea of non-liability raised by the Commonwealth Government?
3. Was it known or supposed that this non-liability existed when Parliament was asked to vote the salaries of those officers?
4. Is it proposed to ask for a re-vote of salaries under the conditions disclosed by this decision?
5. Is it proposed to bring British New Guinea under Commonwealth control; and, if so, when is it proposed to take the necessary action to this end?

Mr. DEAKIN.—The answers are as follow:—

1. Yes.
2. Yes, by its counsel.

3. and 4. Parliament has not voted the salaries of British New Guinea officials. The fact that the Commonwealth was not legally liable for the actions of British New Guinea officials has always been known.

5. Yes, immediately.

HAWKER BOARD.

Mr. MALONEY asked the Minister representing the Minister of Defence, *upon notice*—

1. What sums (including expenses) were paid to each of the members of the Board appointed to inquire into the Hawker case?

2. Were any officers of the Permanent Forces paid any sums for expenses in connexion with such inquiry, and who were such officers, and how much did each receive?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. The following sums, which include expenses, were paid to the members of the Board:—

	£	s.	d.
Colonel G. W. Waddell ...	158	18	4
Senator J. Styles (expenses only) ...	27	10	0
Mr. R. Betheras (expenses only)...	20	16	4
	£207	4	8

2. The following sums were paid to officers of the Permanent Forces, as expenses, in connexion with the inquiry:—

	£	s.	d.
Colonel P. Ricardo ...	0	11	6
Lt.-Col. Le Mesurier ...	3	3	0
Major J. C. Hawker ...	10	12	4
Major H. W. Dangar ...	8	12	11
Capt. G. F. Wilkinson ...	3	7	7
Capt. H. J. Cox Taylor ...	1	9	5
Capt. S. E. Christian ...	0	16	0
Lieut. J. N. Shaw ...	8	8	4
	£37	1	1

MAJOR BRUCHE.

Mr. MALONEY asked the Minister representing the Minister of Defence, *upon notice*—

1. Is there an Adjutant-General, an Assistant Adjutant-General, and a Deputy Assistant Adjutant-General in Melbourne, for Commonwealth and State, and how many of them, and who are they?

2. What necessity is there for all these officers, and what are their duties?

3. Could not the duties of Major Bruche, Deputy Assistant Adjutant-General, be carried out by a junior military clerk?

4. What pay does Major Bruche receive, and what would be the pay of a military clerk?

5. Are there any, and if so, what increases on the Estimates for any of these officers?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. There is no Adjutant-General in Melbourne for Commonwealth or State. In the district of Victoria there is an Assistant Adjutant-General (Brevet Lt.-Col. Lee, D.S.O.) and a Deputy Assistant Adjutant-General (Major Bruche).

2. These officers are necessary in connexion with the administration and instruction of the Military Forces of Victoria. Their duties are as follow:—

The Assistant Adjutant-General is the chief Staff Officer, and deals with matters relating to discipline, returns and statistics connected with the *personnel* appointments, transfers and promotion of officers, training of the troops, drafting and issue of district orders and circular memoranda, distribution of duties and correspondence. The Deputy Assistant Adjutant-General prepares examination papers and superintends examinations for the appointment and promotion of officers, conducts schools and classes of instruction, deals with questions relating to musketry, training of infantry, and is the officer supervising Rifle Clubs. Acts as member of Boards for examination of officers and non-commissioned officers of the Permanent Forces, and is often a member of Boards of Examination for candidates from other States.

3. No.

4. Major Bruche receives £450; the salary of a military clerk in the Victorian District Staff varies from £70 to £260 per annum.

5. Yes, in accordance with regulations an increase of £25 for both the Assistant Adjutant-General and the Deputy Assistant Adjutant-General.

BUDGET.

In Committee of Supply:

Debate resumed from 31st July (*vide* page 2048), on motion by Sir JOHN FORREST—

That the item, "President, £1,100" be agreed to.

Mr. HARPER (Mernda) [2.36].—By arrangement with the honorable member for Parramatta, I have agreed to open the debate this afternoon. It is not my intention on this occasion to deal generally with the Budget, and I shall say little in regard to it beyond congratulating the Treasurer upon its delivery, and the people of the Commonwealth upon the great prosperity which it indicates. In my opinion, it must take second place when compared with the important issues raised by the right honorable gentleman at the conclusion of his speech, and by the publication of his memorandum on the financial problems of the Commonwealth, dealing

with the assumption by the Commonwealth of the debts of the States. The questions which he has well entitled the financial problems of the Commonwealth are, to my mind, of surpassing importance, and I think that there is a general feeling amongst honorable members, and throughout Australia, that they should be faced and dealt with in the interest of the States and of the people. I have, since the passing of the Constitution Act, taken a considerable interest in these matters, and it has been one of my chief objects in remaining in politics to give my aid and help, if possible, in their settlement. The seriousness of the position, as affecting future loans, altogether apart from the difficulties arising between the States in connexion with financial adjustments, ought to be pressed upon the attention, not only of honorable members, but also of the public at large. During the fourteen years from 1907 to 1920 no less a sum than £124,000,000, or an average of £9,000,000 per annum, will have to be provided for in connexion with loans falling due—in addition to any requirements for new works and obligations. Honorable members will thus see that it is important that this question should receive not only serious, but immediate, attention. We are approaching the time when the first of the great obligations contracted by the various States during the years of so-called prosperity will have to be met. We have had the pleasure of spending the money, and we shall soon have to face the less attractive duty of meeting our obligations. The outlook for the immediate future is not a pleasant one, and I think that the Treasurers of the States, when they realize what is before them, must come to the conclusion that it is their duty to join with the Commonwealth Government in facing the situation. I observe that some of the States Treasurers are making arrangements on the assumption that they will not meet with difficulties. But we have to remember the enormous sums that are about to fall due, that the lending classes, who have given us the use of their money, are well aware of the obligations that the States have to meet, and that during the next fourteen years there will be not one borrower, but in many cases five, in the London market. Therefore, the competition between the States in order to secure the renewals of their loans must of itself bring about the most serious and dangerous difficulty.

Mr. Harper.

Mr. FISHER.—But there is no indication that the people who have lent their money in the past will not continue to do so.

Mr. HARPER.—I shall deal with that point later on. For the present I would merely tell the honorable member that it is impossible for us to say what the lending classes may think twelve or fourteen years hence. We know, however, that the money market is managed by a comparatively small circle in London, to whom our necessities are well known, and that if the States compete one with the other in endeavouring to obtain renewals of loans, the financiers will endeavour to make the best possible terms. They may be quite willing to lend their money, but may require high rates of interest. It has been said by representatives of the States, at the Premiers' Conferences and elsewhere, that the credit of the States is as good as that of the Commonwealth. I think, however, that if they rely upon that assumption they will find themselves most grievously mistaken. I am in entire accord with the Treasurer, who, as the result of inquiries made by him in London recently, has come to the conclusion that it is most dangerous to seek to obtain large renewals of loans in the London market, when there are a number of competitors, each endeavouring to do the best he can for his own State. In my opinion, if the States compete one with the other in obtaining renewals, they will probably not only be unable to do as well as in the past, but have to renew their loans at a rate of interest considerably higher than they are paying at present. Therefore, the question of placing the finances of the States on a satisfactory footing should be dealt with without delay. I believe that without some organization, and the assistance of the Commonwealth, the States will run very serious risks of disaster. I have already referred to the statement of the Treasurer in this connexion, and I may further point out that my view is supported by Mr. Coghlan in the paper that he recently issued on the question of the States debts. He says—

This is a most serious danger—one which can only be adequately met by the Commonwealth intervening and taking up the renewal of these loans, and dealing with them in the future.

It seems to me that the time has come when this Parliament ought to grapple with the question, and decide upon the best course to be adopted. The following table shows

the amount of loans falling due each year, from 1907 to 1920, and the number of competitors in each case:—

Year.	Debits maturing.	States.	Debits which can be taken over.	Balance presumably of debits which cannot be taken over.
	£		£	£
1907 ...	12,338,646	(5)	5,295,329	7,043,317
1908 ...	8,038,838	(4)	7,205,980	832,858
1909 ...	5,549,703	(5)	4,052,623	1,497,080
1910 ...	4,738,575	(5)	4,484,750	253,825
1911 ...	5,417,611	(4)	5,076,300	341,311
1912 ...	10,266,078	(5)	6,775,647	3,490,431
1913 ...	8,037,570	(5)	7,411,570	626,000
1914 ...	1,499,530	(3)	863,611	635,899
1915 ...	19,459,260	(4)	17,860,867	1,598,393
1916 ...	9,746,645	(2)	9,318,445	408,200
1917 ...	6,701,973	(2)	6,482,927	219,046
1918 ...	14,300,700	(2)	14,300,600	100
1919 ...	4,441,050	(3)	4,246,050	195,000
1920 ...	13,994,700	(5)	12,444,700	1,550,000
	124,530,879		105,839,419	18,691,460

NOTE.—In six of these years five States will be competing; in three years four States will be competing; in two years three States will be competing; and in three years two States will be competing.

Mr. FISHER.—Has the honorable member prepared figures for later years?

Mr. HARPER.—I have not dealt with the loans falling due beyond 1920, because the Treasurer spoke only of the first twenty years from the establishment of the Commonwealth. The loans falling due between 1920 and 1930 run into enormous figures.

Sir JOHN FORREST. — In 1924, £31,000,000 will fall due.

Mr. HARPER.—Exactly. Therefore, for some considerable time, we cannot look for any relief. I do not wish to overstate, but rather to understate, the case. What I have said should be sufficient to indicate the importance of this question, and the necessity of dealing with it forthwith. I think we are indebted to the Treasurer for having brought the matter forward upon the present occasion. In delivering his last Budget, it was scarcely to be expected that he would be in a position to deal with it, inasmuch as he had only assumed office a few days previously. However, he has since been giving it his consideration, and the result of that consideration is before honorable members in the memorandum which he has included in the Budget papers. I have to thank the right honorable gentleman for his attitude

towards me in connexion with the discussion of the question. As he informed the Committee the other evening, he consulted me in reference to it, and he found that his views and my own were not in accord, but he magnanimously—and with great public spirit, I think—declined to dismiss the proposals which, at his request, I had formulated. On the contrary, he has afforded every facility for their consideration by having them printed, and laid before honorable members.

Mr. FISHER.—He was quite fair.

Mr. HARPER.—He was exceedingly fair, and his magnanimity indicates that he realizes—as indeed we all do—the vast importance of this question. He is anxious to hear all that can be said upon it, quite regardless of the particular side of the Committee from which criticism may come. I say that this question is pre-eminently a non-party one. It is a question in which every honorable member is interested, and we should be failing in our duty if we did not face it fairly, and—after having given it full consideration—decide what is the best course to adopt. The difference between the Treasurer and myself is not as to whether one scheme is better than the other. From the first, our difference was that the right honorable gentleman—owing to circumstances to which I shall presently allude—viewed this matter from a different stand-point from that at which I looked at it. Therefore, it was impossible for us to amalgamate our proposals, to blend them one with the other. The right honorable gentleman said—

My reason for not making any proposal of a permanent character is that I do not believe it possible at the present time to formulate a plan that would be acceptable for all time, to both the Commonwealth and the States. The difficulties in the way at present are too great, and we are only beginning to think federally.

He afterwards stated that he disagreed with me because he did not think that the scheme which I proposed—and which is designed to secure finality as far as that is possible, because there can be no absolute finality in a matter in which Parliament is concerned—was practicable. He added that there was plenty of room for criticism and for differences of opinion in respect to this matter, and declared that he merely desired that those who did not agree with him should suggest some better scheme. Evidently he has an open mind upon the subject, and if he were satisfied that a scheme which would secure finality as

nearly as it is possible to obtain it were practicable, he would be prepared to consider it. That being so, I am relieved of all hesitancy in dealing with this question. The right honorable gentleman having indicated his views in this reasonable and friendly manner, I can assure both himself and the Committee that the criticisms to which I shall in a few moments subject his proposals, are only such as I deem to be necessary in order to show why I differed from him *ab initio*. The Treasurer's proposals seem to me to be dominated by the opinion expressed in the remarks which I have just quoted—that no scheme of finality would at the present time meet with success, and that to secure some settlement of the question it was better to allow things to continue as nearly as possible under present conditions until public opinion was better prepared to deal with a final solution of it, and until we had begun to think federally. I admit that there is a good deal of force in his contention. I acknowledge that in many respects we have not yet acquired the habit of thinking federally. But it seems to me that the best way to encourage, not only the people, but the Governments of the States, to think federally is to propound schemes which are Federal in their principles, and which will, by their beneficent effects, induce them to conclude that, after all, Federation is the right thing. Then they will begin to think federally. The way in which we deal with the task which we have to face in dealing with this question will, I trust, have the effect of inducing a more favorable view to be taken of the aims and objects of our Federal Government. Having taken up the position which I have indicated, the ideas to which I have referred evidently dominated the Treasurer's mind. In drawing up his scheme, so far as I can judge, the right honorable gentleman had constantly pressing upon him the obligation to meet the objections which have, from time to time, been urged against any action in the direction of altering the existing state of affairs, which is dominated by what is known as the "Braddon clause." If I may be permitted to say so without giving offence, and without any sinister meaning being attached to my statement, I would say that, in dealing with this matter, the Treasurer, owing to the pressure of these ideas upon him, has followed what I might call the provincial lines, whereas I

Mr. Harper.

think—and here is where the difference between us comes in—this question should, and can, be approached from the Federal standpoint. I propose to deal first with the financial relations of the Commonwealth to the States, because it seems to me that the sections of our Constitution which relate to this matter dominate the position. The Treasurer's proposals cover a period of ten years, namely, from 1910 to 1920. Dealing with the question of the financial arrangements—

Mr. JOSEPH COOK.—If we could settle the other question, that to which the honorable member refers would regulate itself, I think.

Mr. HARPER.—I will deal with the other question at a later stage. I am quite willing to deal with it first, but perhaps it will be better if I am permitted to work the matter out in my own way. The Treasurer's proposal is to pay annually to each State from the end of 1910 to 1920 a fixed sum equal to the average annual amount of three-fourths of the net revenue from Customs and Excise which that State has contributed during the five years preceding 31st December, 1910. In addition to this, he also proposes that if the three-fourths of the total net revenue collected by the Commonwealth exceeds the aggregate amount of the fixed sum so payable to the States, it shall be distributed among them.

Sir PHILIP FYSH.—On a *per capita* basis.

Mr. HARPER.—That is so; but that fact makes very little alteration in the position. It might affect individual States, but my opinion is that it would not do so.

Mr. KNOX.—It is an unnecessary complication.

Mr. HARPER.—I recognise that from the stand-point of the Treasurer, it is necessary to do something in that direction, but it is an exceedingly embarrassing proposal. While it would do away with the Braddon section, it would re-create it in a more objectionable form. That can be easily demonstrated. The Treasurer's proposal is, I think, inequitable to the Commonwealth, and I propose to give an illustration in support of that view. Let us assume, for the sake of simplicity of calculation, that the fixed sum is based on a revenue of £8,000,000 per annum. Three-fourths of that amount is £6,000,000. That amount, according to

the right honorable gentleman's scheme, would be the fixed sum, payable to the States for ten years plus any increase beyond the total revenue of £8,000,000 per annum. It might well be that for some years the revenue would reach £9,000,000. In that case the States would receive not only the £6,000,000, but £750,000, representing three-fourths of the additional amount of £1,000,000, or a total of £6,750,000. On the other hand, the Commonwealth would receive £2,250,000 instead of the £2,000,000, which it would retain if the revenue were only £8,000,000. We have to consider, however, what would be the position if in any one year the revenue fell away to £7,000,000. It is not unreasonable to assume that such a decrease, which represents only $12\frac{1}{2}$ per cent., may take place. I have known the revenue of this State to fall away for a number of years to the extent of something like £2,000,000 per annum. What would be the result if, under the Treasurer's scheme, the Commonwealth had a similar experience? The position would be that we should have a net revenue of £7,000,000; that the fixed proportion going to the States would be £6,000,000, and that the balance of £1,000,000 would be retained by the Commonwealth. In other words, the whole of the shrinkage would come out of the proportion retained by the Commonwealth, with the result that this Parliament might suddenly find itself in a position of very grave difficulty. In such circumstances, the only way under the Treasurer's scheme, so far as I can see, to overcome the difficulty, would be to impose a special tax, which would be ear-marked to make good the deficiency.

Sir JOHN FORREST.—The Treasurer of the Commonwealth would have to do what every Treasurer has to do when faced with a deficit.

Mr. HARPER.—Under any scheme there might be a deficiency in the revenue, but the gravamen of my objection is that under the right honorable gentleman's scheme the whole of the deficit would be borne by the Commonwealth. The Commonwealth Parliament would thus have to adopt one of two courses. Since it could not, under the Treasurer's scheme, impose a general increase of duties to raise the sum necessary to make good the deficiency, it would have to promulgate a new tax on some specific article or articles and ear-mark the revenue so obtained to make

good the deficiency or impose a direct tax for the purpose.

Sir JOHN FORREST.—Or curtail expenditure.

Mr. JOSEPH COOK.—But there would be no inducement to the States to curtail expenditure.

Mr. HARPER. — I should like the right honorable gentleman to enlighten the Committee as to the course he would pursue in the contingency I have named. How could he so curtail expenditure—

Mr. HIGGINS.—How could the Treasurer curtail his expenditure from £2,000,000 to £1,000,000?

Mr. HARPER. — Exactly. The risk is enormous, and is one that ought not to be run. It is all-important that the Commonwealth—if it is to take over the liabilities of the States, as we know it ought to do—should show the outside world that it can meet its obligations, and that it is not subject to the danger of deficits which may disorganize its finances and upset its general business arrangements. When the right honorable gentleman considers this phase of the question—as he will do if he has not done so already—he will see that this is a position that would be absolutely subversive of the best interests of the Commonwealth. As the honorable member for Parramatta has said, the Treasurer's scheme would impose on the States no obligation to economise.

Sir JOHN FORREST.—As the population increases, our Customs revenue must increase.

Mr. HARPER. — I have great sympathy with my right honorable friend. He has spent the greater part of his life in a State which began to ascend rapidly only during his career as its leader and guide. For many years Victoria and other States also experienced a constant accession of prosperity; but the day came when there was a great reverse, and all who had any responsibility, however sanguine they may have been before, had then a lesson which they will never forget. Whether it be in regard to the affairs of an individual or a State, we can never reckon upon continual prosperity. We may rest assured that the greater the prosperity the nearer we are to a reaction. That is the experience of Australia, and in view of that fact it behoves us to be careful that in arranging the finances of the Commonwealth in its infancy we shall proceed on lines that will be suited not only to fair weather

conditions, but will also enable us to withstand the blasts of adversity.

Mr. HIGGINS.—There has been a drop in Victoria from £9,000,000 to £6,000,000 odd.

Sir JOHN FORREST.—How did they manage in Victoria?

Mr. HARPER.—Very badly, I think.

Sir JOHN FORREST.—I suppose that other people would not manage too well, under such conditions.

Mr. HARPER.—The right honorable gentleman misses the point, which is that the necessity for retrenchment would fall on the Commonwealth, which, from its circumstances, could not retrench. Here I call the right honorable gentleman's attention to the fact that the Commonwealth is steadily, year by year, taking over from the States nearly all the non-remunerative and expensive Departments, and leaving the States with but a comparatively few of the Departments which involve very heavy expenditure. I suppose that the Education Departments chiefly cause the large expenditure in most of the States. If we take over these obligations, and carry on the work for the benefit of the whole of the States, they must be paid for, and, by the operation of this provision in the right honorable gentleman's scheme, he would, in a time of adversity, throw the whole of the strain on the Commonwealth Parliament and Government, and leave absolutely untouched the States, which would have greater ability than we should have to retrench in other directions.

Sir JOHN FORREST.—The States have great obligations placed upon them.

Mr. HARPER.—That is so; and I shall refer later on to what the States have to do. In the meantime, I am not under-rating the functions of the States, but calling attention to the functions and obligations that we are assuming. Under the circumstances, it would be dangerous for us to deal in the way proposed with the finances of the States. It would be preferable to leave the Braddon section as it stands.

Mr. WATSON.—The States share the loss under the Braddon section.

Mr. HARPER.—Let me use the same illustration I have already presented to honorable members to illustrate the working of the Braddon section. If we take the basis of £8,000,000—that is, £6,000,000, and £2,000,000, or three-fourths and one-fourth—and there were a fall of revenue

to £7,000,000, the States, under the Braddon section, would get only £5,250,000—they would suffer three-fourths of the loss—while the Commonwealth would get £1,750,000. In other words, though the amount of our one-fourth would be decreased, the States' receipts would also decrease—in other words, there would be a partnership in losses as well as in profit. Under the scheme of the right honorable gentleman, however, a certain revenue, whether the receipts were large or small, would go to the States, and the Commonwealth would be left to do as it best could.

Sir JOHN FORREST.—We have the right to raise revenue for specific purposes.

Mr. HARPER.—But my right honorable friend has not provided for that, and that is what I find fault with. In addition to giving the States a fixed sum, and making no provision for a deficiency, the Treasurer would tie the hands of this Parliament, because then, either a direct tax would have to be imposed, or certain sources of revenue would have to be ear-marked to meet the deficiency. But it might well happen that if the scheme of the right honorable gentleman were carried out, and the practice of ear-marking were introduced into the finances—a practice which I do not think we ought to introduce—the Treasurer for the time being, whoever he might be, who was short in revenue, might find that all available sources had been ear-marked prior to his necessity arising.

Sir JOHN FORREST.—Does the honorable member mean to infer that the scheme is too liberal to the States?

Mr. HARPER.—I am criticising the scheme as a financial proposal, and trying to bring the probable effects of it before honorable members. I am not dealing with the question of liberality or parsimony, but with the question whether or not this is a sound business, financial proposition.

Sir JOHN FORREST.—Does the honorable member say that the scheme is too liberal to the States?

Mr. WATSON.—The honorable member says that the scheme is unsound.

Mr. HARPER.—I have never used the words "too liberal."

Sir JOHN FORREST.—But the honorable member says that we have done more than we ought to have done—that we guarantee more than we should guarantee.

Mr. FISHER.—It is quite evident that the Treasurer is getting near to an election!

Sir JOHN FORREST.—Why does the honorable member for Wide Bay say that?

Mr. HARPER.—I hope this is not regarded as an election question, because it relates to a very serious business. I hope that we shall not be diverted by any consideration of that sort to the right or the left in our decision regarding what is, or should be, a business proposition.

Sir JOHN FORREST.—Hear, hear!

Mr. HARPER.—In the case I have supposed, there would be a community or partnership in losses, as well as in profits. It would be far better, so far as the point under consideration is concerned, to permit the Braddon clause to continue, than to adopt the proposal of the right honorable member.

Sir JOHN FORREST.—The States would have no security.

Mr. HARPER.—With regard to the question of security—

Sir JOHN FORREST.—That is the object.

Mr. HARPER.—Then the object is not attained, as I shall show in a few words.

Sir JOHN FORREST.—That is the object.

Mr. HARPER.—That may be, but we very often have objects, and do not take the right way to attain them. I shall show that the scheme does not give the certainty that the right honorable gentleman thinks it gives. For the sake of argument, let us take another illustration. I trust that honorable members will forgive me for using illustrations, but, in dealing with this matter, they bring more clearly before us the working out of any particular proposition. Let us suppose that we have a series of prosperous years after this scheme is adopted, and that the revenue, instead of being £8,000,000, remains steadily at £9,000,000 for a number of years. Let us further suppose that in each of the years, the States are receiving, not only their guaranteed amount, which is a certain and fixed sum, but £750,000 a year in addition. Under such circumstances, if there were a sudden change, and the States began to receive only £6,000,000, their finances would be more or less deranged. Does the right honorable gentleman think for one moment that the States would then be satisfied? As a matter of fact, they would be crying out, as they are now, that their finances were deranged, and that we ought to have done something different. The right honorable gentleman has only diminished the margin of variation; he has not removed it. In our every-day life, a man

who is receiving £400 a year may grumble, but if his salary is raised to £500, and after remaining a few years at that figure, is reduced by £25, he feels more aggrieved than if his position had never been improved. And so it would be with the States. We must look at this matter from a reasonable and sound business standpoint, and I contend that the scheme is inequitable to the Commonwealth, and does not give stability to the finances of the States, except to a limited extent.

Sir JOHN FORREST.—The honorable member must remember that the amount returned would not be influenced by our expenditure, but only by our receipts; the position would not be as it is now, when, if we spend the money, the States do not get it.

Mr. HARPER.—That does not meet the point I am discussing. My point is that the scheme does not give fixity to the amount received by the States. I am not going into the causes. That is a different matter altogether. I come now to the proposal relative to ear-marking special items of revenue to provide for certain specific objects. I submit that it is one that ought not to be adopted. It is a clumsy and unsatisfactory way of attaining the object in view. The case of old-age pensions was mentioned by the right honorable gentleman. Suppose that under his scheme certain duties were imposed, and were ear-marked for the purpose of paying old-age pensions. What would be the effect? Parliament would impose certain taxation which it would be assumed would meet the object in view. If it should happen that the amount estimated was not obtained—that the amount required for the object in view was larger than the amount of the duty realized—then either the payments would have to be limited to that extent or the duty would have to be increased, or some other duty would have to be imposed. The result would be to disturb all commercial transactions, so far as concerned the article or articles affected by the duties. If, for instance, a duty were placed on tea for the purpose of providing old-age pensions, and 3d. per lb. were the amount of the tax which was estimated to be sufficient, and if it were found not to be sufficient, would not every tea merchant in the country say—"Parliament will now be imposing a duty of 6d. per lb?" Uncertainty would be introduced into trade, because people who observe these things—even the man in the street reading the

indications—would know that something else would have to be done. Another objection is this: Suppose the amount of the duty imposed for the purpose of old-age pensions proved to be more than sufficient for the purpose. Then it is likely that the whole amount would be absorbed, perhaps by extravagant administration or in some other manner. I cannot conceive a more mischievous way of endeavoring to give reasonable facilities to the Commonwealth than this, because it would, in my humble opinion, be always a disturbing element in business operations. The proper and systematic way to attain the object is that the Commonwealth Parliament should provide enough out of its general revenue—out of the whole proceeds of its taxation—to meet the object in view. I think that these questions are deserving of the very careful attention of Parliament. I am sorry that I have not had an earlier opportunity to put my views before honorable members, but I express them now with confidence that the considerations I put forward will receive attention. As to the inconvenience of the present position, I am in thorough agreement with the right honorable gentleman that the Braddon and bookkeeping sections have caused, and are likely to cause in the future, considerable embarrassment to this Parliament in carrying out its legitimate duties. The reason for that is that we in this Parliament cannot do anything as a matter of policy with the freedom we ought to have as men responsible to our constituents, and to them alone. In seeking for an illustration of this inconvenience, it struck me that I might take the right honorable gentleman's proposal to institute penny postage. I am in thorough agreement with it, because I think that it is in accordance with the spirit of Federation that the same rate of postage should prevail in all parts of the Commonwealth. It does seem to be absurd that in Adelaide one should have to pay 2d. to send a letter from one street to another, whilst in Victoria a letter is carried to any part of the State from any other part for 1d. There are similar inequalities in other directions. When I make the remarks to which I am about to give utterance it will be understood, therefore, that I am not hostile to the proposal to reduce the postage rate. But I wish to use the proposal as an illustration of the embarrassment which will be caused; and my re-

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marks are applicable not only to this, but to any other proposal which this Parliament, as a matter of policy, may favour under existing circumstances. I find on looking into this question of the postage, and reading the paper circulated by the Postmaster-General after the Treasurer's Budget speech, that he says that it is estimated by the officers of his Department that—

If penny postage were established, the immediate reduction in revenue would be £265,000 a year if limited to the Commonwealth, or about £300,000 per annum if extended to all places within the Empire and to other parts of the world.

The proposal of the Government is to adopt the higher scale, giving penny postage, not only within the Commonwealth but outside of it, involving a loss at first of £300,000 a year. I find, on looking through the paper circulated by the Postmaster-General, that a curious mistake has been made. I discovered it only this morning. It does not alter my position, nor does it affect the desirableness of carrying out the proposal; but it is just as well to point out the error. Three instances are quoted as precedents for the proposed action in reducing the postage rate. The first is Canada, the second New Zealand, and the third Victoria. In each case statistics are given, but the curious thing is that in each instance the average increase stated is wrong. In Canada the returns are set out, and are said to show an average increase of 51.18 per cent. per annum. The average should be 15.18 per cent. In New Zealand, the average increase is stated to be 54.04 per cent., whereas it is 13 per cent. per annum. In Victoria, the increase is said to be 35.25 per cent., but it is 9.87 per cent.

Sir JOHN FORREST.—Perhaps it is the total increase from the beginning which is meant?

Mr. HARPER.—It places the Postmaster-General in the unfortunate position of saying, "In view of the experience in other countries, which has just been quoted. I venture to think that the increase of 40 per cent. in correspondence in the first year may be safely anticipated, which would reduce the amount for that year to £150,000."

Mr. AUSTIN CHAPMAN.—It will be found that the percentages are correct.

Mr. WATSON.—Is it the increase per annum or for the total number of years?

Mr. HARPER.—It is the increase for the total number of years. An increase from 150,000,000 to 285,000,000 letters is not an increase of 51.18 per cent.

Mr. WATSON.—Over how many years?

Mr. HARPER.—That increase is spread over six years.

Sir JOHN FORREST.—I expect that it is the total increase from the beginning to the present time.

Mr. HARPER.—I admit that I read the figures very hurriedly, but it does not alter my position. I merely call attention to the fact that there must be some mistake.

Mr. AUSTIN CHAPMAN.—I have checked the figures very carefully, and I think the honorable member will find that they are absolutely correct.

Mr. WATSON.—They do not prove much, even if they are correct.

Mr. AUSTIN CHAPMAN.—That is a matter of opinion.

Mr. HARPER.—I do not wish to dwell upon the matter. The Treasurer is, I believe, entitled to assume that in the first year there will be an increase of 15 per cent., although he estimates that it will be from 30 to 40 per cent., but that, in my opinion, does not affect the question very much. I consider that the reduction is justifiable, even if the increase should be only at the rate of 15 per cent. per annum, because I believe that in five or six years the deficiency would be wiped out.

Mr. AUSTIN CHAPMAN.—If the honorable member's figures were correct, how could the new revenue of Canada increase in a period of four years to very much more than the old revenue?

Mr. HARPER.—The increase referred to in the number of letters—of course, I do not know how the calculation was arrived at—is from 150,000,000 to 285,000,000, but that would not work out at 51 per cent. per annum.

Mr. AUSTIN CHAPMAN.—I am very glad to hear that the honorable member supports the proposal even with a smaller percentage of increase.

Mr. HARPER.—I thought that there was a mistake, but it does not affect the position. The point to be considered is how would the proposal affect the States. To show how inconvenient it is to continue the Braddon section or any arrangement similar to that, let me point out the way in which this one proposition, which the Committee in its wisdom might adopt, as a mat-

ter of public policy, in the interest of the Commonwealth, would affect, to a certain extent, the revenue of all the States, and would necessarily have a bearing on their view of the matter. Take, for instance, Queensland, which, according to the Treasurer's statement, has already a deficit of £81,934. By adding its proportion of the loss on penny postage, the deficit would be increased to about £113,000. It is facts such as these which cause anti-federal feeling. Every Federal proposal which affects a State Treasurer's financial statement, especially in those States which have been hardly hit by the arrangements necessary under the Commonwealth, causes the State to feel aggrieved, and to think that it is suffering unjustly at our hands.

Mr. HIGGINS.—The State Treasurer says, in effect, "You are spending our money."

Mr. HARPER.—That is the position. The question is, how is it best to deal with the subject, so as to get rid of, as far as we can, the feeling of irritation and the disturbance which arises in connexion with the present financial arrangements. I shall come presently to the suggestions which seem to me to be desirable for the accomplishment of that purpose. Before doing so, however, I would mention briefly the arrangements proposed for taking over the States debts. The Treasurer wants power to take over the whole of the States debts, but he does not propose—in fact, that would be impossible—to take them over at once. He proposes to take them over as they may fall due, or as he can convert them. That process, of course, would take a long time. In the meanwhile, the States would pay their own interest, and the Commonwealth, as it assumed the obligations, would pay its own interest, receiving that interest back with one-half per cent. sinking fund to meet the obligation. The sinking funds to be provided under this scheme would be vested in trustees, with power to invest the money and ear-mark each fund for the purpose of liquidating its own particular debt. By this means, unfortunately, the separate treatment of the different States would be continued. That is a defect in the proposal which, if possible, should be surmounted. With regard to future loans, all that is proposed is that the Commonwealth shall be empowered to float loans for the States on terms to be agreed upon, that the States shall not

borrow in London until 1920, and that the States borrowing within the Commonwealth shall be liable for their own debts. The scheme in this respect seems to me to be one to gradually take over the debts as they fall due, and nothing else. But the debts, as they were assumed, should be practically unified. In that case, as they fall due they would become Commonwealth debts. It seems to me to be very much more desirable to manage the debts as one common fund, than to deal with each one ear-marked for a particular State, and so make special arrangements for the liquidation of the debts separately. The right honorable gentleman proposes to meet these obligations by the establishment of consols at 3 per cent., interminable, except at the wish of the Commonwealth, or, upon six months' notice, in thirty years. In regard to that proposition, I find myself entirely at one with him. I believe that it would be wise to have only one denomination. It is true that the consols might not at first reach par, because, being a new stock, they might not attain their proper value. But it is better to fix a stock at a rate of interest like 3 per cent., which, as things go, is a fairly low rate, and then the prices given for the stock from time to time would indicate its value in the market. Although it might not fetch par at the commencement, still I believe that with proper management and the fact being made absolutely evident to the investing public that it was a first class security, the time would not be far off when 3 per cents. would be floatable at very close to, if not at, par. I therefore thoroughly agree with the proposition. The information which the Treasurer obtained in London is valuable, because he has ascertained beyond question that any movement in the direction of the unification of the debts or the taking over of them by the Commonwealth would be received with the greatest favour in London financial circles. He has also arrived at the conclusion, after inquiry, that 3 per cent. stock is the one which would be the best for the purpose which we have in view. With regard to the proposals embodied in my paper, which has been circulated to-day, and which a few honorable members have had the opportunity of looking through since we last met by getting early copies, I may say briefly that the objectives I had in view in dealing with this problem were first of all to take over

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all the existing debts, and practically unify them.

Mr. HIGGINS.—Does the honorable member mean to include those debts which have been incurred since Federation?

Mr. HARPER.—Yes. The Treasurer proposes to do the same thing, but only after an alteration of the Constitution. I, though not a lawyer, have ventured in my proposal to suggest that it may be unnecessary to alter the Constitution for that purpose, because in section 96 it is specially enacted that the States may receive financial assistance from the Commonwealth on such terms and conditions as the Parliament thinks fit, and it seems to me that there is nothing to prevent the Commonwealth from lending money on terms to the States in lieu of the obligations which may have been taken up on their behalf.

Mr. JOSEPH COOK.—The Commonwealth could be said to be lending money to the States only if, and so long as, it gave them a better credit. If something occurred to lower the credit of the Commonwealth, so that it became unable to give the States a better credit than they have now, it could not be said to be giving them financial assistance, and might, in having taken over the debts, have acted to their financial disadvantage.

Mr. HARPER.—I had not conceived that the Commonwealth might ever be in circumstances, or might ever do anything, which would make its credit lower than that of any State. The honorable member has suggested to my mind a possibility which I had not calculated upon.

Mr. JOSEPH COOK.—We are told that the Commonwealth credit would not be better than that of a State.

Mr. HARPER.—We have not yet been able to test the matter. It is because I consider it of paramount importance that the Commonwealth credit should be well and soundly established that I am anxious that we shall follow lines which will impress the public mind of Australia and other countries with the thoroughness of our financial position. My desire is that the existing debts of the States shall be taken over and practically unified in time as a Commonwealth debt, represented by 3 per cent. bonds, terminable after, say, twenty years—the Treasurer would prefer thirty years—and not earlier except at the option of the Commonwealth.

Mr. HIGGINS.—What mode of financial assistance does the honorable member pro-

pose in regard to States debts which did not exist when Federation was inaugurated? Would the honorable gentleman lend the States money?

Mr. HARPER.—I propose to lend them money.

Mr. JOSEPH COOK.—To take the place of the States with a better credit.

Mr. HARPER.—Yes. If the honorable member reads my memorandum, he will see that those debts are covered. As a matter of fact, the Commonwealth will in time become the creditor of the States, because the existing debts will be paid off, Commonwealth bonds taking their place, and the interest will be met out of the revenue of the Commonwealth. That is a position which must ultimately be reached in regard to both the debts which can be taken over by the Commonwealth and those which, according to one reading of the Constitution, cannot be taken over. The average rate of interest payable on the debts of the States at the present time is about £3.6 per cent.

Mr. BAMFORD. — It is very difficult to arrive at the average rate.

Mr. HARPER.—The calculation is a simple one. So many millions of money have been borrowed, and so much is annually being paid as interest on the sum, the average rate being £3.6 per cent. If Commonwealth bonds can be floated at par, bearing interest at 3 per cent., the saving which will result will provide for the interest and the extinction of the present debts of the States in sixty years, without any sinking fund. We have to face the contingency that the Commonwealth may have to pay more than 3 per cent., or the equivalent of a higher rate, but in that case all that would happen would be that the States debts would not be extinguished within the period I have named, and the annual sinking fund payment, amounting to £8,500,000, would have to be continued for a somewhat longer period. This, however, would not derange our finances in any way. Commonwealth consols, for the first few years, may have to be sold under par, which may add a few thousands of pounds to the debt; but as they reach par the difference will become inconsiderable, and will not derange the general plan. My idea is to take over the debts of the States as they stand, making them a Commonwealth obligation, and freeing the States thenceforward from all obligations connected with them. Instead of returning money to the States, as we do now, we shall

pay the interest on their debts as it falls due. We should determine the amount coming to the States under the Braddon provision, upon the basis of the payments of the last four years. The States, instead of paying to their creditors the difference between the amount I have mentioned, and the total amount of the interest on their debts, would pay it to the Commonwealth, which, by adding it to the amount payable to the States under the Braddon section, would be able to meet the interest on the debts.

Mr. JOSEPH COOK.—Would it be more satisfactory for the States to pay us the money, than for the Commonwealth to pay the States?

Mr. HARPER.—I think it would be much more satisfactory, because it would place the States and the Commonwealth in their proper positions. If we assumed the States debts, and removed from their balance-sheets the big debts for interest, that now appear annually, it would be only right for the States to pay to us the difference between the amount to which they are entitled under the Braddon section, and the sum that would be due by them to their loan creditors. Under this plan, instead of having an uncertain sum to provide for, as would be the case under the proposal of the Treasurer, we should, year by year, give to the States a cumulative rebate which would ultimately reach the sum of £1,860,000. To this extent we should relieve them of their financial strain. Each year, as the States went on making their payments to the Commonwealth, the liability would be reduced by 5 per cent., and ultimately the whole obligation of the States with regard to interest payments would be wiped out.

Sir JOHN FORREST.—When the debts were paid off by means of the sinking fund, what would become of the Customs and Excise revenue?

Mr. HARPER. — That could be remitted to the people of Australia.

Sir JOHN FORREST.—Would any part of it go to the States?

Mr. HARPER.—No. My assumption is that the sinking fund would be created by the use of the credit of the Commonwealth. At present the States pay interest on their debts at an average rate of £3.6 per cent. If we could borrow money at 3 per cent., and credit the sinking fund with 0.6 per cent., we should create the fund by the use of our credit.

Sir JOHN FORREST.—Would not the honorable member give back to the States any part of the Customs and Excise revenue, after the debts have been paid off?

Mr. HARPER. — At the end of the twenty-year period, I would allow the Parliament to determine what should be done. If, after having been relieved of its obligations, Parliament had a large sum of money in hand, it might determine to make a grant *per capita* to the States. But we cannot look into the future, at any rate, so far as that.

Sir JOHN FORREST.—Would the whole of the States debts be pooled, or would each State pay off its own debts as it went along—would Queensland pay off £80 per head and Victoria £50 per head, or would both share alike?

Mr. HARPER.—If the right honorable gentleman refers to my statement, he will see that the whole position is made clear.

Mr. JOSEPH COOK.—The Commonwealth would merely act as a trustee for the States.

Mr. HARPER. — Yes, we should take over the whole of the debts. This question may seem somewhat subtle, but in reality it is very simple. The Commonwealth Government would take over the whole of the States debts as they stood.

Sir JOHN FORREST.—But, in some States, the debts have reached £80 per head, whilst in others they represent only £50 per head.

Mr. HARPER.—If the right honorable gentleman will follow my argument, he will see how the difficulty can be overcome. Assuming that I am correct in my view that we could borrow money at 3 per cent., we should save one-sixth per cent. interest on £233,000,000. My belief is that, if there is no organization on the part of the Commonwealth to take over the debts, the States, when they renew their loans, will have to pay quite as high, if not a higher rate, of interest, than at present. If, as I say, we can save 0.6 per cent. of the present interest charge, we shall in sixty years be able to pay off the whole of the debts of the States. I contend that we shall not be robbing any of the States, or doing them any harm if we devote the amount saved by the exercise of the Commonwealth credit to this purpose. We shall be doing it for the benefit of the whole of the people of the Commonwealth. With regard to the question that has been raised by the Treasurer, I would point out that we ought to remember the position of

some of the States. From the very outset I have felt the greatest sympathy with Queensland and Tasmania, because they have suffered most severely at every turn. I think that we should deal with this question in a generous spirit. We should not look into every detail with a microscopic eye, in order to see that this or that State does not gain a shilling at the expense of the others.

Sir JOHN FORREST.—That is not in accordance with section 105 of the Constitution.

Mr. HARPER.—With regard to that point, I would repeat what I have already stated. Assuming that we can borrow money at 3 per cent.—

Mr. WILKS.—Is there any reason for that assumption?

Mr. HARPER.—Yes. In addition to the information obtained by the Treasurer, when in London, we have the experience of Mr. Coghlan, who thinks that ere long the Commonwealth will be able to borrow money close up to par at 3 per cent. I believe that that is an accurate view of the situation, and I think that the forecast is more likely to be realized if this Parliament propounds a scheme of finance which will commend itself to the investor of the old world.

Mr. BAMFORD.—What attitude would be taken by a State now paying 3½ per cent. interest on its loans as against, say, South Australia, which is paying 5 per cent.?

Mr. HARPER.—South Australia is not paying 5 per cent. for her loan money.

Mr. BAMFORD.—She is paying that rate upon some of it.

Mr. HARPER.—We should take over the whole of the obligations of the States, and create a fund which would enable us without doing injustice to any State, to confer a benefit upon those States which at the present time have much the heaviest *per capita* burden of debt. Then we have to weigh another consideration. Queensland and Western Australia are *per capita* much more heavily indebted than some of the other States, but what will be the position twenty years hence? What are the probabilities? Is it not likely that in the great States I have mentioned, with their large areas of land suitable for settlement, population will increase at a very much more rapid rate than in Victoria? Certainly it will. There is another point that we ought to remember, namely, that up to the present time New South Wales and Victoria have

been the largest gainers by Federation. The complaint of Queensland was—and there was some justification for it—that many manufacturing industries which were being established were retarded by the operation of Inter-State free-trade, under which Sydney and Melbourne obtained the trade which otherwise she would have built up within her own borders. The same remark is applicable to the other States. We ought to recollect that. If there be a big population in Victoria and New South Wales, we should remember that a considerable portion of it is the direct result of those States manufacturing and selling goods which, but for Federation, would probably have been made in Queensland, and would have employed an increasing population there. In considering this matter, I desire to deal with the States in a large-hearted and generous manner, so that, after all, they may be led to believe that Federation has not been a bad thing for them.

Mr. HENRY WILLIS.—The duties are credited to the States in which the goods are consumed.

Mr. HARPER.—But the people are not employed there. I trust that I have made my meaning clear concerning the existing debts of the States. I hold that the Commonwealth should take them over, and handle them in its own way. By the use of the Commonwealth credit, a profit would be derived which, in a certain number of years, would be sufficient to wipe off the total amount of the States indebtedness. The profit which is derived from the use of the Commonwealth credit should be appropriated to equalizing the conditions of the different States. Can anything fairer than that be proposed? In the *Argus* to-day I read a letter regarding my proposals from Senator Pulsford. I am afraid that he has rushed in before he knew what he was attacking. As a matter of fact, his communication shows that he has not yet begun to grasp the idea which underlies my scheme. My proposition seems to be a sound business one, and one the adoption of which will overcome the enormous difficulties which will beset us, if each State acts separately and independently for itself. With regard to future borrowing, I have sought to give effect to the same idea—that is to say, that whilst the Commonwealth credit is being built up and put upon a sound basis, we cannot expect—as was proposed at the

Premiers' Conference at Hobart—the States to arrest the development of their territory by means of public works which for many years will require to be undertaken with money which has been borrowed either in the Commonwealth or outside of it. My proposal is that the Commonwealth shall borrow for the States upon the conditions which are set out in my paper, and which are similar to those with which the States comply when they issue a prospectus for a loan upon the London market—that is, they state the purposes for which the loan is required, how it expects to meet the interest, and what the revenues from the undertaking are likely to be.

Mr. JOSEPH COOK.—The honorable member suggests more than that in his paper.

Mr. HARPER.—Possibly. My proposals are before honorable members, and I shall be glad, at a subsequent stage, to explain any point upon which information is desired. I do not wish to enter into a discussion of all the details. The principle with which I am concerned is that the Commonwealth shall borrow the money, and that a sinking fund of $\frac{1}{2}$ per cent. shall be established.

Mr. WILKS. — The honorable member would earmark the sinking fund?

Mr. HARPER.—No; there would be no earmarking.

Mr. WILKS.—The honorable member says that when the money is borrowed for a specific purpose a sinking fund of $\frac{1}{2}$ per cent. should be provided.

Mr. HARPER.—The Commonwealth Debt Commissioners would deal with the matter. Let us suppose that an application were made for the loan of, say, £500,000, with which to build a railway. The Commonwealth would raise that amount by floating bonds. The Debt Commissioners would then hand it over to the State which had made the application, and which, under my scheme, would merely be required to repay to the Commonwealth the exact cost that had been incurred in the flotation of the loan, plus $\frac{1}{2}$ per cent. for a sinking fund, and any little additional charges which may have been involved.

Mr. CARPENTER.—Does the honorable member propose to restrict the States in borrowing locally?

Mr. HARPER.—I do not. Referring to the mode of dealing with a loan to

a State, an actuarial calculation would have to be made. The State would annually repay to the Commonwealth an amount representing $3\frac{1}{2}$ or £3.6 per cent. upon the loan. By doing that for sixty years they would extinguish the whole of the debt. In short, my proposal is to make use of the terminating annuity principle. I am assuming that if the Commonwealth credit were established upon a 3 per cent. basis, and the States paid back at the rate of $3\frac{1}{2}$ per cent.—they would not be able to borrow upon their own account for less than that—they would in the course of sixty years pay not only the interest, but the whole of the principal. It seems to me that we have a unique opportunity in public finance, one which has not been enjoyed by any other country. We have to deal with £233,000,000, and we can provide for paying that sum out of our revenue by making a permanent annual appropriation of £8,500,000, the sum the States have heretofore paid for interest alone. We should gradually pay off the entire sum by means of the savings which we effected. In this connexion I may mention that Mr. Coghlan, in his paper, says that by-and-by we could effect a saving of £1,300,000 per annum. That money would need to be re-invested. It could—under the scheme I have outlined—be re-invested either in our own obligations or in loans to the States, and the latter would simply be required to annually pay to the Commonwealth $3\frac{1}{2}$ per cent. upon such loans, which rate, in sixty years, would not only cover the interest charges, but also wipe out the principal. The result would be that in forty or fifty years the original debt of £233,000,000 would be greatly diminished, and it is quite conceivable that sixty or seventy years hence we might have public works valued at £500,000,000, upon which there would be a debt of not more than £250,000,000. It seems to me that now is the time for us to face these questions in a broad patriotic spirit. We should deal with them as large questions which affect not only to-day, but the future. The works for which the Commonwealth would raise loans must be reproductive works, and I have defined that term in my paper. In regard to other works, or to temporary loans, the States should be at liberty to borrow within their own borders, as they would be responsible for them—

Mr. CARPENTER.—What does the honorable member call non-productive works?

Mr. Harper.

Mr. HARPER.—I would call a lunatic asylum, or a school-house, or anything which did not return a revenue, a non-productive work. Honorable members will observe that, under my scheme, the fullest liberty would be given to the States. I do not think that we ought to hamper them, but, on the contrary, we ought, by every means in our power, to stimulate them to develop their own territory. For that reason I make no proposal to interfere with their railways. Under my scheme they would have all the railway revenues with which to do the best they could, and they would be able to obtain more money whenever they had a sound proposition for which they were prepared themselves to accept responsibility. They would merely be called upon to provide interest and sinking fund, which would enable both themselves and the Commonwealth to wipe out their obligations within sixty years. Sixty years is a long time in the life of an individual, but it is nothing in the life of a nation. If we lay down proper lines, and build upon a sound foundation, this country, a couple of generations hence, will have great public works, and comparatively little public debt. Surely that is an object to be sought for, and, if possible, attained. To the uninitiated, it seems an uncanny statement that if they have a debt of £100, and pay it off at the rate of $\frac{1}{2}$ per cent. per annum, in sixty years they will wipe it out; but it is a mathematical fact. The point is, of course, that that result is achieved by means of compound interest. If we got in any money in respect of the States debts of £233,000,000, we should immediately invest it in the purchase of either State or Commonwealth loans, or by way of loans to the States. In this way we should derive 3 per cent. interest, so that the money would be fructifying from the first, and the result would be that sixty years after taking over these obligations, we should have our debt paid off. If we reinvested the money, the result would be that in a comparatively short period we might have a very large amount of public works with a very small debt upon it, and that debt mainly owing to the Commonwealth. I trust that honorable members will not consider that I am too enthusiastic with regard to this proposal. It is a matter of calculation, and any one may make the necessary calculations for himself. It seems to me that

we have a unique opportunity to put our public finances on a foundation that may be exceedingly beneficial to us in the future.

Mr. HENRY WILLIS.—Has the honorable member taken into consideration the question of brokerage?

Mr. HARPER.—I have. Suppose, for the sake of argument, that bonds are quoted at par, and that we have to pay 1 per cent. by way of brokerage, that 1 per cent. is added to the price of the loan.

Mr. HENRY WILLIS.—In that case, the loan would cost £101.

Mr. HARPER.—I am not discussing details of that kind. It is, after all, a matter of calculation. The money, whatever it costs the Commonwealth, must be repaid, plus the $\frac{1}{2}$ per cent. which will go into a sinking fund. I think I have dealt sufficiently with the question of what should be substituted for the Braddon section, and the steps we should take with regard to the amounts at present paid to the several States. I may be accused of being too liberal to the States. Under my proposal, we should, after 1910, give back to them annually a very large sum. In the first year, we should give them back £90,339; in the second year, £180,678; in the third year, £271,017; in the fourth year, £361,356, and in the fifth year, £451,695. Let us take, by way of illustration, the position of Queensland, and consider what effect my proposal would have upon it. She would have to pay to the Commonwealth £736,000 to meet her debt obligations. At the end of 1911, under my scheme, she would have to pay to the Commonwealth £699,438; in the second year, £662,625; in the third year, £625,813; in the fourth year, £589,000; and in the fifth year, £552,188, and so on. It will thus be seen that there would be granted annually to the States relief aggregating a very large sum. The relief so received would be quite as much as could be fairly expected under the Braddon section, or any other scheme. It would be a fixed sum upon which the States could reckon, and the States Treasurers could make up their Budgets twelve months ahead if they chose to do so, since they would know exactly what they had to pay back to the Commonwealth in a particular year. They would run no risk. The Commonwealth would undertake any

risk that might accrue; but that risk would not be very great. The relief afforded to the States annually for twenty years would be provided for by an annual increase of 41,000 to our population. The average of our Customs and Excise taxation *per capita* is £2 4s. per annum, so that an annual addition of 41,000 to our population would practically cover the amount which the States had to receive from the Commonwealth through the 5 per cent. rebate. From 1891 to 1901 we had a greater average increase in population than 41,000.

Mr. JOSEPH COOK.—Meantime this increase of population would mean, at the end of twenty years, greater cost of government.

Mr. HARPER.—To all parties, but mainly to the Commonwealth. If our population increases to the extent of 41,000 per annum, the amount which the States are to receive from the Commonwealth will be covered. On the other hand, we have to remember that, as local production is encouraged by protective duties, the quantity of dutiable goods coming from abroad will be decreased. Making a fair allowance for that fact, however, I think that the Commonwealth would be perfectly safe in undertaking to pay back to the States a large sum annually. My proposal really means that a large sum annually would be returned to the States. Although it would take the form of our remitting the charges which we had upon them, still, when reduced to its simple elements, it would mean their receiving a large sum annually. I have provided in the simplest way for the machinery necessary to give effect to my scheme. In order to avoid expense, I have provided for the appointment of debt Commissioners, who would form practically a branch of the Treasury. The Treasurer himself would be a member of the Commission, and its executive officer would be the Under-Secretary to the Treasury. There would also be four other members, two of whom might not be Members of Parliament.

Sir JOHN FORREST.—They would be paid Commissioners?

Mr. HARPER.—I have not entered into that question, which is, after all, a matter for consideration. No doubt if we secured the right men they would be worth paying. It is desirable to have continuity of management in connexion with a scheme of this kind. It is desirable that it should

have a tradition; it should have men who are accustomed to carry on the particular work that is required—the floating of loans, the paying of interest, and the general management of loan transactions. In view of the facts that I have put before the House, I think that honorable members will recognise that the Commissioners for some years would not have a very easy task. Their duties would require the exertion of the very best ability to finance the enormous transactions, to meet the obligations as they fall due, and to make reasonable provision for any additional requirements. Therefore, we desire to have the best men; and it ought to be a branch of the Treasurer's Department, and semi-independent—that is to say, free from political influence.

Mr. FISHER.—It is ability as well as stability that we desire.

Mr. HARPER.—I agree with the honorable member that we shall require both. As a matter of fact, my proposal provides all the requisite machinery. It occurred to me that disputes might arise through different States desiring to raise money at a time when it might be inconvenient to float loans; that is, one State might wish to get more than a fair proportion of loan money at a particular time. Under such circumstances, disputes might arise; and I suggest the appointment of a board of arbitrators; and in order to get the most detached and neutral body I could think of—

Mr. SKENE.—A second board?

Mr. HARPER.—Not a board, but arbitrators to be called to act only when required; and it is very likely they would be seldom required. As these would be appeals from sovereign States against the Commonwealth, or *vice versa*, I propose that, on being approached by an appellant, the Governor-General should appoint four arbitrators with himself, he being President. I do not know whether the Governor-General would be allowed to undertake such a duty under the Colonial Office regulations; but, if he were allowed, there is no doubt that would be the right course to pursue. The Chief Justice and another Justice of the High Court would be arbitrators, and then I suggest the appointment of two gentlemen, one of whom should be the manager of one of the leading banks. This would not be a continuing body, but one called together by the Governor-General, or, if the

Governor-General could not act, by the Chief Justice, as occasion required.

Mr. KING O'MALLEY.—As a rule, Judges are not good financiers.

Mr. HARPER.—The arbitrators would be called upon to settle, not questions of finance, but such questions as whether a State had a right to a loan while another State was, as it were, kept back. The questions to be settled would be questions of fact, calling for reasonable arbitration and the exercise of sound judgment.

Mr. HENRY WILLIS.—Does the honorable member think, in such cases, there would be any difficulty in obtaining money sufficient for our requirements?

Mr. HARPER.—I cannot answer that question.

Mr. HENRY WILLIS.—I should think there would not be.

Mr. HARPER.—I should think that if the credit of the Government were good, and the demands were reasonable, there would, under such a scheme, be created a security second to none in the world. The States which borrowed would be responsible to the Commonwealth for the interest; and if the undertaking did not pay, the particular State, out of its funds, would have to find the interest. The Commonwealth would have the money, and would be responsible; and its credit would also be behind the security. I cannot conceive of any higher security that could be given; because a gilt-edged security of the first class would be created. Under such circumstances, the money could be got, I think, at 3 per cent., and the whole of our financial business would be brought to a focus, one section being the complement of the other. The Commonwealth would borrow on interminable securities, while the States would borrow from the Commonwealth on terminable annuities; and one would work into the other in such a way as to reduce the debt continuously, and more or less rapidly.

Mr. SKENE.—The Commonwealth would act as banker for the States?

Mr. HARPER.—Not as banker; the Commonwealth would simply be the medium for the collection of interest, and its payment.

Mr. JOSEPH COOK.—The Commonwealth would be the agent?

Mr. HARPER.—The Commonwealth would be the creditor of the States, and, as the honorable member for Parramatta points out, to some extent also, the agent for the States. The Common-

wealth's credit would enable the States to get such terms that they would probably pay no more than they would have to pay if they borrowed on their own account, and the debt would be cleared in sixty years. I am afraid I have trespassed too long on the time of the Committee; but I feel, as I said at the opening of my remarks, that it is the duty of a public man to give these questions the utmost consideration. I should have liked to promulgate these views earlier, because I quite admit the difficulty, in dealing with such a huge subject, of being able, in one speech, or even half-a-dozen speeches, to meet all the points that may arise. I trust, however, that honorable members will give me credit for not seeking, as a faddist, to bring forward a proposition simply because it is my own, or anything of that sort. I have thought this matter out as a business man, and I desire to place my views before honorable members in a business aspect, with the desire that I shall be given the credit, at any rate, for having simply submitted these views as a matter of public duty—for no other reason, and with no other purpose. I am sure that the Treasurer will feel that the remarks I have made about his scheme are the result of conviction and of the necessities of the case. That scheme is, I think, intended to solve in a temporary way a question which, in my opinion, ought to be settled finally. The difficulties that have been created in the Treasurer's scheme are, I think, as I said at the beginning, the result of the difference between his position and my own. The position I take is that the question should be settled now, without the delay of an hour. In my paper I say that by the 30th June, 1907, the whole matter ought to be settled; but, as a matter of fact, it ought to be settled at once, because £12,000,000 falls due next year, and then follow £8,000,000, £5,000,000, £10,000,000, and so on. Under the circumstances there will not be breathing time, and anything which may be done ought to be done at once, to be effective. Consider the result upon the minds of financial people of the promulgation by the Commonwealth of a clean-cut, clear, definite policy. They would see that we knew where we were going—that we were not intending to drift into London, like waifs on the financial sea, one Agent-General endeavouring to raise money as against another Agent-General. If we put before

the world a sound business proposition, which commends itself to financial authorities, and show that we intend to create a security second to none, we shall succeed in placing the credit of this country on the soundest possible basis.

Mr. KING O'MALLEY.—What would the honorable member propose if our 3 per cents. were refused?

Mr. HARPER.—The buyer of bonds is like the buyer of anything else—he desires to buy as cheaply as he can, and would not refuse Australian securities. But we can not blame lenders if we are sufficiently foolish and idiotic to delay our arrangements so that they, knowing that loans have to be met on certain days, and that we have not a sou to meet them—we could not blame them, I say, if they then demanded 4 per cent. instead of $3\frac{1}{2}$ per cent.

Mr. BAMFORD.—Does the honorable member not think that financiers might be afraid of labour legislation?

Mr. HARPER.—I think we can leave that question out of consideration.

Mr. JOSEPH COOK.—Mr. Coghlan says they are afraid.

Mr. HARPER.—They may be. I do not say whether they are or not. If we are under labour legislation, we shall have to do the best we can. I do not know what the effect may be. I express no opinion upon that point. But if we put ourselves in the best position as borrowers, show that we understand our business, that we mean to meet our obligations, and to pay our interest, and that the Commonwealth, backed up by the States, will be responsible for all these debts, I have no doubt that we shall succeed in placing ourselves in an exceedingly favorable position. There may be points that I have missed; and if, in Committee, honorable members choose to ask me any questions that may occur to them, I shall be pleased to give them any further information that I can give.

Mr. FISHER.—Did the honorable member mean to convey that it is possible that the Commonwealth will have to pay more in consequence of labour legislation?

Mr. HARPER.—I do not know. I said in reply to an interjection that I expressed no opinion as to that.

Mr. FISHER.—The honorable member, I understand, had no intention to convey that the Labour Party would repudiate the responsibilities of the Commonwealth?

Mr. HARPER.—I certainly had no such intention. I am pleased that

the honorable member has put that question. The interjection was whether labour legislation would make a difference, and it was said that Mr. Coghlan had stated that it would. I replied that if people believed it, they might make us pay more for the use of their money. But I express no opinion whatever upon the point. The fact is that people who wish to lend money generally look to the security, and if they think that the Labour Party is likely to impair their security, they will form their own opinion, and act accordingly. If they do not think so, they will take no notice of the legislation referred to. I express no opinion upon the point.

Mr. JOSEPH COOK.—It amounts to this: "If it does, it does."

Mr. HARPER.—If it does, it does, and if it does not, it does not; and there is an end of the matter.

Mr. JOSEPH COOK (Parramatta) [4.32].—I think that the Committee is indebted to the honorable member for Mernda for a very able and very lucid speech. In my experience of Parliament, I have before to-day learnt that a House is never better occupied than when listening to an honorable member who has made a subject peculiarly his own. That is one of the reasons which induced me, not merely to stand aside for the honorable member this afternoon, but to urge him to take an early opportunity to explain his scheme more fully to the Committee than he had already done in his memorandum that has been circulated. After listening to him, I feel that I have been well repaid in inducing him to deliver at this stage a speech of the character and calibre of that to which we have just listened. I do not pretend to any special financial ability, and, therefore, my observations upon the proposals of the Treasurer will occupy only a very short time. There is one matter to which I wish first of all to allude, and I do so the more readily because neither the Treasurer nor the honorable member for Mernda has touched upon it to any great extent. I refer to the book-keeping question, and the determination of the book-keeping period which takes place this year.

Mr. HIGGINS.—Which may take place this year, but need not.

Mr. JOSEPH COOK.—Yes. Generally speaking, I think every honorable member will arrive at the conclusion that the present financial arrangements with

the States cannot continue. They are not upon a satisfactory basis. They are anomalous. They were never intended to be permanent in their present form. As the honorable member for Mernda has mentioned quite clearly in his paper, they were only intended to meet a temporary and tentative condition of things until a more permanent order could be safely ushered in. The anomaly consists in this, to put it briefly: that the less we have to spend the more the States have to spend. If we give them more, the tendency is for them to spend it upon an extravagant basis—and I am speaking plainly now, I hope—as witness the political largesse which is being distributed now out of the surplus by the two large States in particular. On the other hand, if we give them less, there is a tendency arising within the Federal area, towards extravagance. I am afraid that we have more than a suspicion of that in the Budget proposals of my right honorable friend the Treasurer. No one, I think, will, for a moment, say that they are of an extremely simple and economical order. Rather do they take a plunge in the direction of extravagance, as I hope to point out a little later on. At present we have one authority whose obligation it is to raise the money, and another authority whose function it is to spend it. The Commonwealth raises the money; the States spend it. Each authority is at present watching the other with a degree of jealousy and irritation which, if it be continued, cannot bode any good either to the States or to the Commonwealth. The inevitable tendency, wherever there is plenty of money to spend, is, of course, to spend it. The Treasurer never said a truer thing than when he said the other day that that was his own experience in connexion with his own affairs. His experience is that of every one else. Where there is plenty to spend it becomes the easiest thing imaginable to live up to the amount of the income, and so naturally extravagant ways are entered upon. A question arises in connexion with this Budget as to whether we, as a Commonwealth, may not as well spend some of the money which results from our booming trade and conditions just now, as hand it all over to the States, and leave ourselves in an attitude of Spartan simplicity as regards expenditure, while they are doling out money in a very extravagant way. The present arrangements cannot continue. They will be

provocative of irritation as long as they exist, and the sooner they are ended the better for all concerned. I have already said that the present arrangements were intended to be temporary. That is made plain by the book-keeping sections, which, it is contemplated, will expire at a later period of this year. We must all admit that these book-keeping provisions, as long as they remain in force, constitute neither more nor less than a negation of the Federal principle. We are put by them in the position of mere trustees for the States. Nay, more, they put us in the position of mere book-keepers—mere clerks—for the States. The result can only be a continued derogation of the proper dignity of this Commonwealth; and, as I have already said, there must continue to be irritation between the two entities. The irritation arises in this way: At present we have absolutely no Inter-State free-trade. There is no such thing as Inter-State free-trade to-day. It is true that the barriers at the borders only exist now for the purpose of regulating the disposition of imported goods. In other words, after we have collected the duties on imports into this State, we have to follow the goods to their point of consumption, and credit the consuming State with the amount of such duties. I suppose that the adoption of the bookkeeping provisions was necessitated by the diverse conditions of the various States, and a feeling of jealousy regarding their own revenue and financial stability. We have had an experience of Federation extending over five and a half years, and, as the figures show, there has been a constant effort at equality in the financial conditions of the States. We are coming more and more to a *per capita* basis in regard to spending and earning. To my mind, the question is whether the time has not already arrived when we should put an end to the bookkeeping system, and destroy at once the irritation and trouble consequent upon its operation. Here is one of the troubles which it occasions. I am told that last year 90,000 entries relating to Inter-State trade had to be put through the Sydney Customs House, and that in each year 300,000 entries are passed through the various Customs Houses in the Commonwealth. When we think that each entry carries with it a liability to prosecution for error we can understand the degree of irritation which is produced throughout the trading community. Not only is there that

liability to error in the making up of the entries, but there is also involved therein a very acute and detailed analysis of the various dutiable articles which enter into the manufacture of composite garments. For instance, a suit of clothes has to be analyzed for bookkeeping purposes. It is necessary to assess the duties which have been paid on the buttons, the thread, the cloth, and every other dutiable article which has entered into the manufacture of the suit. We can readily see what enormous expense, trouble, and irritation are involved in making the analyses, and the risks which are run in consequence of the liability to which persons are subjected.

Mr. FISHER.—How does the honorable member propose to adjust the matter?

Mr. JOSEPH COOK.—I confess that I have not a proposal to submit.

Mr. FISHER.—The honorable member is aware that the greater proportion of the goods is landed in the big States—Victoria and New South Wales.

Mr. JOSEPH COOK.—Yes. It could only be done, I think, by a rough and ready striking of a balance as between the various States. If all the factors to which the bookkeeping system relates were taken into account, I do not think that it would be very difficult to strike a balance. But even if we could not balance the matter without resorting to some other method of adjustment, I do not see why offers could not be made to those States which would be the heavier losers by the transaction. After four or five years' experience of the system we could very readily strike an average as to the loss that would probably occur to the large States. I do not think, however, that a narrow view ought to be taken. Suppose, for instance, that to-morrow we were to sum up the pros and cons of the effects of the bookkeeping system upon the various States. The first point which strikes one is that in the year 1904-5 Queensland paid £84,000 more than her proportionate share of the defence expenditure. Again, take the case of South Australia, which, for very many years, has been struggling with the Northern Territory, at an enormous cost, for its upkeep. We are all interested in the upkeep of the Northern Territory, if only from the stand-point of defence alone. So one might go on enumerating things as to which individual States are handicapped compared with those which are in easier

circumstances. The expenditure on defence in Victoria last year was, I believe, very light indeed. However, the expenditure on this head has been very much more in other States than it has been in that State. Yet, in the matter of defence, the States are equally interested. If we were to make up the sum, it would not be very difficult to strike a balance such as would enable us to be within easy reach of the solution of the bookkeeping system. Again, suppose that the large States would be affected adversely. It must never be forgotten, as the honorable member for Mernda has just pointed out, that, from the manufacturing and producing point of view, the two large States are becoming very rapidly the manufacturing centres of Australia. That is one of the outstanding features of our Federal evolution, so far. Both Queensland and Tasmania have been hit very hard indeed, from the manufacturing point of view. Indeed, one of the things which handicap Tasmania so much to-day is the fact that her manufacturing interests have been so heavily hit by Victoria since the abolition of the Inter-State borders. Therefore, one does not need to take too narrow a view in order to be just with regard to the abolition of the bookkeeping system. I believe that nothing would contribute so much to the development of good-feeling between the States as would the abolition of that irritating condition of affairs. In this connexion I should like to say I am not sure whether we have any moral right to institute penny postage while the bookkeeping sections of the Constitution continue in force. As I have said, we are only in the position of bookkeepers for the States while those provisions operate, and I doubt if we have any moral right to begin to spend the moneys of our principals in a way such as is contemplated by the Postmaster-General. If we were free, and we had no bookkeeping obligations to the States; if we were each independent in our own sphere, I should hold up both hands for penny postage the more readily as being a great and immediate gain to the bulk of the people within the Federal sphere. But I doubt whether we have any right to so cut into the revenues of the States while those provisions exist. I propose to say more about that matter directly, and I only make these remarks in passing. At the present time our principals are the States, and there arises a question of political morality in taking their re-

Mr. Joseph Cook.

venues and disposing of them in the way which the Postmaster-General contemplates.

Mr. AUSTIN CHAPMAN.—Does the honorable member mean that New South Wales, with a surplus of £1,000,000, cannot afford the cost of penny postage?

Mr. JOSEPH COOK.—New South Wales and Victoria can both afford to bear the cost of penny postage, and under our present anomalous condition of affairs it is just a question, particularly as regards the larger States which have surpluses, whether we should not spend the money available to the Commonwealth rather than allow them to distribute political largesse as they are doing. Every one knows how Mr. Bent, the Premier, is acting the part of My Lord Bountiful in Victoria. We have to consider not only the view point of the States which have surpluses, but the view point of the States which are in financial difficulties. We ought never to forget that we are, in the broadest and highest sense, trustees for the solvency and security of the States, and should give the most earnest and close examination to the weakest links in the financial chain. I shall not make more than one or two criticisms of the general financial proposals of the Government. I agree with the honorable member for Mernda, and the Treasurer, that there is no room for dogmatism, or for an autocratic, know-all attitude in regard to the financial relations of the Commonwealth and the States. On the contrary, there is need for the fullest inquiry, and the most complete scrutiny of any proposals that may be brought before us. The importance of the subject will not be questioned. Much depends upon striking out upon right lines in the first instance. If we commence upon wrong lines, our troubles may be incalculable and interminable, while, if our financial machinery is properly started, the gain will be an increasing one. Our finances in the future will be better or worse, as the scheme adopted is a good or a bad one. Accordingly, the Treasurer very properly invites suggestions, and all who can should try to help him in the elucidation of the problems which have to be faced. I agree with the honorable member for Mernda that they are neither very clear nor very simple. The ideal to be aimed at is independence on the part of both Commonwealth and States. The States now grumble because they do not receive enough from the Federation; but I am afraid that

if we adopted a system necessitating the ear-marking of their finances, they would grumble at having to pay money to the Federation.

Mr. HARPER.—They have to pay it to their creditors now.

Mr. JOSEPH COOK.—Yes; but the reason for the payment would be removed from their balance-sheets, and that would soon lead to a different view being taken of the matter. At the present time there appear on their balance-sheets both the payments and the reasons for them, and if the Commonwealth took over their debts those reasons would disappear from their balance-sheets, and they would grumble as much as they are now doing. It has occurred to me that there is a happy mean between the proposals of the honorable member for Mernda and those of the Treasurer, though I have borrowed the suggestion which I am about to put forward from Mr. Coghlan, Mr. Nash, and some others. It is a proposal to take over so much of the debts of the States as would strike a balance, leaving practically no payments to be made from the Commonwealth to the States. Last year the States paid in interest on their London debts £7,291,000, while the amount returned to them by the Commonwealth was £7,308,000, so that if the Commonwealth had paid the interest due in London it would practically have squared the ledger. Such an arrangement would enable us to at once proceed to the abolition of the Braddon section, and of the bookkeeping provisions of the Constitution.

Mr. HARPER.—The Commonwealth paid to the States £600,000 more than they were entitled to under the Braddon provision, so that the arrangement which the honorable member suggests would pinch our finances.

Mr. JOSEPH COOK.—It might do so temporarily; but the difficulty would be very small, considering our powers for righting ourselves, in comparison with the great advantage which would be obtained by freeing the Commonwealth from obligations to the States. The arrangement is one which, in the nature of things, would expand, and would pave the way for any further adjustment that might be required. It would have the advantage that it would lead to the Commonwealth at once monopolizing the London market. The honorable member for Mernda has

spoken eloquently of the chaos now existing, and of the foolish and excessive competition which is damaging Australian credit in London. The Commonwealth could regulate borrowing as the States cannot, and that would increase our security and credit in London. The first thing that we have to do is to establish a Commonwealth credit such as we have not to-day, judging by the utterances of authorities on the subject. Our first task is to make for the Commonwealth a credit superior to that of the States. We must do that before dealing with the difficulties in which the mechanical part of the scheme will involve us. The monopolization of the London market is the first step towards establishing a Commonwealth credit. Following upon that will come the ability to convert at a decreased interest, and the substitution of the Commonwealth consol, suggested by the honorable member for Mernda. We should offer a stock of greater attractiveness than any now placed upon the London market by the States. The States would then have an inducement to cultivate the Commonwealth instead of fighting shy of us. If we had something of a tangible character to give to them, the public would soon compel the States to come to the Commonwealth, instead of it being necessary for the Commonwealth to run after the States. In other words, we should be able to give the States greater facilities for the transfer of the balance of their loans, and they would be swift to take advantage of the situation. We should at once be able to do away with the necessity for the back payments which are contemplated under the schemes of both the Treasurer and the honorable member for Mernda. The honorable member for Mernda proposes that the States should ear-mark, for the purpose of paying interest to us, revenue amounting to nearly £2,000,000 per annum. If any such action were taken, it would be bound to create dissatisfaction and friction between the States and the Commonwealth. My point is that if we can do away with the necessity for back payments of interest by the States we shall assist to restore that good-will which, unhappily, has disappeared, and shows no sign of making an immediate return.

Sir JOHN FORREST.—Under my plan, the States would pay their own interest until we converted or redeemed their stock.

Mr. JOSEPH COOK.—But when we did convert the stock, the States would have

to pay us the interest. Under the Treasurer's proposal the States would be separately liable for all time. We should be their agents until the loans were liquidated. Our object should be to at once establish a better credit for the Commonwealth. It has always occurred to me that it was unfortunate that, when we took over the post-offices we did not also assume control of the savings banks. If we had done this we should have had at our disposal money which would have enabled us to steady the London market at any time. There is now a total of £37,000,000 to the credit of investors in the savings banks of the various States.

Mr. HUME COOK.—Not in post-office savings banks.

Mr. JOSEPH COOK.—I am perfectly aware of that. We could have taken over the whole of the savings banks, and would have been able to form a financial nucleus for the future operations of the Commonwealth, which would have enabled us to take advantage of a falling market to buy up securities.

Mr. AUSTIN CHAPMAN.—There is no reason why we should not establish a Commonwealth savings bank now.

Mr. JOSEPH COOK.—It would be an entirely different matter for us to enter into competition with the States now. We should have taken over the Post-office Savings Banks at the beginning.

Sir JOHN FORREST.—The States might not have been agreeable.

Mr. JOSEPH COOK.—They could not have helped themselves. The Treasurer seems to forget that the States made over to us the telephone service, and many other things which do not come strictly within the Federal domain.

Mr. HUME COOK.—We have power to legislate with regard to banking.

Mr. JOSEPH COOK.—We have the power to do a great many things, but I am pointing out what would have been the line of least resistance. If we had followed that, we should have found it much easier than to adopt any of the new-fangled schemes that have been put forward by honorable members. The honorable member for Brisbane would settle the whole question in quick time by means of a printing press. The honorable member for Bland would begin by forcibly extracting £8,000,000 from the coffers of the banks.

Mr. HUME COOK.—What is the difference between the honorable member's pro-

posal and that of the honorable member for Bland?

Mr. JOSEPH COOK.—In one case we should deal with public money, and in the other with private money.

Mr. HUME COOK.—Private money would have to be dealt with in either case.

Mr. JOSEPH COOK.—Not at all. Of course, the deposits in the savings banks are the property of private persons, but they are in public institutions, whereas the investments in the banks are in private institutions. I do not know that the depositors in the savings banks would object to handing over their money to the Commonwealth; but I can conceive of grave objections on the part of bank shareholders to having their money commandeered in the manner proposed. Then, again, it seems to me that if the States were let loose on the London market after a term of ten years, as proposed by the Treasurer, our credit would be absolutely ruined. What would be easier for the States than to save up a lot of floating debts, and at the end of the ten-year period rush the London market with a view to take advantage of the Commonwealth credit. If any such thing were even suggested our credit would be ruined.

Sir JOHN FORREST.—The honorable member does not trust the States at all. The people of the States are also the people of the Commonwealth, and are as trustworthy and as capable of looking after their own interests as we are.

Mr. JOSEPH COOK.—The Treasurer has shown that there is a great difference between the States and the Commonwealth. He says that our credit would be very much better than that of the States. Therefore, the question is not one as to whether the people of the States are also the people of the Commonwealth.

Sir JOHN FORREST.—The Commonwealth credit is the credit of the people of the States—they are the same.

Mr. JOSEPH COOK.—If they are the same, why should all these elaborate proposals be introduced? Why should the Treasurer formulate his scheme unless he can do better for the States than they are doing for themselves?

Sir JOHN FORREST.—That is the object in view.

Mr. JOSEPH COOK.—I say that if the States go to the London market at the end of the ten-year period they will entirely break up the credit which in the

meantime we shall have been steadily fostering.

Sir JOHN FORREST.—Why do they not do that in Canada?

Mr. JOSEPH COOK.—There is no analogy between our case and that of Canada. Our States are a great deal more like sovereign States. The Canadian States stand in a position resembling that of our city corporations.

Sir JOHN FORREST.—The honorable member has not been to Canada or he would not say that.

Mr. JOSEPH COOK.—I am not speaking of their general importance, but of their financial relations with the London money market, as compared with that of the Dominion. There is no analogy between our case and that of Canada, as I shall show when I refer to the precious penny postage scheme of the Postmaster-General. However, I do not wish to be diverted from the thread of my present argument. The first essential is that we should create our London credit—and this cannot be done by financing alone—at least, so Mr. Coghlan says. He is clear and emphatic that political considerations are affecting our credit in London at the present time. They may be doing it improperly, but they are doing it, and it is with facts rather than with reasons that we have to deal in our financial relations with the mother country. Mr. Coghlan points out that before we can hope to create a better credit in London, we shall have to pay some respect to the government of Australia, and to the legislation which we enact from time to time. I should like to read an extract from his paper in this connexion. Speaking upon the subject of the causes which are influencing the price of our stock, he says:—

No class of persons are less influenced by sentimental considerations than are the investing public and their brokers; nevertheless, there is no class whose political predispositions and prejudices more largely affect their dealings. It is, therefore, not to be wondered at that, of the considerations affecting the price of Australian stocks, not the least important, so far as concerns the London market, is the repute of the State to which they belong, and the policy of its Government. If for any cause that repute should be low, then the conjunction of various other conditions usually looked upon as favorable would not avail to maintain the price of its securities. Such being admitted, it is therefore evident that so long as Australia seeks further money from the London market, either for new undertakings or for renewing old loans, attention will have to be paid to the opinions

of the British investor on certain political matters.

I think that that statement is as clear as language can make it. He continues—

It must be confessed that the difference in the attitude of the British investor towards Australia can be accounted for only on the supposition of mistrust arising from considerations, not of the resources of the States, but of their politics.

Nothing can be clearer than that. It means that our Commonwealth legislation is affecting our credit in London.

Mr. BAMFORD.—From what is the honorable member quoting?

Mr. JOSEPH COOK.—From Mr. Coghlan's paper which reached Australia a few weeks ago. I do not think that the honorable member will accuse Mr. Coghlan of belonging to the "stinking fish" party. If the latter has any sympathy at all, it is with radical Australian democracy. Yet, with every disposition to make the credit of Australia stand as high as possible in London, that is what he writes concerning the causes influencing the prices of our stock. Mr. Coghlan, who spends almost every week of his life in answering the animadversions of our critics in London, declares that our politics are unquestionably influencing the price of our stock, and that before we can hope to improve our credit, we shall have to pay more heed to our legislation. I now propose to quote another statement of his bearing upon the same matter. Speaking of the transfer of the State obligations to the Commonwealth. He says:—

If the Commonwealth were to take the place of the various States in the London loan market, it would probably not be able at first to obtain money on better terms than the States could do for themselves. Some of the leading brokers who deal with Australian stocks in this country—men of wide knowledge of financial conditions—have been consulted in this matter, and their views are in agreement with those herein expressed, which have been formed from independent observation; but they also say that in the course of time the Commonwealth will undoubtedly stand in a superior position to that of any of the States, provided that the confidence of the investor in the policy of the Government remains unimpaired. Should there be an immediate transference of the States debts, the Commonwealth must be prepared, for a few years at least, to content itself with results no better from the point of view of price than the States now obtain.

That is another declaration that our credit in London at the present time stands at zero—that, in point of fact, we have no credit beyond that which the States themselves enjoy.

Sir JOHN FORREST. — The honorable member should not quote one portion of Mr. Coghlan's paper bearing upon that matter, and omit another portion.

Mr. JOSEPH COOK. — Mr. Coghlan says nothing which qualifies the statement that I have quoted.

Sir JOHN FORREST. — He says that the Commonwealth credit will be better than that of the States by-and-by.

Mr. JOSEPH COOK. — But he also says that we must first create our credit in London. One of the means which he suggests for accomplishing that object is the consolidation of the States debts. We need to rehabilitate our credit. —

Sir JOHN FORREST. — We have not yet commenced operations in London. How can the honorable member use the word "rehabilitate"?

Mr. JOSEPH COOK. — We must rehabilitate our Australian credit—the credit which compels us to borrow to-day at 4 per cent. where we used to borrow at 3 per cent.

Sir JOHN FORREST. — The honorable member must know that money is dear at the present time.

Mr. JOSEPH COOK. — It seems to me that our first step should be to monopolize the London market for Commonwealth purposes. We must do that before we can hope to create a Commonwealth credit. When we have done that, we shall begin to get confidence there. After all, the chief difficulty which we have to encounter does not lie in the formulation of financial schemes, but in securing their acceptance. I admit that the Treasurer has formulated a scheme which will stand a much better chance of acceptance by the States than will that of the honorable member for Mernda. The right honorable gentleman drags political considerations into his proposals, pays a good deal of respect to the feelings of the States as such, and leaves them loopholes by means of which they may escape from the thralldom of Commonwealth financial control if they choose to do so. Yet it does not follow that in its essence the scheme propounded by the Treasurer is sounder from a financial stand-point than is that of the honorable member for Mernda. I admit that the supreme difficulty which must be faced by anybody who is charged with the practical solution of this problem lies in formulating a scheme which will be acceptable to the States. This leads me to say a word or

two in regard to the plan which has been outlined by the honorable member for Mernda. I am afraid that it is too good a scheme—that it is too ambitious and too complete, that it involves too much in the way of surrender on the part of the States and too complete a control of their present functions by the Commonwealth, for them to accept it within a measurable period. The scheme rises to boldness, and even to audacity, in some particulars, with its Board of Commissioners, Board of Arbitration, its payments by the States, its rebating by the Commonwealth, its practical determination of the railway building of the States, and its exaction of guarantees. The scheme seems too much like putting in a receiver upon the States, with regard to some of their financial undertakings.

Mr. HARPER. — That could be altered.

Mr. JOSEPH COOK. — I admit that these are only details, and I must confess that the more I look into the principles underlying the scheme submitted by the honorable member for Mernda, the more fully I concur in their soundness. But it is these details which make all the difference between an acceptable and an unacceptable scheme. I am afraid that my honorable friend's proposal would be satisfactory only if we could eliminate the prejudice and political feeling now existing between the Commonwealth and the various States.

Mr. HARPER. — Education will do much.

Mr. JOSEPH COOK. — The process of education is not so easy, particularly when the Commonwealth and the States are at arm's length. When we get closer to the States we may educate them much more readily than we are likely to do while our relations are, as at present, somewhat distant. My honorable friend's scheme seems to be an admirable one from the point of view of a bank or other large financial institution; but I am afraid that, in working out his details, he has not made sufficient allowance for political motives, which must always colour and enter into the consideration of these supremely difficult matters. There is a difference between a purely private concern and our system of government, as conducted under political conditions. I am afraid that the scheme submitted by the honorable member for Mernda is altogether too good to permit of its being at present acceptable to the States. In some of its details, it rises to heights of audacity. For instance, the honorable

member proposes that the States shall give us for nothing all the transferred properties.

Mr. HARPER.—I forgot to refer to that and one or two other points, but shall do so later on.

Mr. JOSEPH COOK.—I hope that the honorable member will. He not only asks that the States shall give us the transferred properties, but proposes that South Australia shall give us the Northern Territory.

Mr. HARPER.—It would be a very good thing if she did so.

Mr. JOSEPH COOK.—Then there is the suggestion of my honorable friend that we should construct the Transcontinental Railway, and guarantee its finances for twenty years.

Mr. HARPER.—For fifteen or twenty years.

Mr. JOSEPH COOK.—Does the honorable member think that there is any likelihood of Western Australia, at the end of fifteen or twenty years, taking over the financial obligations in respect of that line? She would regard it as an affront to be asked to do so.

Mr. FOWLER.—The honorable member for Mernda, as a level-headed business man, recognises that the line will be a great business success.

Mr. JOSEPH COOK.—I expected such a comment from a representative of Western Australia.

Mr. HARPER.—We should confer no favour on Western Australia.

Mr. JOSEPH COOK.—I am afraid these details will require to be more closely scrutinized before they will prove acceptable. The scheme is an able, large, and complete one, but the gravest difficulty will be experienced in inducing the States, at present, to accept it. The next best thing to do is to find some proposal which will fit the existing condition of affairs. The more I look into it, the more it appears to me that the monopolization of the London market, and the management by the Commonwealth alone of the London debt, would be a self-regulative proposal.

Mr. WATSON.—That could be done only by an amendment of the Constitution.

Mr. JOSEPH COOK.—I know that, and I think that that would be the least difficult object to achieve.

Mr. WATSON.—Hear, hear.

Mr. JOSEPH COOK.—The advantages which would at once begin to accrue would be so great that the remaining diffi-

culties would very speedily solve themselves. The moment that we can give the States a credit that is better than their own, that moment we shall have them seeking to obtain it, and they will be ready to propose terms for taking over of their debts, instead of waiting, as they are doing now, for the Commonwealth to take the lead. The honorable member for Kooyong put a very pertinent question to the Treasurer, when he asked this afternoon when he contemplated making a beginning. The Treasurer had no reply to make.

Sir JOHN FORREST.—I said that we would take action as soon as we could.

Mr. JOSEPH COOK.—That was a very safe answer to give; it carries us no further. In criticising that reply, I am not underrating the difficulties in the way. I know that they are very great, but there are reasons why this matter is urgent.

Sir JOHN FORREST.—Hear, hear; we recognise that.

Mr. JOSEPH COOK.—They were furnished to-day by the honorable member for Mernda when he referred to the debts that are maturing at a very early date. We have had this problem under consideration for six years. Various Treasurers have discussed it, and in view of the multitude of financial counsel which inheres in this Parliament, and out of it, we should have arrived by this time at a definite starting point. All that we get from the Treasurer is the statement in his Budget that his proposals are not final. He does not say that they are the best. It is time we decided upon some scheme which would furnish a starting point.

Sir JOHN FORREST.—I was quite definite in my statement, without being absolutely dogmatic.

Mr. JOSEPH COOK.—I hope that I am not doing the right honorable gentleman an injustice. He said that he did not regard his scheme as the final or the best one.

Sir JOHN FORREST.—I said that I believed in it.

Mr. JOSEPH COOK.—The right honorable member expressed his most emphatic belief in it. He told us, I think, that he had made up his mind, and that when he did so there was a tendency on the part of some people to regard him as an autocrat. If the right honorable gentleman has made up his mind as to

the soundness of his financial scheme, that is an additional reason why he should be able to tell the House when he proposes to take action, and what he proposes to do.

Sir JOHN FORREST.—I suppose that the honorable member will give me a day or two?

Mr. JOSEPH COOK.—So far as I am concerned, the right honorable member may have until after the general election. I entirely agree that the Board of Control which would have to manage the debts could not be appointed too soon. After all, these further proposals which have been formulated are simply amplifications of the proposals made some time ago in skeleton form by the honorable member for Kooyong. The sooner we have these commissioners the better. If they are to be the best financial experts that we can secure in the Commonwealth, surely we might even appoint them before we actually make our preparations in the way of legislation. Why could the Board not undertake a preliminary inquiry with a view to framing legislation, or suggesting lines on which legislation shall proceed? If we are to have the financial ability of experts placed unreservedly at our disposal, why not have it in the initiation of the scheme, as well as in its future working and operation? I see no reason why the appointment of experts should not be undertaken at once, so that their ability might be brought to bear on the consideration of the initiatory proposals which must precede the final accomplishment of such a scheme as this. In the meantime consolidation itself would mean a saving? It is said that consolidation is unnecessary; but I do not agree with that view. I think the mere consolidation of the debts, and the management of them by one authority alone, would tend to very great saving indeed in London. But the urgency arises from the fact that in the next five years 4 per cent. loans to the amount of £34,000,000 fall due. That, I submit, is a very serious outlook for the States. As Mr. Coghlan points out, if we converted this £34,000,000 into 3 per cents., there would be an immediate saving in interest of £273,000 a year.

Mr. HARPER. — The honorable member for Parramatta is quite right; there would be a saving, as he states, of £273,000 in a few years.

Sir JOHN FORREST.—What is the rate of interest now?

Mr. HARPER.—Nearly 4 per cent., and Mr. Coghlan says that that, capitalized, would pay £4,000,000 off in forty years.

Mr. JOSEPH COOK.—Then, again, in eleven years £78,000,000 fall due; so that this matter is just about as urgent as it possibly could be.

Mr. SKENE.—Does the honorable member mean an additional £78,000,000?

Mr. JOSEPH COOK.—The amount includes the £34,000,000. The question arises as to who is to benefit under proposals of this kind. If there is to be a saving of, say, a quarter of a million of money by a partial conversion scheme, who is to get the benefit? The Treasurer suggests that the saving should be handed over to the States. The honorable member for Mernda and Mr. Coghlan suggest that it would be much better and safer to make the debt redeem itself rather than to carry out the scheme contemplated by the Treasurer. It would be unfair, I think, to hand over any saving of the kind to the States.

Sir JOHN FORREST.—It would help the States very much, and my object was to give early relief.

Mr. JOSEPH COOK. — Of course it would, but in a direction in which the States are not entitled to be helped. Anything done with these savings ought to be in the nature of a redemptive scheme; and, as contemplated by the honorable member for Mernda and Mr. Coghlan, the debt ought to be made to redeem itself by means of the profits arising from the conversion. But I come back to my initial point that, precedent to all this, there should be the exclusive right continued to the Commonwealth in perpetuity to convert or to renew on the London market. Once the connexion between London and the States is cut, there ought to be no more going to London by the States except through the Commonwealth. Otherwise, the result would be disastrous to the Commonwealth credit. On this point I have already expressed myself in pretty strong terms, and I do so again, because I think that to permit the States of themselves to go to the London market would involve breaking the Commonwealth credit into "smithereens." I hope the Treasurer will understand that I am now merely stating points for criticism, because of the rest of the scheme I shall probably be found to approve. It is quite clear that there must be further temporary arrangements while

these financial proposals are maturing and operating. As I interjected when the honorable member for Mernda was speaking, if we could settle the debts problem satisfactorily the Braddon section would solve itself—there would be no further need for it. But during the transitional period, there is need for further consideration being given to the continuation or otherwise of what is known as the Braddon section. The honorable member for Mernda has already pointed out the defect, in this connexion, in the Treasurer's scheme; and, after all, it is a very serious defect. The Treasurer proposes the abolition of the Braddon section, and the substitution of a fixed amount on the basis of the yield for the five years preceding 1910. That is to be the minimum guarantee to the States—it is to be an invariable guarantee—and that is the trouble. If three-fourths of the revenue exceeds the guarantee, the Treasurer proposes to distribute it *per capita*; and, in my opinion, that would set up a troublesome system of bookkeeping to begin with.

Sir JOHN FORREST.—It would be very simple.

Mr. JOSEPH COOK.—It would not be so simple. We should have to deal with the States in two distinct relationships; we should have to distribute one part of the revenue on the basis of a fixed amount, and distribute another part on a *per capita* system.

Sir JOHN FORREST.—At the end of the year.

Mr. JOSEPH COOK.—That would lead to a great deal of unnecessary trouble and bookkeeping, and cause misunderstanding and friction.

Sir JOHN FORREST.—Not at all.

Mr. JOSEPH COOK.—And that is not the smallest trouble in connexion with the scheme. The great difficulty is that this has to be an invariable amount—an amount that does not vary with the conditions of the Commonwealth revenue, as such. There is every indication that the next five years are to be very good years—there is every reason to hope and believe this—but there is also every reason to fear that the succeeding five years may be lean years—and it is the lean years for which the Treasurer makes no provision in his scheme.

Sir JOHN FORREST.—I do not believe that those years will be so lean as the honorable member fears.

Mr. BAMFORD.—The Customs revenue increases in lean years, as has already been shown.

Mr. JOSEPH COOK.—I am afraid that that is not always the case. My right honorable friend guarantees the States that, however bad the seasons may be, they shall not suffer, so far as the Customs revenue is concerned. However good those years may be, they are to share in the benefit. "They shall share," my right honorable friend says, "but they shall not under any consideration suffer." We have to do the suffering. I point out, as the honorable member for Mernda did, that it is not merely a question of paying liberally to the States. This may prove to be in itself the very essence of an illiberal proposal. Even from the States' point of view, supposing we were left with £1,000,000 revenue instead of the £2,000,000 or £3,000,000 necessary to meet our requirements, what would happen?

Sir JOHN FORREST.—As far as I can judge, there is nothing to fear.

Mr. JOSEPH COOK.—I do not know what my right honorable friend means by going back. There may be, there must be, there always have been, very serious fluctuations in the revenue of every country.

Sir JOHN FORREST.—Our population will increase.

Mr. JOSEPH COOK.—I am afraid my right honorable friend does not appreciate the ebb of the financial tide as we do in those States which have had that bitter experience. My right honorable friend has been with the flowing tide. During the whole of his experience in Western Australia, that State has been progressing by leaps and bounds. Abnormality has characterized all its financial relations. On the other hand, we have had to contend with the ebb of the financial tide as well as with its flow. What has happened may readily happen again in Australia; and the trouble in connexion with my right honorable friend's scheme is that it contemplates continued booming prosperity, and makes no provision for years of stress and strain. Five years is not a period long enough for what my right honorable friend proposes to do. In striking an average, ten years would be a fairer period to take.

Sir JOHN FORREST.—I only say, "Say five years."

Mr. JOSEPH COOK.—If a fixed amount is to be paid, a ten years' period would be far better in which to ascertain

the rise and fall of the revenue, in a country which is likely to be affected by changing seasons and by drought, as well as, on the other hand, by prosperity. If there is to be a fixed payment, the longer the period on which the average is calculated the fairer to the States, as well as to the Commonwealth. The more I look into the matter the more I incline to the belief that if we could fix a *per capita* distribution on the basis of, say, a ten years' average, it would simplify all our arrangements infinitely, and the result would not be anything but what would be substantially fair as between the States and the Commonwealth.

Sir JOHN FORREST.—We might do that in 1920.

Mr. JOSEPH COOK.—I think we may do it in 1910.

Sir JOHN FORREST.—I considered that idea, but it was not satisfactory to me.

Mr. JOSEPH COOK.—We are constantly coming nearer to a *per capita* basis in our spendings and our revenue, in our earnings and in our general conditions; and I believe that by the time 1910 arrives we might get an average, extending, say, over ten years, and, on that basis, strike a *per capita* allowance for the States as a whole. I do not care whether it is made an allowance of 35s. per head, or whatever the amount is. Make it a fixed allowance for a fixed period, subject to revision at the end of that period; and then, I think, we shall have arrived at a much simpler arrangement than that contained in my right honorable friend's proposal.

Sir JOHN FORREST.—There is not much room for greater simplicity. My proposal is all contained in one paragraph.

Mr. JOSEPH COOK.—My right honorable friend's is a very simple proposal in that respect, but it is a very far-reaching one, and, as I think, very unfair to the Commonwealth. I am concerned to suggest a means which would be fair both to the Commonwealth and the States. I can see no fairer and simpler way of doing what we desire than to take a period of, say, ten years — it would give a better average than five years, in all probability, five prosperous years. If, on the basis of an average of ten years we struck a *per capita* allowance, we should have arrived at a much simpler and fairer arrangement than that contained in the Treasurer's proposal. The first step, as I think, to a better understanding between

the States and the Commonwealth, is to cut this knot—and it is largely a financial knot — by which we are tied up in our present irritating financial bonds and relationships. We must stop trenching on each other's domain, particularly in these matters of finance, before there will be a good understanding and general good feeling. There must be complete financial independence of the States on the one hand, and of the Commonwealth on the other. When that is attained, it will, I think, be the signal for a revival in the credit of both; and on this basis we may proceed to the consideration of those other matters which have to do with the building up of the financial credit of Australia, to enable it to stand the stress and strain of the future, leading us up and on to greater progress and prosperity. I hope that the honorable member for Mernda and the right honorable the Treasurer will not lose their grip of this financial problem until, between them—with any other help that may be forthcoming—they formulate a scheme which can be propounded definitely for dealing with this most urgent, far-reaching, and vital question. Speaking of the Budget as a whole, it indicates a period of great prosperity. My right honorable friend said that last year was the best year that we had had since we entered into Federation. Looking at both sides of this Budget—expenditure and revenue—it occurs to me that the revenues of the Commonwealth at the present moment furnish an unanswerable reply to the extreme protectionists of Australia on the one hand and to the Socialists on the other. They are a reply, also, I would say in passing, to the Treasurer's suggestion for increasing taxation, whether for ear-marking purposes or any other. I think that they likewise furnish unmistakable reasons against the proposal of my honorable friend, the member for Bland, in the direction of land taxation. The plain outstanding fact of the situation is that we have all that we need for our purposes at the present time.

Mr. JOHNSON.—The figures show that we have too much taxation already.

Mr. JOSEPH COOK.—I would not say that we have too much, but I do say that we have plenty. In determining whether we have too much or too little, my honorable friend must always remember the smaller States of the group, the financially weak links of the Federal

chain. We must give heed to their needs when discussing the question whether our revenue is too large or too small. But at any rate, the outstanding feature of the situation is that we have a booming revenue, booming trade, and a great commercial expansion. From time to time we have heard a great deal about the injured and strangled industries of Victoria. Here, it seems to me, is an answer to all these allegations. The figures of the Budget show that Victoria is advancing by leaps and bounds from every point of view, and from none so much as from the manufacturing point of view. That in itself is an unanswerable reply to all the statements made about her strangled and crippled industries. I admit that on the fiscal platform the note is constantly changing. Of late it has changed very rapidly. The other day the Prime Minister went to Sydney and told the people that all their prosperity was due to the Tariff, that all they wanted was "more Tariff, and still more prosperity." But when he returned to this State, and went on the fiscal platform, he brought in quite other considerations. The great outstanding argument for protection nowadays, particularly in Victoria, is derived not so much from the condition of things obtaining within the State as from the condition of things obtaining outside the State. In this respect the note is changing altogether. It must do so, because of the booming prosperity in manufacture which is seen in Victoria, perhaps more than in any other State, at the present time. So we find honorable members saying now "We want more protection, for the purpose of peopling Australia, making ourselves self-dependent in case of war," and pointing to the international menaces and perils from outside, both racial and military, as reasons for further interference with the fiscal conditions of the Commonwealth. The Budget shows that manufacturing development is not fettered or hindered; but that on the other hand, in spite of what is called a low Tariff, it is going ahead by leaps and bounds. Some of the figures presented by the Treasurer read more like a story in the *Arabian Nights* than a confirmation of that terrible tale of woe which we constantly hear from some of the platforms of the country in fiscal controversy. Taken from any stand-point, the figures denote the throb of those gigantic natural forces which are making Australia great, in spite of all the gloomy vaticinations of the Socialists on

the one side, and of the pessimistic statements of the protectionists on the other. From the protectionist, in some quarters, we hear nothing but tales of woe and disaster; but as Macaulay said concerning England at one time, "We see nothing but prosperity and progress on every hand." Listening to the recital of these interesting facts by the Treasurer, it would seem as though the blue skies of Australia laughed in derision at those persons who are making such a fuss about nothing to-day, and for purely political purposes. I can conceive of nothing which, in my judgment, will tend so much to dissipate the pessimism of the moment as will this Budget. In the financial columns of the *Sydney Morning Herald*, the other day, I read an article on the value of hope and enthusiasm as a commercial factor. There is no gainsaying the fact that the pessimistic, gloomy business man is one who very soon will find himself upon financial rocks. All those honorable members who have had to do with large business operations know the value of hope, springing "eternal in the human breast," when they are beset with temporary difficulties. I can conceive of nothing so calculated to stimulate the hopes, and to dissipate the pessimism of Australians, as will this Budget. I hope I may be forgiven for saying that all this booming prosperity must not be attributed to the Government policy.

Sir JOHN FORREST.—I did not say that.

Mr. JOSEPH COOK.—I am only speaking *apropos* of the statement made by the Treasurer's leader in Sydney, that the policy of the Government had led to this prosperity. That was a ridiculous, and, of course, incorrect, statement to make.

Sir JOHN FORREST.—Governments always take credit for anything that is good.

Mr. JOSEPH COOK.—We are all, including the Government, unconscious instruments of large natural forces, which, luckily for the country, operate in spite of all Governments. They, of course, cannot be facilitated or hindered by anything that we may do. It occurs to me that the magnificent tale of steadily advancing prosperity is the best argument which we can offer to those who would upset our social order, and set up a new one in its place. Looking at the operation of these gigantic forces, making as they are for the prosperity and solidity of the State, one wonders why people should desire to put themselves in the grip

of the steel casing of repressive Socialism, and so strike a blow at their present prosperity. The great lesson of the Budget is a lesson of individuality, of freedom to take advantage of the throb of these great forces, guiding and moulding them for individual ends, always seeking, of course, in its broadest aspect the prosperity of the country as a whole. In a period of prosperity like the present, the usual temptations follow. My honorable friend was absolutely accurate when he said that his experience was that the more a man has the more he spends. That is the experience of nations as well as of individuals, and I am afraid that the Budget furnishes evidence of that.

Sir JOHN FORREST.—I have left a good balance—£311,228, I think.

Mr. JOSEPH COOK.—The Commonwealth is enjoying an era of prosperity, and the policy of the Budget is to let fly and make things hum merrily. And in consequence, we have, what I think I shall be pretty safe in describing as nothing more nor less than an electioneering Budget.

Sir JOHN FORREST.—Not at all.

Mr. AUSTIN CHAPMAN.—Do not say that.

Mr. JOSEPH COOK.—Let us take a brief glance at the revenue returns for last year. We are told by the Treasurer that the receipts amounted to £11,879,000, there being an increase of £199,000 in the amount raised from Customs duties. That increase may seem a large one, but it is really small in proportion to the increase in population. The figures have been aluded to as an indication that the rates of duty are too low, and that, consequently, our importations are too high; but, in reality, the increase is a normal one for a time of prosperity such as we are now passing through, having regard to the increase which has taken place in the population. The returns of the Post and Telegraph Department are a better index to the prosperity of a free country than any other revenue returns, and ours unmistakably point to the existence of booming times. Last year the receipts from duties of Customs and Excise exceeded £9,000,000, but I venture to say that, when Federation was first accomplished, it was not thought that those figures would be so soon reached.

Mr. WATSON.—They were exceeded in 1902-3, the year of the drought.

Mr. JOSEPH COOK.—That was because of abnormal conditions. There has been nothing exceptional to inflate the revenue of last year. It is instructive to note that the large increases have taken place in New South Wales, where they amount to £200,000, and in Queensland, where they amount to £87,000. Those States naturally import more than do the other States, because their exportations are larger, since they rely greatly upon primary production. In Victoria the increase is only £48,000, and in South Australia only £9,000, while in Tasmania there was a decrease. The inference which cannot be escaped is that a Tariff facilitating exchange with the markets of the world is the best for a young country like Australia. Where there is an abundance of virgin country, and few hands to till it, there must be a great surplus for export, and the more facilities given for the exchange of our surplus products in the markets of the world, the more nearly is an ideal condition of things for our people brought about. To fasten upon a particular State, and argue from its conditions that our Customs duties should be materially and radically altered, is to take a one-sided view of a very big and complex question. The figures I have given freely indicate what is the right policy for Australia as a whole, and make it apparent that we should not fetter or hinder the exchange of our natural products in the markets of the world. It is estimated that next year the increase in our revenue will amount to only £90,000, or $\frac{1}{2}$ per cent.—a very small increase. The receipts from Customs duties are likely to be larger by £115,000 than those of the financial year just concluded; but the introduction of penny postage and other proposed expenditure will bring down the total increase to only about $\frac{1}{4}$ per cent. In this connexion it is worth while to consider the effect of Federation upon the revenue of the States. New South Wales has had a roaring, roustering, time ever since Federation was inaugurated, but some of the other States have had to suffer stress and strain. For instance, the Treasury of New South Wales has received from the Commonwealth £7,500,000 more than it would have received had there been no Federation. The Victorian Treasury has also received a slight surplus; but the Queensland Treasury has lost, in the aggregate, £2,600,000.

Mr. WILKINSON.—Yet Queensland is the most solvent State in the Commonwealth.

Mr. JOSEPH COOK.—I do not think that there is any doubt about the solvency of Queensland; but the Premier of the State complained very much at the recent Conference of the manner in which its finances have suffered because of Federation.

Mr. WILKINSON.—We have paid our debts, and are going on all right.

Mr. JOSEPH COOK.—The falling off of revenue has caused a great deal of trouble and inconvenience. The Tasmanian Treasury has also suffered heavily, it being estimated that by the end of the next financial year its losses will have amounted to £1,000,000. These figures have an important bearing upon the proposal to establish penny postage. In considering proposals for increased expenditure we must bear in mind the position of the States which are weak financially.

Mr. WILKINSON.—Is the honorable member in despair about Queensland?

Mr. JOSEPH COOK.—I am not in despair about any State. There is no need for despair. But there is reason for the exercise of caution and prudence. The finances of Tasmania have been entirely dislocated by the Federal Tariff. I have been told that her direct taxation amounts to-day to 24s. 3d. per head. If New South Wales imposed direct taxation at the same rate, she would be raising £1,800,000 from direct taxation, while Victoria under the same conditions would be raising more than £1,500,000. A State which has to resort to direct taxation at that rate is in a very serious financial position.

Mr. WATSON.—Which is largely due to unproductive loan expenditure.

Mr. JOSEPH COOK.—Does it help us to be told that?

Mr. WATSON.—It shows the unwisdom of borrowing.

Mr. JOSEPH COOK.—And the unwisdom of proposing a land tax of 4d. and 6d., as the honorable member has done.

Mr. WATSON.—Many of the Tasmanians themselves say that the best thing that could happen to the State would be the imposition of a land tax.

Mr. JOSEPH COOK.—No doubt the honorable member thinks so; but I differ from him. In my opinion, seeing that the direct taxation of the State provides 60 per cent. of its total local revenue, the time is not opportune to propose to increase it. The proposal of the honorable member and his party has neither

justification nor principle to recommend it. It has no justification so far as financial considerations are concerned, and no principle from an economic point of view. I make these remarks merely in passing. The financial position of Tasmania requires all the sympathy that we can give. The people of that State are shouldering in a manly and heroic fashion the burdens which have been imposed on them by Federation. Turning to the expenditure side of the balance-sheet, I should like, in the first place, to refer to what I consider the misleading statements of the Treasurer and the Postmaster-General.

Sir JOHN FORREST.—Not intentionally misleading.

Mr. JOSEPH COOK.—Of course not. The Treasurer, for instance, mentioned the fact that last year we gave the States £829,925 over and above the three-fourths of the Customs and Excise revenue to which they are entitled under the Constitution.

Sir JOHN FORREST.—That is right.

Mr. JOSEPH COOK.—But the Treasurer put it in this way—

We returned to the States £829,925 more than was constitutionally obligatory.

That is a very misleading way of putting it. We are constitutionally obliged to return to the States every penny that we can. The obligation rests upon us to return every penny above the three-fourths limit, as well as every penny under it.

Sir JOHN FORREST.—The Constitution merely provides that the Commonwealth shall not spend more than one-fourth of the total Customs and Excise revenue.

Mr. JOSEPH COOK.—Exactly; and we are obliged to return to the States all we can over and above the three-fourths to which they are entitled.

Sir JOHN FORREST.—Not if we spend it ourselves.

Mr. JOSEPH COOK.—I am objecting to the way in which the Treasurer has put the matter. The Postmaster-General falls into the same mistake. The Treasurer is assuming an attitude of great generosity towards the States, because the Commonwealth is not spending the full amount of one-fourth of the Customs and Excise revenue. That, however, is not what is intended by the Constitution, which requires that we shall give back to the States all the revenue that we can possibly spare, but that, in

any case, we shall not spend more than one-fourth of the total amount. Therefore, the constitutional obligation extends below the limit as much as above it.

Sir JOHN FORREST. — That means nothing.

Mr. JOSEPH COOK. — We shall see whether it means nothing when we consider the manner in which the Treasurer has distributed this amount. He goes on to say—

In other words, if we had spent that sum of £829,925 which we had a right to do under the Constitution, the States would have received that much less from the Commonwealth.

I say that we had no right to spend it at all for the mere purpose of spending it.

Sir JOHN FORREST. — I did not mean that.

Mr. JOSEPH COOK. — I am not so sure that the Treasurer did not mean it. He went on to say—

I only mention this to show that the facts do not bear out those charges of recklessness and carelessness which are often levelled against this Parliament by ill-informed people who criticise us. If this House wanted to get kudos for itself by spending as much as it could throughout the different States, thereby gaining to some extent the approbation of the people, we could have spent very much more than we did. But, instead of so doing, we have handed over to the States an immense sum during the past 6½ years, allowing the States Governments to spend the money, and thereby to gain any kudos that might be attached to the expenditure.

Mr. JOSEPH COOK. — We could not help ourselves.

Sir JOHN FORREST. — I beg the honorable member's pardon; we could easily have spent the money ourselves.

We could easily have wasted it ourselves.

Sir JOHN FORREST. — We have been very economical.

Mr. JOSEPH COOK. — Does the Treasurer suggest that we could have reasonably spent the high sum that we have handed to the States? We have no right to spend any money except economically, and, therefore, it is totally misleading for the Treasurer to assume an attitude of extreme generosity to the States because, after spending all that ought reasonably to be spent, he gives back to them more than three-fourths of the Customs and Excise revenue to which they are entitled.

Sir JOHN FORREST. — I was merely defending the Commonwealth against the charges of extravagance that had been preferred.

Mr. JOSEPH COOK. — I do not know that it will help us to overstate our case.

Sir JOHN FORREST. — I hope I did not overstate the case.

Mr. JOSEPH COOK. — I should like to remind the Treasurer that when he speaks of this £829,925 as having been returned to the States, he does not take into account the fact that we are occupying certain buildings for which we pay no rent. A great proportion of this £829,925 should be passed over to the States as rent for buildings which they have handed over to us, and which we are now occupying.

Mr. BAMFORD. — If the money returned to the States in excess of three-fourths of Customs and Excise revenue had been devoted to paying for the transferred properties, it would have been good business.

Sir JOHN FORREST. — Yes, suppose that we had done that?

Mr. JOSEPH COOK. — We should have had no right to do such a thing.

Sir JOHN FORREST. — How shall we pay for the transferred properties except out of our one-fourth of the Customs and Excise revenue?

Mr. JOSEPH COOK. — The right honorable gentleman's leader proposes to pay for the transferred properties by wiping out the debt incurred in respect to them.

Mr. DEAKIN. — When you pay a debt you wipe it out.

Mr. JOSEPH COOK. — Yes, but the Prime Minister does not propose that any money shall pass. He expects the transferred properties to buy themselves out. That is no doubt a very easy solution of the difficulty, but I am afraid that it will not prove satisfactory. The Treasurer thinks that in view of the generous attitude that the Commonwealth has taken up in regard to the States, he is justified in proposing to spend £525,000 more than last year. This is an increase of 12 per cent. over the previous year, whilst our revenue shows an increase of only ½ per cent. I say that in view of this proposal, a charge of audacity and recklessness might be fairly levelled against the Treasurer. All the defence he puts forward for this huge outlay is that "We are well within our constitutional rights." I say that we have no constitutional rights to spend money unless we lay it out economically, wisely, and well.

Sir JOHN FORREST. — We claim that we are doing so.

Mr. JOSEPH COOK. — That is the whole question. To begin with, I doubt the morality of our spending money in the way proposed by the Treasurer, whilst we are acting as the agents of the States. It

must be remembered that, in a financial sense, the States, as I have already said, are our principals whilst the bookkeeping period lasts.

Sir JOHN FORREST.—We are spending the money in the interests of the people.

Mr. JOSEPH COOK.—That would be all very well if we had a common fund.

Mr. DEAKIN.—Who gets the benefit of the expenditure?—the same people.

Mr. JOSEPH COOK.—No doubt it is the same people, but they stand in an entirely different relationship to the Commonwealth and the States respectively. I admit that the present arrangement is only a temporary one, but while it lasts, it should be observed. I doubt whether the Treasurer is observing it in proposing before the bookkeeping period is brought to an end to make use of the money in the manner contemplated. However, the smaller States are more concerned than are the larger ones. New South Wales and Victoria can afford to put up with the consequences, but I doubt whether the smaller States will be in the same happy position. The Treasurer proposes to return to the States during the current year only £311,000, and I say that in so doing he is deliberately overstepping the limit fixed by the Constitution. I refer, of course, to our liability in connexion with the transferred properties. At the very lowest estimate, an amount in excess of the £311,000 would be required by the Commonwealth to meet a fair interest charge in regard to the transferred properties.

Sir JOHN FORREST.—That would be robbing Peter to pay Paul.

Mr. JOSEPH COOK.—What would the Treasurer do in any and every relation that the Commonwealth holds to the States? He must see that there are spheres to which the States and the Commonwealth respectively are limited under the Constitution. Within these spheres, the same public stand in different relationships to the Commonwealth and the States respectively. There is no use in saying that we shall be "robbing Peter to pay Paul." We have taken over the States' property, in respect to which no payment has yet passed. We are not charging ourselves with the interest as we should do. If we had to meet the interest charges, instead of leaving the States to do so, we should be deliberately overstepping the line which is clearly marked out for us in

the Constitution as that beyond which we must not go. If we wanted a lesson in how not to do things, we could not do better than refer to our dealings with the transferred properties up to date. After six years' experience of Federation, we have formulated no scheme for taking over those properties, and yet we are discussing schemes for taking over States debts aggregating £233,000,000. After the lapse of six years we seem to be no nearer the formulation of a practicable scheme for taking over the transferred properties than we were originally. My honorable friend rightly says that new obligations are fast approaching, that new taxation will probably be rendered necessary, and that, therefore, the sooner we straighten out the financial relations between the Commonwealth and the States the better.

Sir JOHN FORREST.—Where does he say anything about new taxation?

Mr. JOSEPH COOK.—In connexion with his proposal to ear-mark the fund for the redemption of our indebtedness. Now I come to another little figment which is contained in every Treasurer's Budget—the figment relating to the cost of Federation. The Treasurer tells us in a cock-a-whoop style that Federation to-day is costing only one shilling and sixpence a head. We have not nearly reached the cost of keeping the dog yet, and I am afraid that we never shall if we continue to adopt the clever method of covering up the legitimate expenses of the Commonwealth which is constantly resorted to by succeeding Treasurers. In saying this, I am not accusing the present Treasurer of having done anything which has not been done by preceding Treasurers. We have the same sort of table presented in each Budget, and every Treasurer tells us that Federation is costing so much per head. Of course, they take care to deduct from the expenditure upon which that amount is based, the cost which has been incurred in consequence of Federation. For instance, they say that the cost of the sugar bounties must be excluded from the calculation. I apprehend that we should never have had to pay those bounties if we had not entered into Federation. Similarly, we should never have been burdened with the cost of administering New Guinea if the States had not federated.

Mr. BAMFORD.—Some of the States had to bear that cost before Federation.

Mr. JOSEPH COOK.—We should never have had to provide for the repatriation of

kanakas, which, next year, will absorb £25,000, nor should we have been faced with the huge expenditure for new works which will come out of our revenue next year. These items of expenditure have to be eliminated from the amount that is regarded as "new" expenditure before it can be reduced to the dimensions set down by the Treasurer. I hold that that is a misleading way of putting the matter, and the sooner this little bit of cant is obliterated from the Treasurer's Budget the better will it be for all concerned. The cost of Federation is that which has been incurred because of Federation, and which would not have been incurred but for Federation. That is the only test which ought to be applied to the question of what constitutes Federal expenditure. When we come to discuss what Federation has cost, we ought to consider the question from the stand-point of the taxpayers. Both the Prime Minister and the Treasurer have told us that the taxpayers of the States and the Commonwealth are the same persons. Applying that argument to the cost of Federation, what is the position? The cost of Federation seems to me to be the difference between the total cost of governing Australia before we entered into the Federal bond and its cost to-day.

Mr. WEBSTER.—What about the increase of population?

Mr. JOSEPH COOK.—I will deal with that point presently. To-day, the cost of governing Australia—State and Federal—is 20 per cent. more than it was when we entered into the Union. A year ago it was £33,500,000, whereas its cost when we entered into Federation was only £28,000,000.

Mr. WATSON.—What does the honorable member count as "cost"? Does he eliminate payment for services rendered?

Mr. JOSEPH COOK.—I include everything.

Mr. WATSON.—Does the honorable member exclude payments on account of the services rendered?

Mr. JOSEPH COOK.—No.

Mr. WATSON.—Then the test is not a fair one.

Mr. JOSEPH COOK.—It is fair for the purposes of comparison as between the two periods.

Mr. WATSON.—It may or may not be. There may be more services rendered to-day.

Mr. JOSEPH COOK.—There are more services in that some of the services have been duplicated, but the honorable member should recollect that the same persons have to pay for that duplication.

Mr. WATSON.—There may be additional services of different classes.

Mr. JOSEPH COOK.—But the same taxpayer has to provide the funds. There has been an increase in our population during the period in question of $8\frac{1}{2}$ per cent.

Mr. WATSON.—The Post Office to-day spends a little more than it did a few years ago, but it also receives much more on account of the services rendered.

Mr. JOSEPH COOK.—I am dealing with the total cost of government. I am not altering the basis of the computation in any way, and I am not bringing in any extraneous matter. I simply say that the cost of governing the whole of the States when we entered into Federation was £28,000,000, whereas it is to-day nearly £34,000,000. In other words, there has been an increase in our expenditure of 20 per cent., and an increase in our population of only $8\frac{1}{2}$ per cent. If we could point to an increase of population corresponding with the increase in our expenditure, the position would not be so bad, although, as a matter of fact, any increase of population ought to mean a decrease in the cost of government.

Mr. WEBSTER.—Is not the increased cost of government due to extravagance on the part of the States?

Mr. JOSEPH COOK.—That does not matter. I am merely pointing out that the same taxpayers have to pay the increased cost. It does not matter whether the States are extravagant or not. The total cost of Federation is the cost by which the government of Australia as a whole has increased, between the period when Federation was accomplished and the present time. The figures show an alarming rate of increase in our expenditure—an increase of 20 per cent.—as against an increase of $8\frac{1}{2}$ per cent. in our population. That increase, I think, is due to the financial relations which exist between the Commonwealth and the States. The latter are receiving the moneys which we raise. They have no obligation to raise them for themselves. Theirs is the privilege of spending them. No doubt a great deal of their expenditure is upon a very lavish scale, so that the statement of the honorable member for Gwydir is quite right, so far as

some of the States are concerned. There is no doubt that the States Governments spend money freely and make themselves popular by so doing. But the people have to pay. So much for the result in figures of the cost of governing Australia as a whole.

Sitting suspended from 6.30 to 7.30 p.m.

Mr. JOSEPH COOK. — I think we ought to have a quorum. [*Quorum formed.*] The cost of governing Australia when the Federation was established amounted to £28,000,000; to-day it is £33,500,000.

Mr. HIGGINS.—What proportion of that increase is due to Federation?

Mr. JOSEPH COOK.—I am not dealing with that point just now, nor am I offering these observations in criticism of any action taken by the Government or the Parliament of the Commonwealth. I am pointing out to the people of Australia, who have to foot the bill, that Federation, at any rate, has resulted in no economies, either in the State or Federal arena.

Mr. HIGGINS.—I said nothing about the Government; all that I asked was what proportion of the increased cost was due to Federation?

Mr. JOSEPH COOK.—I am not prepared to say what is the proportion. I am simply pointing out that there is an increased cost, and that the same people have to meet it. For the taxpayers—apart from their State and Federal relations—this is a very ugly fact to face.

Mr. FISHER.—Do the honorable member's figures include the cost of railway management?

Mr. JOSEPH COOK.—They include everything.

Mr. FISHER.—The railways are a trading concern, and their cost might be increased by £10,000,000 without the cost to the people being increased by one penny.

Mr. JOSEPH COOK.—I am not referring to that point. I am simply grouping the estimates of the States at the time that Federation was established and those of to-day.

Mr. MAUGER.—The inference that the cost of governing Australia would not have increased had there been no Federation is purely hypothetical.

Mr. JOSEPH COOK. — There would have been a natural increase, due, if to nothing else, to the increase in population. Whilst the increase in our population since Federation amounts to only $8\frac{1}{2}$ per cent.,

the cost of governing our people has been increased by $20\frac{1}{2}$ per cent. That is an important and an ugly fact to face.

Mr. WILKS.—We were promised that, with Federation, economies would be effected.

Mr. MAUGER.—But we cannot force the States to economize.

Mr. POYNTON.—The honorable member's figures do not prove anything so far as this Parliament is concerned.

Mr. JOSEPH COOK.—Not so far as we are concerned; but they prove that the people have to pay more.

Mr. POYNTON.—They do not prove that there is any greater burden on the people.

Mr. JOSEPH COOK. — The strong probability, amounting, in my judgment, to absolute proof, is that there is a greater burden.

Mr. ISAACS.—Money may have been expended on reproductive works.

Mr. JOSEPH COOK.—I am speaking of revenue, not of loan expenditure. The borrowings of Australia have no doubt increased in due proportion. But the main outstanding feature of our Federal relations to-day is that we are duplicating functions, and not substituting Federal for State functions. That appears to be the trouble. I am not blaming the Federal system for this state of affairs; but it is time that the taxpayers took the matter in hand, and said that, if certain things are to be done by the Federation, there ought to be a corresponding saving in the cost of the government of the States. In some way or other they ought to relieve themselves of the burden of double government which is pressing upon them so severely, as these figures appear to show. There is another matter to which I propose to make brief reference. The Prime Minister has told us of the careful way in which we are husbanding the one-fourth of Customs and Excise revenue that we are entitled to spend. I think it was Mr. Peake, Treasurer of South Australia, who, during the late Conference of Premiers, said that a careful analysis of the Constitution showed that we had taken over from the States $12\frac{1}{2}$ per cent. in value of the functions which they previously performed for themselves. If that is so, and if, in order to finance that $12\frac{1}{2}$ per cent., we have a revenue amounting to 25 per cent. of the revenues of the whole, it seems to me we are not so badly off in the Federal arena. I admit that this is only a rule-of-thumb

method to apply to such a very important matter; but that was the view propounded by Mr. Feake at the Premiers' Conference in Sydney.

Mr. FISHER.—Hear, hear! Comparing two different things.

Mr. JOSEPH COOK.—It is all very well for the honorable member to pooh-pooh these statements; but we find responsible Treasurers bringing these matters forward for serious discussion. It does not help us to assume that everything we do in a governmental way is necessarily perfect and economical, and that everything that is not economical and is imperfect is confined to the States.

Mr. FISHER. — The honorable member will not father reasoning like that.

Mr. JOSEPH COOK.—I take all this as indicating the feeling of the States towards Federation in our financial relationship. After all, this question of finance perpetually colours the whole relationship, and ramifies into every nook and cranny of both Federal and State government. It is the one disturbing feature of the whole situation; and it shows the pressing urgency to cut the financial relationship, and make each independent of the other, so far as that can be done by any scheme of human contrivance. As I have said, this is an electioneering Budget, and here are some of the items set forth by the Treasurer. I mention these items because this is a Budget delivered on the eve of an appeal to the people. For bounties it is proposed to provide £500,000.

Sir JOHN FORREST.—The bounties were announced before the Budget.

Mr. JOSEPH COOK.—And they are also mentioned in the Budget; indeed, they are a great feature in the Budget.

Sir JOHN FORREST.—I do not think so.

Mr. JOSEPH COOK.—The Treasurer said more than once in his Budget speech that the Government proposed to encourage industries in every shape and form. Amongst the political favours to be distributed by the Government on the eve of an election are £500,000 for bounties, £209,000 for post offices; and £12,500 for Tasmania. I have no quarrel with the last item; the least we can do for that small necessitous State is to make her a present of the kind.

Mr. ISAACS.—It is not a present; it is what Tasmania is entitled to.

Mr. JOSEPH COOK.—Shall we say that it is something we have withheld previously from Tasmania?

Sir JOHN FORREST.—We have had this expenditure before us for a year.

Mr. JOSEPH COOK. — The Budget goes on to provide £1,000 to send a team to Bisley; £8,000 for a trawler; and for lighthouses, I suppose, about £100,000, or £10,000 to £15,000 each, when all are built. The increase in new works expenditure is £160,000; and so the list goes on. As to the purchase of a trawler, I am prepared to say that this is a justifiable expense.

Mr. KELLY.—Where is it going to trawl?

Mr. JOSEPH COOK.—I do not know, but I should certainly say, seeing that this is a proposal by the Treasurer, that the trawler will be used in the waters of the Western Australian coast. In the fitness of things, the trawler ought to be used in those waters; and, if more be caught than fish, so much the better. The more one looks at the Budget the more one finds that it is an electioneering Budget. There would not be so much to take exception to, if it were not for the fact that the Budget shows, in my judgment, an unjustifiable increase on last year's expenditure, while showing, at the same time, a very small increase on the revenue side of the ledger. That brings me to the question of penny postage. The Postmaster-General has issued a memorandum of very great interest; and I propose to make some observations, in order to show how deftly the whole matter has been wrought and how the honorable gentleman has skipped over certain factors which would have made his calculation look very different in regard to the question whether penny postage is the great success he claims for it in other parts of the world. Of course, one can appreciate the Postmaster-General's first reason, that the adoption of penny postage would be an outward and visible sign of Australian Union. But when it comes to paying taxes, we are not so much concerned for outward and visible signs as we are for inward and spiritual grace; and I am afraid there is not much financial grace, so far as the small States are concerned, in a proposal of this kind. We are told that our postal conditions in this connexion are a standing illustration of the incompleteness of Federation. But we should, I think, be very happy if that were the only indication of an incomplete Federation at the present time. The Postmaster-General, in his memorandum, goes

on to deal with some of the objections which are urged against the principle of penny postage as he has heard those objections from time to time in Australia. The first objection is the loss of revenue involved, and the second is the fact that the expenditure of the Post and Telegraph Department has each year exceeded its revenue, and that, therefore, to incur any serious loss would be inadvisable. The Postmaster-General deals with the first objection in a very easy way, by declaring that the experience of countries which have adopted the penny rate, shows that the idea that there is a loss of revenue involved is fallacious, seeing that an increase in the amount of correspondence immediately commences, and, in a short time, restores the equilibrium. But has that been the case in Victoria? Later on, the figures of the Postmaster-General show that that result has not followed in the State I have mentioned.

Mr. AUSTIN CHAPMAN.—The revenue in Victoria is now higher than it was when penny postage was established.

Mr. JOSEPH COOK.—I should like to ask the Postmaster-General what the expenditure is in Victoria to-day as compared with the period to which he refers?

Mr. AUSTIN CHAPMAN.—Let the honorable member take the case of New Zealand, in regard to which we have exact figures.

Mr. JOSEPH COOK.—I should like, in passing, to ask the Postmaster-General whether the view expressed in his memorandum is departmental, or whether it is his own personal view? If the honorable gentleman were able to assure us that the Department believes the loss of revenue to be a matter of no concern, I should attach the greatest possible weight to that view; but I am not prepared to accept his individual opinion.

Mr. AUSTIN CHAPMAN.—What does the honorable member mean by "departmental view"?

Mr. JOSEPH COOK.—I mean the view of the officers of the Department. Is the comment in the memorandum that of the officers of the Department, or that of the Postmaster-General himself?

Sir JOHN FORREST.—Departments are naturally very conservative.

Mr. JOSEPH COOK.—And very often with abundant justification, particularly in matters of Estimates.

Sir JOHN FORREST.—We expect an old Postmaster-General to support penny postage.

Mr. JOSEPH COOK.—I do not say that I am not going to support penny postage. I am concerned with putting the matter straightforwardly and clearly before the people of this country, and I do not think that that has been done in this memorandum. Reference is made in it to foreign countries which have adopted a penny postage rate. We are told that penny postage prevails in the United Kingdom. But the Postmaster-General does not tell us that when it was adopted there the United Kingdom had a population of 17,000,000. Nor does he tell us that in the United Kingdom the cost of distributing the mails is a mere fleabite compared with the cost in a continent like Australia. In the United Kingdom the utmost distance to be covered is only 400 miles. Here we have 3,000 miles over which to distribute our mails. Our expense *per capita* is, therefore, much in excess of the expense in the United Kingdom. I point to those facts as worthy of consideration—that in the United Kingdom there was a population of 17,000,000 when the penny postage rate was adopted, and that there the mails have to be distributed over a country whose greatest distance is 400 miles, whilst here we have 3,000 miles to cover. In the case of France, which is the latest country that has adopted penny postage, we have a country with a population of 40,000,000. France does not furnish a parallel with this country either in respect of population or financial resources.

Mr. AUSTIN CHAPMAN.—We shall have to turn up some of the honorable member's old speeches on this subject!

Mr. JOSEPH COOK.—That cheap, empty claptrap will not deter me from what I am going to say, nor will the honorable member's ugly looks. I am appalled when I look at him.

Mr. AUSTIN CHAPMAN.—The honorable member should not ask a question, and then be angry when he gets an answer.

Mr. JOSEPH COOK.—I am not asking a question. When I did ask one the Postmaster-General declined to answer. His memorandum goes on to say—

Our experience of cheap uniform telegraph rates has been altogether satisfactory.

I should like to see proof of that. My experience and my knowledge, so far as they go, show me that we have suffered a great loss in cutting down telegraph rates

in Australia. If the honorable member has proof of his statement, we shall be willing to hear it; but he might have given us the figures in his memorandum. He also refers to Canada, and says that at the time when penny postage was adopted, in 1900, the population was practically the same as our own. That is not a fact. The population of Canada was very much greater than our own is.

Mr. AUSTIN CHAPMAN. — Very little greater.

Mr. JOSEPH COOK. — At least 25 per cent. more; I should say 40 per cent. more at that time.

Mr. AUSTIN CHAPMAN. — Nonsense!

Mr. JOSEPH COOK. — Facts prove what I say.

Mr. AUSTIN CHAPMAN. — Has the population of Canada ever reached 5,000,000?

Mr. JOSEPH COOK. — Yes; and the honorable member should know it. With regard to Canada, here is one fact which illustrates the effect of this proposal, and which shows that it offers no parallel to our case. In Canada to-day, with her penny postage, and her largely increasing population, it is a fact stated by the Postmaster-General himself that the total annual revenue of the Canadian Post Office is only £1,053,000, whereas our revenue reaches nearly £3,000,000. These figures show that the Post Office in Canada and our own have nothing in common. What the Postmaster-General does not tell us about Canada, either, is that the Canadian telegraphs and telephones are privately owned. I have not been able to obtain the exact figures. Here I should like to remark that I think that my honorable friend would do well if he would see about issuing a *Post Office Year Book*. The Post Office has been six years under Federal control, and yet no report has been presented to Parliament. The Post and Telegraph Departments of the individual States used to present reports to the States Parliament every year, but since the Department has been under Federal control it has not yet been able to rake up a report to present to this Parliament.

Mr. AUSTIN CHAPMAN. — If I am left in the Department a little longer there will be a report, but the honorable member should not blame me for the faults of my predecessors.

Mr. JOSEPH COOK. — I am not blaming the honorable gentleman, but I am point-

ing out where a great improvement can be made. I do not see why we cannot have a report presented to Parliament, just as reports used to be presented to the States Parliaments. At present we are in the dark in addressing ourselves to this subject. We have no statistics with which to make comparisons. We have no information to act upon. Turning back to Canada, the information which I have been able to obtain shows the following to be the case with regard to Canadian telegraphs. The statement is made to me by a commercial man in this city. Mr. Ross, the agent of the Canadian Government, could not inform me what the rates were when I asked him. He has been so long away from the country that he could not state the figures without looking up Canadian Acts of Parliament. But the gentleman to whom I refer informs me that in Canada, within each province, the rate for telegrams is 25 cents for ten words, and 5 cents for each additional word.

Mr. WATSON. — That is 2½d. for each additional word.

Mr. JOSEPH COOK. — It is 2½d. for each additional word, and 12½d. for ten words.

Mr. AUSTIN CHAPMAN. — That is under private ownership.

Mr. JOSEPH COOK. — That is what I am pointing out.

Mr. FISHER. — I think addresses are allowed to be telegraphed without charge.

Mr. JOSEPH COOK. — I do not know. What I have quoted is the within-province rate. The inter-province rate is 30 cents for ten words; and my informant is not quite sure whether the cost per extra word is 5 or 10 cents. These are facts which ought to be considered.

Mr. WATSON. — Good old private enterprise!

Mr. JOSEPH COOK. — No doubt that is due to private monopoly, and shows the necessity of resuming a matter of that kind, and working it as a State monopoly instead of a private monopoly.

Mr. WATSON. — Hear, hear!

Mr. JOSEPH COOK. — But my honorable friend will understand that that is not Socialism.

Mr. FISHER. — The explanation is necessary.

Mr. JOSEPH COOK. — It is not necessary. I know that that is a little thing that honorable members opposite are constantly regaling the populace

with when they are discussing their own form of Socialism, which, however, is a different matter. We say that things that are inherently and necessarily monopolies should be under the control of the State. Only in that way can they be conducted with satisfaction to the people as a whole.

Mr. WATSON.—That is what we want. We will take that.

Mr. JOSEPH COOK.—The honorable member will take that, but our quarrel with him and his friends is that they will not stop at that. If they did there would be no trouble. But the fact that Canada only gets £1,053,000 per annum from the Post Office, as against £3,000,000 which we derive from our own Department, with a very much smaller population—smaller by 50 per cent.—shows—I was going to say the absurdity, but I will not say that—the unwisdom of endeavouring to make a parallel between our own Post Office and the Canadian.

Sir JOHN FORREST.—The Post Office pays very well in Canada.

Mr. JOSEPH COOK.—I do not know that it pays very well. I know that a surplus of £100,000 is shown. But if the Canadian Postmaster-General adopts the same method that our own Australian Postmaster-General does, I should think his surplus would, on analysis, soon be wiped out. My honorable friend boasts—this is one of his main arguments for adopting penny postage—that the Post and Telegraph Department is this year showing a surplus. What I have to say in reply to that is this: that if interest were paid on our Post Office the Department would not show a surplus, but a very large deficit. The accumulated deficit on the Post Office, on the basis of its paying its own fair charge for interest since it came over to Federation, represents a sum of £1,750,000 sterling. That is the deficit on the Post Office in Australia since it came under Federal control, to increase which the honorable gentleman asks this Parliament to foot an additional bill. State Socialism has some advantage over private finance. If a deficit is made in a private concern, it must be taken over to the succeeding year, and liquidated out of the operations of that year. If we make a deficit in connexion with State Socialism we wipe it off at the end of the year, and nothing more is heard about it. But here is the loss on the operations of the Department as given to me

by the Statistician for New South Wales. He figures out that if the Department were charged with the interest on the buildings it would be in debt at the present moment to the tune of £1,750,000.

Mr. WILSON.—What is a million to the Postmaster-General?

Mr. JOSEPH COOK.—It is nothing to the Postmaster-General since he got so near to the multi-millionaires of America and the other places which he visited. This is the Department which he declares is paying, and the success of which he furnishes as a reason why we should proceed to the dispensation of these favours. New Zealand presents no parallel in connexion with the cost of distributing mails. It is a narrow strip of country, not much more than 200 miles across at the widest point. The authorities have not to send the mails from the highways more than 100 miles in any direction, except in, perhaps, a few instances, and, therefore, the cost of distributing mail matter is at a minimum, and furnishes no parallel to the case of Australia, where the cost of distribution is so great. That fact is made apparent by the figures which the Postmaster-General quotes in his memorandum. He points out, as an argument, in favour of his proposal, that—

The additional cost of handling this extra volume of matter in New Zealand did not amount to 5 per cent.

The honorable gentleman shows that the cost of distributing and handling mail matter there is at a minimum, and that therefore it is not a parallel for Australia. He really only points to us a contrast between the conditions in New Zealand and our own. Then he goes into figures, to show what has been the increase in Victoria during the last six years. He says that it equals an average increase of 35 per cent. per annum. I should like to know what the increase in New South Wales has been during the same term. Here, again, no figures are supplied. The honorable member makes no comparison. He leaves out all the figures concerning his own State, and gives all the figures concerning every other country. Therefore we are in the dark, and quite unable to make a comparison. The question arises: Is the increased postal revenue in Victoria due to penny postage, or is it a normal increase due to the better trade, the growing population, and everything else which goes to make postal revenue? The

same thing may apply to Canada, and I should say that it would.

Mr. FRAZER.—During that term we have had the introduction of the picture post-card mania.

Mr. JOSEPH COOK.—That is so. In Canada there has been a large increase, but that is a country which is going ahead by leaps and bounds, both in population and in every method of development.

Sir JOHN FORREST. — We are just as prosperous.

Mr. JOSEPH COOK.—I believe so; but is not that a reason why the fact should be shown in this memorandum? If our postal revenue is going ahead by leaps and bounds it would have been a good thing, I think, to have let us know all about it. Instead of that, however, we have not a figure which would enable us to make any comparison. Then the Postmaster-General goes on to say that, according to his officials, the estimated loss from the penny postage would be £265,000 a year.

Sir JOHN FORREST.—They do not make any allowance for increase of business. That estimate, I understand, merely refers to present business.

Mr. JOSEPH COOK.—Of course, I must not suppose that the officials know very much about the matter. As a rule those who devote their lives to the business do not. That is the view often taken.

Sir JOHN FORREST.—They are naturally conservative.

Mr. JOSEPH COOK.—It is always the outsider who has been at the business for five minutes who knows all about it. At any rate, the officials of the Department say that the cost would be about £300,000 a year, and the Prime Minister suggests that the loss would be a very small amount, and would continue for only a few years. We have to make up our minds as to whose figures we had better take.

Mr. AUSTIN CHAPMAN.—Why refer to it as a loss when it would be simply a saving of that amount to the people?

Mr. JOSEPH COOK.—That, I admit, is another way of putting the matter. But, of course, the same thing might be said of the States in all their financial relationships.

Mr. FRAZER.—It might be said that persons out back save money because postal facilities are not given to them.

Mr. JOSEPH COOK.—That is a compulsory saving. Altogether, I think that the memorandum of the Postmaster-General

is not of much use so far as this question is concerned. It does not help us to make any comparison. It does not show from any solid basis of the past, so far as Australia is concerned, what are the probabilities of the future.

Mr. FISHER.—Does the honorable member think that it should be headed "Special pleader"?

Mr. JOSEPH COOK.—I take the estimate for what it is worth. But I think that a sum between the official estimate of £265,000 and the amount stated by the Treasurer will be found to be very much nearer the mark.

Mr. AUSTIN CHAPMAN.—That estimate does not take into account any increased business.

Mr. JOSEPH COOK.—I am aware that it is an estimate of the immediate loss.

Sir JOHN FORREST.—My estimate was not so generous as that of the Postmaster-General.

Mr. JOSEPH COOK.—The probable loss will be a sum ranging between the amount estimated by the officials as the immediate loss and the amount estimated by the Treasurer.

Mr. AUSTIN CHAPMAN.—I wish that the honorable member would say "the saving to the people," because it would sound much nicer.

Mr. JOSEPH COOK.—Like the Treasurer, my honorable friend is great upon the people when he has any political favours to dispense. But here he makes a sharp distinction between the Commonwealth and the States, although they comprise the same people. For instance, one of his reasons why we should face this loss, if loss there must be, is contained in this statement, which is also found in the Budget—

The Commonwealth returned to the States for last year £827,879 more than it was required to do under the Constitution.

Here is one set of people returning to another set of people—it is the same people, I fancy, in each case—£827,879. And the same people are very generous in their Commonwealth relations to the same people in their State relations.

Mr. AUSTIN CHAPMAN.—We are refusing to take that sum out of the people's pockets.

Mr. JOSEPH COOK. — I do not see that it makes much difference which way the honorable member turns the figures if he is not going to draw a broad distinction

between Federal and State finance. My only object in criticising his memorandum is to show that as a basis for any forecast it is worthless, because it furnishes no means for making a comparison, and that if we are to have the penny post inaugurated, we must make up our minds to face a very substantial loss. This is not a matter which would affect the large States appreciably, but it would affect very materially the small States, whose Governments are straining every nerve to make both ends meet. In Tasmania, for instance, the people are bearing direct taxation to the tune of 24s. 3d. per head, and still the Government cannot make ends meet. Here is a proposal to take from them immediately £15,000. From the view-point of the smaller States, the position is a very grave one indeed. The larger States could afford to meet the burden, because in view of their surpluses the introduction of the penny post would not make any material difference. If things were equal I should applaud the proposal as being as good a way of spending the surplus revenues as any I know of within the Federal purview. I make these criticisms now because I feel that, while the bookkeeping system continues, we are but trustees and clerks for the States, so far as their finances are concerned, and should be careful how we dispose of large sums of money belonging to them, and not to the Commonwealth.

Mr. AUSTIN CHAPMAN.—The people of the States and the people of the Commonwealth are one and the same.

Mr. JOSEPH COOK.—Yes; but we must honour the bookkeeping system so long as it remains in force.

Sir JOHN FORREST. — The Commonwealth is entitled to spend one-fourth of the net revenue from duties of Customs and Excise.

Mr. JOSEPH COOK. — Undoubtedly; but there are put forward in the right honorable gentleman's Budget proposals for the ear-marking of special taxation, which show that he expects that the time will soon arrive when he will spend more than one-fourth. In my judgment, the financial relations of the Commonwealth and the States will never be satisfactory until the different entities are financially independent, and the sooner we approve of a scheme which will place the relationship on a proper and independent footing the better. By doing so, we shall create a better feeling and more harmonious relations, paving

the way for each, within its own sphere, to move onwards to a prosperous future.

Mr. WATSON (Bland) [8.13]. — Although the honorable member for Parramatta differs from the Treasurer on some points, he views a satisfactory Budget from practically the same aspect, the general effect upon both gentlemen being almost identical. The Treasurer sees in the record of a good financial year the opportunity to throw money about, careless of what the consequences may be, while the acting leader of the Opposition takes it as an indication that all is well with the country, and nothing more requires to be done. According to him, all excuse for social legislation disappears with the presentation of a Budget disclosing a handsome surplus.

Mr. JOSEPH COOK.—I agree with the honorable member, if he substitutes "Socialism" for social legislation.

Mr. WATSON.—Surely the honorable member must be aware that the condition of the public revenue is not an unfailing index of the condition of the people. He ought to know that, only lately, in England, a period of the greatest prosperity, judged by statistics of imports and exports and of manufacturing activity, was coincident with the greatest destitution and want of employment. Mere statements of revenue and expenditure showing a surplus do not go to the root of matters. The fact that we in Australia are able to raise enough money to pay our debts, and that wealth is being produced here in much larger measure than was previously the case, is no complete criterion of the conditions of the people. Although there is a greater measure of prosperity amongst our people to-day than they were enjoying a little time ago, much remains to be done before the condition of the masses will be reasonably satisfactory.

Mr. JOHNSON. — There is much to be done in the equalization of the distribution of wealth.

Mr. WATSON. — Undoubtedly. The production of wealth is one thing, and its distribution another. I share the sentiments of the poet who wrote—

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.

We can congratulate ourselves upon the good seasons which have enabled our financial institutions to recover their stability, and upon the fact that money is plentiful, and that while work is not as plentiful as it might be, there is more employment

offering than was obtainable a little time ago; but there still remains the fact that Australia is not progressing as its resources should make it progress.

Mr. JOSEPH COOK. — The honorable member seems to have joined the "stinking fish" party.

Mr. WATSON.—So far as I have read, no country offers opportunities for the making of homes equal to those offered in Australia to-day; but, if we adopt the attitude of the honorable member, and say that nothing more remains to be done, because the Treasurer has shown a surplus, the position of our people will not be likely to improve.

Mr. JOSEPH COOK.—I did not say anything of the kind.

Mr. WATSON.—The honorable member said that the Budget shows that there is no need for protection, nor for repressive legislation.

Mr. JOSEPH COOK.—I did not say that. I said that it was an answer to those who demand extreme protection and Socialism.

Mr. WATSON.—The honorable member said that it showed that there was no need for higher protective duties, on the one hand, nor for repressive legislation which might interfere with the development of enterprise, on the other hand.

Mr. JOSEPH COOK.—I did not say that.

Mr. WATSON.—It is a new rôle for the honorable member to express himself as anxious as to the possibility of legislation proving repressive. It seems to me as yesterday when he was one of the chief advocates of legislation to repress the rapacity of individual employers in regard to the great body of the public. In my view there is need for a great deal of legislation. The honorable member said that the Budget shows that there is no need for the proposals put forward by myself on behalf of the Labour Party for a progressive land tax, which he condemned as lacking principle and various other valuable elements. In support of his position he advances only the fact that we have temporarily an overflowing Treasury. I ask him: Is Australia progressing as it should? Is settlement increasing as it should? Is land being found for would-be settlers who are already in the country, and will land be available for those to whom we hope to offer inducements to come here?

Mr. JOHNSON.—It never will be, when men like W. N. Willis can get hold of it all.

Mr. WATSON.—While, in the main, the land transactions to which the New South Wales scandals relate, should not have passed into the hands of those who got it, it is not such as I would select as the choicest for settlement. They were central division lands, mainly in the western part of that division, and were not suitable for farming, although adapted for small pastoral holdings.

Mr. WILKS.—The honorable member does not offer that fact as an excuse for the mal-administration of the Lands Department?

Mr. WATSON.—Not at all. But I say that it is idle to suggest that the land which was improperly obtained would have been available for agricultural settlement if it had not been locked up. With regard to the Budget, it certainly appals me to contemplate the light-hearted manner in which the Treasurer proposes to throw money about. Apparently, he is so imbued with the spirit of the boom prosperity of the State with which he was so long associated that he cannot divest his mind of the idea that our revenue is going to bound along just as it did in Western Australia in the early days of the gold-fields. He does not realize that there is a possibility of a falling off in the revenue. To my idea, however, there is very great danger to be apprehended in that direction. So far as the mere programme of the Government is concerned, I think that we are within measurable distance of the end of our financial tether. If honorable members will look at the expenditure of the last few years, they will see that a steadily-increasing amount has been laid out by the Federal authorities. I am bound to admit that some of the expenditure has been inevitable from the stand-point of policy. We entered upon the payment of the sugar bounties with our eyes wide open, and in other directions there were increases that were impossible to avoid. Some of these were due to a better recognition of the rights of public servants to fair treatment at the hands of their employers, the people, and some were attributable to other causes. Now we have placed before us a number of proposals for very large increases, which, if agreed to, will raise the total expenditure for the current year up to about £400,000 in excess of the outlay for last year. Setting on one side increases which are inevitable, such as the £130,000 in respect of the sugar bounties and £50,000

proposed to be spent upon the general elections, there are a number of proposals which seem to me to demand close attention. Take, for instance, the additional £77,000 which it is proposed to expend upon the Military Forces. Some four years ago the leaders of different parties in the House came to an understanding—and in the absence of any disclaimer from individuals, we may assume that honorable members were unanimous—that the Military Estimates should be limited to £700,000. That amount was to be exclusive of any votes for special armaments or war materiel of a specific character. Since then we have added £96,000 to our Defence Estimates on the account of the Naval Subsidy, and as that increase was approved of by a distinct vote of the House, no exception can be taken to it, so far as the administration is concerned. Since then, however, there have been steady and repeated attempts to increase the vote until we find that the present Estimates exceed the amount previously agreed upon by £80,000.

Sir JOHN FORREST.—The Military Estimates amount to only £676,000, because £200,000 is payable under the Naval Agreement.

Mr. WATSON.—After allowing for an increase of £96,000 under the naval subsidy, there remains a net addition to the outlay upon the Military Forces of £80,000 over and above the sum previously agreed upon. I think that we should be prepared, at the earliest possible moment, to make something like adequate provision for coastal defence. It is utterly nonsensical for us to spend such a large amount upon our Military Forces, whilst we are making practically no provision for coastal defence. I do not wish to discuss the policy of the Naval Agreement. It is there, and we have to adjust our arrangements in view of the continuance of the agreement for the full period. We must, however, provide for local coastal defence, which the Imperial Squadron on the Australian Station does not pretend to give. The Imperial authorities look upon the squadron as being intended for general defence purposes, and as available for service in the China seas at any moment if occasion should require. Therefore, it seems to me to be in the highest degree suicidal for us to spend no time or money in making provision for the defence of our harbors and coast line. If there is to be any increased expenditure, it should be upon the Naval

side of our defence. If the Government had proposed to spend £100,000 or £150,000 per annum in building suitable craft for the protection of our harbors, I should have been very glad to give them all the assistance possible. While, however, remaining silent upon that important aspect of our defences, they propose to increase the estimates for the Military Forces, which, after all, are only our second line of defence, by £80,000.

Sir JOHN FORREST.—There are 50,000 rifles to be provided for.

Mr. WATSON.—I am not speaking of the expenditure upon rifles or war materiel, but of the annual expenditure upon the training and maintenance of the Military Forces. I make no complaint with regard to the money proposed to be spent in the purchase of rifles or field guns or ammunition, but I submit that it is altogether unjustifiable to so largely increase the Military Estimates, and leave the Naval side of our defence unprovided for. Apart from the question of spending £100,000 or £150,000 per annum upon the development of our Naval defences, there is need for the establishment of an ammunition factory, a small-arms factory, and the nucleus of an arsenal. All these are items of extra expenditure for which money will have to be found at no distant date. I find that it is proposed to spend an additional £167,000 upon works and buildings. I do not know how far this expenditure may be justified. In some cases I know that not nearly sufficient care has been exercised by Ministers with regard to expenditure. I know of one case in which, whilst I was in office, I refused to sanction a very large expenditure upon the erection of a new post office, upon the ground that the report of the inspector showed that the existing building was adequate to meet all requirements. Yet the work in question has since been put in hand.

Sir JOHN FORREST.—Where?

Mr. WATSON.—I do not wish to particularize, but I can give the Treasurer the information later on.

Sir JOHN FORREST.—Probably the necessity for its erection has become more pressing since.

Mr. WATSON.—Upon the inspector's report, it was estimated that with a very small expenditure, the old building could be made to serve its purpose for another ten years. There is need for us to carefully

scrutinize the items of proposed expenditure under that head. But I wish to draw attention to the fact that the Treasurer estimates that at the end of the current financial year, he will have a surplus—out of our one-fourth of the net revenue from Customs and Excise which we are empowered to retain under the Constitution—of £311,000. It is well, therefore, for us to give some thought to the other items of expenditure which are practically inevitable, especially in view of the fact that the Government propose to sacrifice a very large sum of money, which is easily collected, and the payment of which is practically felt by nobody. In the expenditure which seems to me to be inevitable, I put nothing down for the establishment of an ammunition factory and a small arms factory. It is impossible for me to estimate how much their establishment would cost, or what sum we should require to spend on their maintenance. But first of all, we have to provide for old-age pensions. The Government tell us that they intend to do something tangible in that direction. I do not know of any particular method of raising money for that purpose which can be counted upon to yield all that is required. I know of no special source which will provide the necessary sum in the absence of contributions from other sources. The cost of providing for old-age pensions is estimated at £1,500,000 annually. Payment for the transferred properties, it is calculated, will involve us in more than £300,000 per annum.

Sir JOHN FORREST.—Not so much as that, if we adopt the balancing method.

Mr. WATSON.—If we adopt the balancing method, I admit that the cost will not be so much.

Sir JOHN FORREST.—That is the only method which we can adopt.

Mr. WATSON.—Personally, I am in favour of a modification of the proposal which was put forward by Mr., now Justice, O'Connor, when he represented the Government in another Chamber. But, even upon the basis of any reasonable modification of that scheme, a fairly large sum will still have to be taken from the Commonwealth Treasury for some time before those properties can be paid for. Any scheme which is likely to meet with acceptance by the States, will involve us in an expenditure of at least £50,000 annually.

Mr. POYNTON.—What is there to be gained by paying for those properties?

Mr. WATSON.—There is nothing to be gained from the stand-point of the Federal authorities?

Mr. POYNTON.—What is to be gained from the people's stand-point?

Mr. WATSON.—So far as the people as taxpayers are concerned, it does not matter whether they are paid for those properties or not. But the provision is contained in our Constitution, and it is extremely doubtful whether the States—if any of them cared to take action—could not compel us to deal with the question of paying for them.

Sir JOHN FORREST.—If we fail to agree the mode of compensation is left to this Parliament to determine.

Mr. WATSON.—I am aware that in default of any agreement being arrived at, this Parliament has the power to decide the manner in which the debts shall be liquidated. But that does not afford an excuse for Parliament delaying a settlement of the matter.

Sir JOHN FORREST.—We are not delaying its settlement. The States have not been very anxious to make their valuations.

Mr. WATSON.—At any rate, after the lapse of five years, we ought to have formed some idea of what we are going to do in the matter. Under the most favorable scheme that we can put forward the transferred properties will involve us in a payment of at least £50,000 annually. The cost of coastal defence I set down at a minimum of £100,000 per annum, in addition to the amount which is already being spent.

Mr. SKENE.—That sum would not go very far in building the fleet that is necessary.

Mr. WATSON.—I take it that any scheme which we can adopt in regard to naval defence must be upon the lines of making steady provision in that direction. Personally, I would prefer to see a much larger sum spent, but I recognise that there is not much probability in the near future of our getting more than an additional sum of £100,000 or £150,000 per annum.

Mr. HUGHES.—How many craft could we obtain for that amount?

Mr. WATSON.—We can get a first-class torpedo boat for about £20,000, I think.

Mr. SKENE.—I thought that they cost about £60,000.

Mr. WATSON.—A good torpedo boat can be built for £20,000, but I understand that torpedo destroyers cost somewhere about £60,000. But even if we only spent £100,000 annually, in addition to our present expenditure, it would be better than doing nothing.

Mr. HIGGINS.—Could not we hire the vessels?

Mr. WATSON.—When I was in office, I did suggest to the Admiralty authorities that we would be prepared to hire boats of that description, but for various reasons, they were not able to fall in with the suggestion, and so we must have recourse to building them to meet our own requirements. Then there is the question of the construction of the transcontinental railway. If that undertaking is to be regarded as a possibility, it will involve the Commonwealth in a fairly large deficit for some years after its completion. I do not think that even our optimistic Treasurer will argue that it will pay from the start.

Sir JOHN FORREST.—It would pay within three years of its completion, I think.

Mr. WATSON.—I do not think so. It would be a most remarkable circumstance if it did. In any case, we should have to face a deficiency in connexion with it. The engineers who reported upon it as men who are accustomed to making estimates of that character, bearing in mind the country which it would traverse, and the population which it would serve at either end, calculated that it would involve us in a loss of £60,000 annually for ten years. I am not arguing that that is a loss which the Commonwealth should not be prepared to face. The New South Wales Government constructed a line of railway down the south coast upon which they lost £60,000 annually for a good many years, and upon which they still lose a very large sum. For the Commonwealth to be called upon to face a similar annual loss upon a railway constructed for developmental purposes would be a comparatively small matter.

Sir JOHN FORREST.—I do not think that the loss would be anything like that amount.

Mr. WATSON.—That is a matter of opinion. I have merely quoted from the testimony of experts. There is no doubt that some loss would have to be faced in connexion with that line, and it is well for

us to keep it in mind. Then there is the sugar bounty. The Treasurer estimates that during the current year we shall have to pay about £278,500 in this connexion. There is a very large increase in the sum payable this year, as compared with the amount expended last year, owing to the expected increase in the quantity of sugar produced by white labour. No doubt the Treasurer anticipates that next year the expenditure in that direction will be still larger. As I have said, it is estimated that the expenditure this year, when black labour will be in some measure available for the production of a large proportion of the sugar, will amount to £278,500. But next year black labour will not be available in the same degree, and consequently we shall have a larger expenditure, since every grower who employs white labour exclusively will naturally apply for the bounty. As we receive only £1 out of the £4 per ton Excise duty, and have to pay from the Federal Treasury £3 per ton by way of bounty, it stands to reason that there will be a largely increased demand upon the one-fourth of revenue retained by the Commonwealth. I do not know whether the Treasurer has looked ahead to ascertain how far his revenue will be affected in this way. I am inclined to think that, owing to the greater proportion of sugar grown by white labour, he will expend next year at least £150,000 more than he is paying away this year in respect of the bounty.

Mr. FISHER.—That is to say, the States will get it.

Mr. WATSON.—Quite so. I am only pointing out that we have ahead a number of commitments that will affect our power to expend the one-fourth of Customs and Excise revenue to which we are entitled.

Sir JOHN FORREST.—We must try to make the payment a rebate.

Mr. WATSON.—In the first instance it was passed as a rebate, but the Crown Law officers said that that was unconstitutional. We had therefore to retrace our steps, and describe the payment as a bounty. The right honorable gentleman may find some method of overcoming the difficulty. The leader of the Opposition once said that when he came to a stile over which he could not jump, he crawled round it. In the same way, apparently, the Treasurer thinks that if he runs himself into financial difficulties, instead of meeting

them boldly, he will get round them in some peculiar way.

Mr. JOHNSON.—He has large ideas about money.

Mr. WATSON.—Evidently. There are some other items of expenditure in respect of which we may expect an increase. We have to remember the natural growth of the Departments. Some of them should grow. They have very important duties to perform in the interests of the people, and it is only natural that the number of their officers should be increased as opportunities for benefiting the people present themselves. We have, for instance, such proposals as the establishment of a Bureau of Agriculture in connexion with the Department of Home Affairs, and the taking over of the Department of Meteorology, which will involve an increased expenditure. That increased expenditure is essential to secure increased efficiency. And so in other directions the Departments will naturally grow. We are told by the Government that it will cost something to advertise the Commonwealth in connexion with the immigration proposals; and a much larger matter which will demand attention in the near future is the taking over of the Northern Territory. I do not know whether the Treasurer has considered how far the taking over of the Territory will detrimentally affect the finances of the Commonwealth.

Sir JOHN FORREST.—The question has not yet come before me.

Mr. WATSON.—Every honorable member must be convinced that we are doing a wrong to the people of Australia by allowing that large area to remain in the hands of one State, and practically undeveloped.

Sir JOHN FORREST.—Unoccupied, practically.

Mr. WATSON.—It is undeveloped, and we are practically holding out an invitation to the hordes of people living to the north of Australia to occupy it. The taking over of such a Territory must inevitably involve for some time a considerable expenditure without any immediate result.

Sir JOHN FORREST.—We should need a loan for that purpose.

Mr. WATSON.—The improvident financier always falls back on a loan.

Sir JOHN FORREST.—We could not provide for the development of the Territory out of the revenue.

Mr. WATSON.—I hope that the Commonwealth will not have to resort to bor-

rowing for some years. It is all very well for the right honorable gentleman to speak in this light-hearted fashion about resorting to loans, whilst at the same time he is prepared to throw revenue into the sea.

Mr. HUGHES.—Do not say that.

Mr. WATSON.—Practically that is what is proposed to be done.

Sir JOHN FORREST.—Why does the honorable member say that?

Mr. WATSON.—We have to face the enormous prospective expenditure to which I have briefly alluded, and yet the Ministry are quite prepared to forego a revenue of £300,000 per annum now raised by the Post and Telegraph Department in a way that has aroused no dissatisfaction on the part of the people.

Sir JOHN FORREST.—We must observe the Federal spirit, and give some conveniences to the people.

Mr. WATSON.—I agree with the right honorable gentleman that we should afford conveniences to the people; but I am afraid that what he now terms a proposal to grant a convenience to the people will be used as a reason for denying conveniences to those who most deserve them, and who most need assistance at the hand of the Commonwealth. What is the invariable excuse for refusing to grant a request by country members for increased postal facilities? When an honorable member asks for an additional mail service to a collection of settlers on the rim of civilization, he is told that it will not pay, or that the Department have not sufficient money for that purpose. I am prepared to say that if the average city man were asked to choose between the granting of increased facilities to settlers in the back-blocks on the one hand and penny postage throughout Australia on the other, he would declare for the former.

Sir JOHN FORREST.—The residents of nearly all the towns in the different States have penny postage, and those in the country do not enjoy that privilege.

Mr. WATSON.—Those living within the radius of towns, or within a certain area in country districts in most of the States today enjoy penny postage.

Sir JOHN FORREST.—Why should people in country districts be denied that which is given to those residing in the towns?

Mr. WATSON.—The denial of penny postage throughout Australia is a small matter when compared with the denial to country districts of facilities in the way of postal and telephonic extension to which

they are justly entitled. The complaint will possibly come from those who to-day are quite prepared to pay the additional penny per letter.

Sir JOHN FORREST.—It is unfederal to require one man to pay 2d. for a letter, and another to pay only 1d.

Mr. WATSON.—I think that the right honorable gentleman is allowing himself to be swayed by a number of sentimental considerations which need have no place in our deliberations with respect to the financial problem. The suggestions he has made as to falling into line with the rest of the civilized world and other vague generalities of that sort do not seem, from my stand-point, to be of importance in the consideration of a matter that is, after all, one of practical working politics.

Sir JOHN FORREST.—We must cast our bread upon the waters.

Mr. WATSON.—I am afraid that it will be many days before this particular bread will return to us. I have no objection *per se* to penny postage. If we were making money out of the Post and Telegraph Department I should say at once, "Reduce the postage, and give increased facilities in every direction." But as a matter of fact, as has already been shown, the Department is to-day losing very considerably. As the honorable member for Parramatta mentioned, it has lost £1,750,000 in five years, because, although the Postmaster-General talks of his Department being a payable one, he knows full well that it can only be said to be paying when we leave out of account the interest on the capital expenditure that has been incurred in respect of it. The immense capital sum that is being spent on the Department generally returns no interest, and is, therefore, contributed by the taxpayers generally for the benefit of those who use the Post Office.

Mr. AUSTIN CHAPMAN.—Surely the honorable member does not say that the Post Office ought to be made to pay?

Mr. WATSON.—Not at all. The Post Office should be run in the interests of the people, and afford as cheap and easy facilities as possible. But, while that is so, we ought to exercise some discretion as to the sacrifice of an immense sum of money, such as is proposed on the present occasion.

Mr. AUSTIN CHAPMAN.—Would the honorable member mind saying what he would do in the case of Victoria?

Mr. WATSON.—I should let Victoria remain as at present.

Mr. AUSTIN CHAPMAN.—Does the honorable member not approve of uniformity?

Mr. WATSON.—I do not think that uniformity is so essential as seems to be supposed. In my opinion, it does not matter particularly, so far as the people of the Commonwealth are concerned, whether there is absolute uniformity or not. It would be preferable, I admit, to have uniformity, if it could be obtained without any undue sacrifice; but when it means giving up £300,000 of revenue—

Sir JOHN FORREST.—Not so much as that.

Mr. WATSON.—With all due deference to the right honorable gentleman, I prefer to accept the opinion of experts, rather than his opinion, or that of any one else.

Sir JOHN FORREST.—The experts have not taken into account any increase of business.

Mr. WATSON.—What does the increase of business amount to?

Sir JOHN FORREST.—A good deal.

Mr. WATSON.—Every one knows that there were special circumstances in Victoria, where, owing to the protectionist policy, there were manufactures in proportion largely in excess of those of the other States, and, because of its central position, the State had a larger share of the distributing business than fell to her neighbours after Federation. The increase in the Victorian business is largely accounted for by the fact that Federation opened up new markets which previously had not been available.

Mr. KENNEDY.—And then there must be added payment for services which was not received prior to Federation.

Mr. WATSON.—I am glad that the honorable member has reminded me of the fact that before Federation all departmental letters were franked through the post, whereas now every letter has to be paid for, as, for instance, the enormous number of communications connected with the Electoral Department. During the short period I was at the Treasury I discovered that on the Estimates for that year was an item of £16,000 for postage in connexion with electoral business. That was a direct contribution in regard to one Department only; and the greater part of that postage was in Victoria, from whence most of the communications were sent to the departmental branches throughout Australia.

Sir JOHN FORREST. — Why should the people of Victoria have an advantage over those of New South Wales?

Mr. WATSON. — The right honorable gentleman knows that no figures have been submitted in regard to New South Wales; but, if there had been, I am inclined to think they would have disclosed quite as large an increase as we find in the case of Victoria.

Sir JOHN FORREST. — The people of Victoria have an advantage over those of New South Wales and all other States.

Mr. WATSON. — The people of Victoria have to pay for the loss on penny postage at present. The large proportion of the increased business in Victoria is due to the expansion consequent on Federation, while a fair amount is due to the fact that the Commonwealth Departments now pay postage.

Mr. KENNEDY. — And the States Departments also.

Mr. WATSON. — Both Commonwealth and States Departments have now to pay postage. It will be a proper thing for the Postmaster-General to analyze the figures, and ascertain exactly what the departmental postage amounts to. It could be easily ascertained how much the States Departments contribute to the postal revenue now, as compared with the contribution before Federation.

Mr. AUSTIN CHAPMAN. — Would the honorable member apply the same argument to the reduction in the charges for Tasmanian cable messages?

Mr. WATSON. — No; I think we ought to treat Tasmania as we treat the other States. There are a number of long land lines which do not pay, and the loss on which is borne by the Commonwealth generally; and if there is a short section of cable that is not remunerative, I do not see why there should be any distinction drawn between that and non-paying lines on the Continent. I see no difference in principle; and, therefore, I say that in this connexion Tasmania should be placed on the same basis as are the other States.

Mr. AUSTIN CHAPMAN. — That is uniformity.

Mr. WATSON. — It is uniformity in that regard, simply because it would be unfair to deny to Tasmania a privilege which is granted to other States. But in the case of Victoria, the penny postage is paid for by the people of that State. I doubt very much whether the Treasurer and my-

self will see the end of the bookkeeping system for some little time to come. We may talk about the desirability of abolishing the system, but I see no prospect of any alteration for a long time ahead.

Mr. JOHNSON. — We are surely not going to have the system in perpetuity?

Mr. WATSON. — So long as there is such a marked disparity between the contribution per head of the people of Western Australia, and the contribution of the people of Tasmania, for instance—

Mr. HIGGINS. — The Western Australian contribution is going down rapidly.

Sir JOHN FORREST. — It is still double that of Tasmania.

Mr. WATSON. — There is an enormous difference still, and the bookkeeping system must be continued.

Mr. JOSEPH COOK. — Tasmania is getting close up.

Mr. WATSON. — Tasmania is still a long way behind Western Australia with a contribution of, I think, £1 16s. per head, as against £3 odd per head.

Sir PHILIP FYSH. — The difference is only about 3s. 6d. per head.

Mr. WATSON. — Does the honorable member say that that is all the difference between the contribution per head of Tasmania and the contribution per head of Western Australia?

Sir PHILIP FYSH. — I am leaving out Western Australia, and comparing Tasmania with the other States.

Mr. WATSON. — There is not such a difference on that comparison; but the people of Western Australia have a reasonable and proper objection to the money which they contribute being divided amongst the people of the other States.

Mr. HUGHES. — Then they are not Socialists?

Mr. WATSON. — They are not Socialists to that degree.

Sir JOHN FORREST. — Western Australia cannot afford to lose the money.

Mr. WATSON. — What I want to say is that, so far as the Post and Telegraph Department is concerned, we already grant reasonable facilities. We have the cheapest telegrams, I think, that are to be found anywhere in the world, so far as I have been able to ascertain.

Mr. THOMAS. — There are sixpenny telegrams in England.

Mr. WATSON. — Considering the distances and our population, I think our telegrams are cheaper than telegrams else-

where. I do not know any place in the world where it is possible to telegraph sixteen words for 1s. for such a distance as that from Tasmania to the Gulf of Carpentaria or Port Darwin, or from Brisbane to Perth. That in itself is an extremely cheap rate; and I am doubtful whether we did not go too far in that direction.

Sir JOHN FORREST.—The cheap rate is very useful.

Mr. WATSON.—In any case, great facilities are granted to the people in this way. Our mail services generally are, very properly, I think, even at a loss, taken right to the doors of our back country selectors, and further facilities in this connexion should be granted. But no reason has yet been advanced in favour of penny postage, other than the extremely illogical or sentimental reason that its adoption would place us in line with the rest of the world. Our expenditure must inevitably expand almost by leaps and bounds; and in view of the fact that a vast amount of administrative work, which should be taken over by the Commonwealth, has not yet been taken over, we are not justified in giving up the £200,000 odd, which is the modest estimate of the Postmaster-General of the loss likely to result from the adoption of the penny postage.

Sir JOHN FORREST. — The Postmaster-General's estimate is less than that.

Mr. WATSON.—The Postmaster-General estimates the loss at £209,000.

Sir JOHN FORREST.—That is my estimate.

Mr. JOHNSON.—That would pay our contribution to the Naval Subsidy.

Mr. FISHER.—I wish we could knock off that subsidy.

Mr. WATSON.—I trust, therefore, that, in spite of the fact that the Treasurer points to an expanding revenue, honorable members will hesitate before they approve of any such scheme of penny postage. We have all those additional items of expenditure which have been mentioned, and, in addition, the Government say that within a short time they intend to introduce a Tariff that will have greater protective incidence than the present Tariff. That must mean a falling off in revenue. If it does, what becomes of the glowing anticipations of the Treasurer? If the revenue contracts, where is he going to find the money to meet this inevitable expenditure? Is he going to confess to the people of Western Australia that the transcontinental railway will have

to stand aside because there is no possibility of meeting the loss in connexion with it?

Mr. THOMAS.—He will fall back upon direct taxation.

Mr. WATSON.—I am extremely doubtful whether he will; but I see no chance whatever of raising sufficient money by any scheme of direct taxation that I can contemplate, to carry out the things which I have enumerated, and which I regard as essential for the proper development of this Commonwealth. Even though we do obtain some help from direct taxation, we shall still require all the legitimate revenue we can get hold of, if we are to carry out the many functions which are demanding attention at our hands.

Mr. THOMAS.—We have not touched direct taxation yet.

Mr. WATSON. — I know that; and when the Commonwealth does touch it, we shall have to supplement it before we can carry out the proposals I have indicated. I do not intend to say more with regard to the Budget, but there are one or two other matters to which I should like to refer, and upon which the Treasurer touched in his speech. He mentioned the question of the States debts. I wish to say that I for one appreciate highly the care that has been expended in the consideration of this question, both by the Treasurer and by the honorable member for Mernda. The two memoranda submitted by those gentlemen are highly interesting, and give evidence of most careful thought having been devoted to the question. I do not think that any one can deny them that meed of justice. I admit at once that there is an extreme difficulty in dealing in any satisfactory way with a problem with so many facets as this presents. For myself, I do not pretend for a moment to be a financial expert. I approach the question as a layman. But I am sorry to say that I cannot agree with either of the proposals that has been put forward up to the present. The Treasurer proposes that we shall take over the debts as they mature.

Sir JOHN FORREST.—That we should take power to assume responsibility for them when they are converted or redeemed.

Mr. WATSON.—So far as that bare proposal is concerned, I am quite at one with the right honorable gentleman. It has always appeared to me that it would be extremely unwise on our part to assume responsibility for the debts, even to the

extent that the Constitution permits us to do—that is for the debts as existing at the date of the establishment of the Commonwealth—in any lump fashion. I remember that when the Convention was debating this point, the present leader of the Opposition stated, as his opinion, that to take over the States debts in one lump, or to assume responsibility for them as a whole, would mean making a present to the bond-holders of an immense sum of money, represented by the difference between the price that could be obtained for Commonwealth bonds and that which could be obtained for the bonds of the States.

Sir JOHN FORREST. — The honorable member will notice that the financial authorities in London are of the same opinion.

Mr. WATSON.—Quite so. When that statement was made by the right honorable member for East Sydney in 1897, it struck me as being an extremely sensible remark. If we say that we as a Commonwealth will pay the interest on the debts of the States, and will be responsible for them when the money becomes due, we assume the whole responsibility for them.

Mr. HARPER.—How much is to be paid for them when they are due?

Mr. WATSON.—That is not the question. We pay par for them when they become due unquestionably; but does not the honorable member see that if we took over the debts to-morrow—if we assumed responsibility for them to-morrow—it would not be a question of how much we should have to pay, but of how much we were presenting free of encumbrance to the bond-holders, who are now the creditors of the States?

Mr. HARPER.—I cannot see that at all.

Mr. WATSON.—It means, it seems to me, that we forgo the opportunity of making the better terms which we have a right to expect from a Commonwealth security.

Mr. HARPER.—That idea prevailed when it was expected that the Commonwealth would convert on a large scale.

Mr. WATSON.—As I understand the proposal of the Treasurer, it is that we should take legislative power to convert and renew maturing loans. Well, I quite agree with him in that. I mentioned my belief in that method two or three times during the recess. At Hobart, for instance, and also at Adelaide, I spoke in favour of that course being taken. But I disagree from the Treasurer in thinking that that

can be done without an amendment of the Constitution.

Mr. HIGGINS.—Hear, hear; quite right.

Sir PHILIP Fysh.—The Treasurer, in his memorandum, proposes to amend the Constitution.

Mr. WATSON.—No; not in this regard. The Treasurer says that legislation by this Parliament is sufficient for that; but he proposes to amend the Constitution in another matter.

Sir JOHN FORREST.—That is in taking over the whole of the debts.

Mr. WATSON.—Yes.

Sir JOHN FORREST.—I think the Constitution is quite wide enough for what I propose.

Mr. WATSON.—I do not think so. Section 105 lays it down that the Parliament may take over from the States the public debts as existing at the establishment of the Commonwealth, or a proportion thereof, according to the respective numbers of the people as shown by the latest statistics of the Commonwealth. The Treasurer will see, I think, that there are only two alternatives—(1) To take over the whole of the debts as they existed on the 31st December, 1901; or (2) to take over a certain proportion of the debts of each State. I contend that neither of those two courses would be wise. Therefore, in my view, an amendment of the Constitution is essential before the best course can be taken; that is, that Parliament—whether Parliament sees fit to delegate that power afterwards to the Treasurer is another question—should be endowed with power to take over as much or as little of the debts of each State as it thinks desirable. There may be a difference in regard to the details, but the main thing is that the Federal Treasurer, with the authority of Parliament, should be enabled to step into the market at a favorable moment if he wishes to convert, and that the same authority should be able to step in and buy State bonds, keeping them up to a certain level, or taking an opportunity of, perhaps, saving some hundreds of thousands of pounds because of a temporary fall in price; and, on the other hand, there should be power to renew on Commonwealth security State loans as they mature.

Sir JOHN FORREST.—We have that power under the Constitution.

Mr. WATSON.—I do not think so. It must be done in certain regular proportions.

The Treasurer must see that, if in Victoria a £5,000,000 loan were falling due next month, it might be—it would be, I think—desirable for the Commonwealth to take it over and renew it on its own security, but it would hamper the business to say that, at the same time, we should make ourselves responsible for a similar proportion of the debts of every other State.

Sir JOHN FORREST.—That is not proposed at all.

Mr. WATSON.—That is what the Constitution provides.

Sir JOHN FORREST.—The Constitution says that the Commonwealth may take over the debts which had been incurred at the time it was established; but we propose to amend the Constitution, with a view to take over the whole of the debts.

Mr. WATSON.—As a layman, I speak with diffidence, but I think the Treasurer will find that a further amendment of the Constitution will be required.

Sir JOHN FORREST.—I am advised not.

Mr. WATSON.—The right honorable gentleman may be a much better authority on this point than I am.

Sir JOHN FORREST.—The terms of the provision in the Constitution are pretty wide.

Mr. WATSON.—As I read the Constitution, there seems no doubt but that we are confined to two courses, neither of which, in my view, would be wise, or likely to prove economical.

Mr. JOHNSON.—In what way does the honorable member suggest it ought to be done?

Mr. WATSON.—What I suggest to the Government is that, before this session closes, they should put forward a proposal to amend the Constitution so as to give this Parliament the power to deal with the debts in the manner I have indicated.

Sir JOHN FORREST.—We may do that yet.

Mr. WATSON.—I think that it ought to be done, so as to allow the Commonwealth to start at once with the renewal of maturing loans, and not to bother about the proportion which it is to take over.

Mr. JOHNSON.—That would simplify matters a good deal.

Mr. WATSON.—I think so. The first thing to do is to get legislative power to deal with this big question in a way which would commend itself to the Parliament. If we got that power there would be no trouble at all, I think. We should soon

learn, from experience, what would be the best thing to do. In the meantime, the question of renewing maturing loans would be quite enough for us to take up as a problem. If we were to deal with all loans as they matured we should gradually reach a position when, as was indicated by the honorable member for Mernda, the financial conditions as between the different States would have so changed that there would be no need to consider these questions at all. He put forward many other admirable suggestions. For instance, his proposal to establish a sinking fund, and to place the money in the care of debt commissioners—that is, permanent individuals, with the assistance of the Treasurer, but in the main independent of politics—is an excellent suggestion. I do not think that any sinking fund would be safe so long as it was at the mercy of a temporarily embarrassed Treasurer.

Mr. SKENE.—Or any one who could lay his hands upon it.

Mr. WATSON.—Exactly, and I do not suppose that any one of us could be trusted in that regard. To secure ourselves against temptation, it would be wise to create a body which, in a measure, would be independent of Parliament, and which we could trust to perform this very important duty. It need not cost a great sum, and it would be a wise course to take.

Mr. HARPER.—It would not cost very much.

Mr. WATSON.—No. Then, with regard to the right of the States to borrow, I do not think that a great deal can be said for the suggestion which the honorable member put forward in that regard. It is quite hopeless to expect that any great benefit would result from the Commonwealth taking over the States debts if the States are to continue as competitors in the London market. For that reason, there ought to be some constitutional barrier placed in the way of their appealing to that market, perhaps in competition with the Commonwealth acting on behalf of all the people of Australia.

Mr. POYNTON.—They should borrow through the Commonwealth.

Mr. WATSON.—Yes. I am inclined to think that some such arrangement would be a wise one. There is a great need for early action to be taken in the direction of amending the Constitution. As the honorable member for Mernda very properly said, it is becoming a matter of

reproach against the Parliament, that, although this question has been in our hands for so long, we have done actually nothing towards its solution, except to talk.

Sir JOHN FORREST.—We have had three conferences.

Mr. WATSON.—Yes, but we have taken no active steps in the direction of solving the problem.

Sir JOHN FORREST.—We are commencing now.

Mr. WATSON.—The honorable member might just as well say that we commenced when the honorable member for Balacava, as Treasurer, put forward a scheme the details of which had much to commend them, but we got no further; and so we are likely to go on. I would urge upon the Government that the first step to be taken is to secure such an amendment of the Constitution as would allow a freer hand to Parliament than it possesses. There is another aspect of this financial question which I think merits a little consideration, and that is the suggestion of the Treasurer to get over the operation of the Braddon section. If, as I understand, it is put forward as a matter of Government policy, I am very sorry indeed that that course has been adopted. The scheme, as was pointed out by the honorable member for Mernda, seems to be so arranged that the Commonwealth would take all the risk of loss, while the States would take all the chances of profit.

Sir JOHN FORREST.—We do not consider that there would be any risk.

Mr. WATSON.—I am inclined to think that the right honorable gentleman is unduly optimistic in that regard.

Sir JOHN FORREST.—It is quite safe, we think.

Mr. WATSON.—I notice that despite all his experience as a Treasurer, it never strikes the right honorable gentleman that it is a wise thing to start in a fat year to build up a reserve which would tide us over the lean year, which must inevitably come.

Sir JOHN FORREST.—Yes; we are purposing to do that under this scheme.

Mr. WATSON.—I do not understand that.

Sir JOHN FORREST.—It is proposed to have independent finance, and not to return any surplus of the Commonwealth one-fourth to the States.

Mr. WATSON.—This print must be rather badly arranged—by the typesnatchers, I suppose.

Sir JOHN FORREST.—No; the honorable member has not, I think, understood it properly.

Mr. WATSON.—As I understand it, the Commonwealth is to start with a fixed payment to the States from the end of 1910. The only reason which can be given for adopting a fixed payment is that it should take effect immediately. What is the objection to the Braddon section? The objection is that it unduly hampers the Parliament of the Commonwealth in the exercise of the functions entrusted to it by the people of the States. Apart from that, there is no objection to the section. Those of us who object to it say that we are "cabin'd, cribb'd, confin'd," because it lays down that the Commonwealth may use only one-fourth of the net revenue from Customs and Excise duties. On principle, I, for one, object to any constitutional provision which ties the hands of the people in the future. I object on principle. I have been prepared for some time past to support a proposal for the substitution of a fixed payment for the returns under the Braddon section, but merely as the lesser of two evils. The Treasurer wishes to provide for a fixed payment after the termination of the Braddon provision. This Parliament, however, representing the broader aspirations of the people of Australia, will have the right to please itself as to what it will do with the Commonwealth revenue after the Braddon provision has ceased to have effect. At the end of 1910 the Parliament will be free from the restrictions imposed by the Braddon section. The Treasurer wishes to make provision for a fixed payment, to take effect after that date; but I shall resist that proposal with all the energy of which I am capable.

Sir JOHN FORREST.—We cannot provide for a fixed payment earlier, because of the Braddon provision.

Mr. WATSON.—A fixed payment has been suggested to the Premiers of the States as something which could be substituted for the Braddon provision, to take effect at once, which would give them a security they do not now possess. The payment need not necessarily be the payment of a fixed sum; it may be a fixed proportional amount. But, if substituted for the Braddon provision, it would give us a free hand so far as the expenditure of the balance of our revenue was concerned.

Sir JOHN FORREST.—I have not heard anything about any proposal for the repeal of the Braddon provision.

Mr. WATSON.—Then the right honorable gentleman has been inattentive on some occasions.

Sir JOHN FORREST.—The existence of the Braddon provision is one of the conditions under which the States federated.

Mr. WATSON.—In New South Wales, one of the chief objections taken to the draft Constitution was that it contained the Braddon provision. I do not think that the people are fond of it. They object to it as strenuously now as they did seven years ago.

Sir JOHN FORREST.—The members of the Convention desired that the Braddon provision should have perpetual effect.

Mr. WATSON.—Fortunately for the welfare of Australia, their wishes will not be carried out.

Sir JOHN FORREST.—We must keep to the bargain or substitute something equally good in its place.

Mr. WATSON.—I am prepared to do so; but if the people of Australia are prepared to make the constitutional change necessary to alter this arrangement, I shall be ready to help them.

Sir JOHN FORREST.—I should not advise it unless every one is agreed as to its expediency.

Mr. WATSON.—If the Treasurer intends to substitute a fixed payment for the Braddon provision only after 1910, why does he trouble us with the proposal now, when so many pressing problems are awaiting solution?

Sir JOHN FORREST.—Surely the honorable member does not object to my action in making plans for the future?

Mr. WATSON.—I do not believe in meeting the devil half way. The right honorable gentleman proposes to pay to the States annually for ten years after 31st December, 1910—

A fixed sum equal to the average annual amount of three-fourths of the net revenue from Customs and Excise.

That means, broadly, that we shall continue to pay what we are now paying.

Sir JOHN FORREST.—Yes; but we should not return any portion of the remaining one-fourth, as we do now.

Mr. WATSON.—This is the second proposal—

If three-fourths of the total net revenue received by the Commonwealth from Customs and

Excise in any one year after 31st December, 1910, exceeds the aggregate amount of the annual fixed sum guaranteed to all the States, any such sum in excess to be distributed among the States *per capita*.

There it is provided that any surplus is to be returned to the States.

Sir JOHN FORREST.—But we shall have one-fourth intact, which is not the case now.

Mr. WATSON.—The right honorable gentleman ignores the fact that the one-fourth would be mortgaged up to the hilt. Most of the expenditures to which I alluded the other night are inevitable, and will cause the one-fourth to disappear.

Sir JOHN FORREST.—Even admitting that that may be so, there is a third proposal.

Mr. WATSON.—The third proposal is that—

After 31st December, 1910, the Commonwealth may impose additional Customs and Excise duties for specific purposes, and may specially appropriate and retain and " earmark " the whole of the revenue.

There are to be no duties for specific Commonwealth purposes until after 1910. Everything involving expenditure of importance must wait until then. The right honorable gentleman is so anxious about the States, and so fearful of building up a reserve fund in the interests of the Commonwealth, to enable it to tide over lean years, that he insists that—

If any surplus remains in any year after providing for such specific purposes from the revenue derived from such special appropriations, three-fourths of the surplus to be annually returned to the States *per capita*.

Sir JOHN FORREST.—We shall keep our one-fourth.

Mr. WATSON.—But there would not be any balance.

Sir JOHN FORREST.—There would be a balance if specific duties were levied.

Mr. WATSON.—I do not think that the Treasurer can indicate specific duties which would yield anything like enough to provide an old-age pensions fund, for instance. The Government's proposals in regard to the alteration of the Tariff, so far as they can be understood, make it unlikely that the revenue from Customs duties will increase. Every step in the direction of higher protection should, and must, mean a decrease in revenue.

Sir JOHN FORREST.—But population will increase.

Mr. WATSON. — If the population grows the charges on the Federal Government will increase, quite apart from any additional Departments that may be taken over by the Federation. The charges in connexion with the existing Federal Departments will grow at least in proportion to any increase of population. I should like to see submitted to the electors by means of a referendum the question of whether we should not have the power to deal with this question at a date earlier than that indicated by the Treasurer. I do not, for a moment, advocate that the States should be left absolutely in the lurch. Indeed, I am quite prepared to make something like reasonable provision with respect to their finances for a considerable time ahead. But I contend that it is against the interests of the Commonwealth and of the people of Australia that we should be bound down in an iron-clad fashion as at present by the Braddon section. I understood the Prime Minister to suggest in Sydney that the fixed payments to the States should begin at once. I had no idea that they were proposed to be entered upon only at the expiration of the Braddon section.

Mr. HARPER.—If we paid the interests on the States debts we could easily overcome the difficulty, because we should absorb the money.

Mr. WATSON.—That would introduce another complication. If we forthwith assumed the responsibility for the States debts—setting on one side the question of whether that would be a wise financial operation, and whether we could not make a more profitable arrangement—a complication would arise, because the interest charges in one State exceed by £750,000 the amount of Customs and Excise revenue to which the States are entitled.

Mr. HARPER.—The States would have to pay that amount in excess to us, instead of to their creditors.

Sir JOHN FORREST.—The proposal made at the Hobart Conference was that the operation of the Braddon section should be extended until 1920.

Mr. WATSON.—Yes, and I took every possible opportunity to denounce that proposal.

Sir JOHN FORREST. — My proposal is better than that.

Mr. WATSON.—It is so little better that it is not worth making an attempt to carry it into effect. I hope that Parlia-

ment will never consent to extend the operation of the Braddon section, or to do anything that would have the effect of hampering the activities of the people in any direction. I am speaking quite apart from any narrow party aspect of the case. It is with me a basic principle that, once the people have made up their minds, they should be allowed to go in whatever direction they desire in the matter of legislation. If they wish to become free-traders, well and good; if they desire to become protectionists, also well and good. They have a perfect right to please themselves as to the manner in which they raise their revenue, whether it be by means of Customs and Excise duties, or by direct taxation. The people should be allowed the utmost freedom, and they cannot exercise perfect freedom under the Braddon section.

Mr. JOHNSON.—The best way in which to get rid of the Braddon section is to adopt an absolutely free-trade policy.

Mr. WATSON.—The honorable member's associates have never voted for, nor even advocated, absolute free-trade, so far as the Federation is concerned. If the honorable member were ready to lead a crusade in favour of absolute free-trade and direct taxation, a number of honorable members who are not behind his leader would be ready to support him.

Mr. JOHNSON.—I am very pleased to hear it.

Mr. WATSON.—It would, however, be rather a novelty for any honorable member on that side of the Chamber to show that he had the courage of his convictions. We are in danger of being led into a serious dilemma. We shall have to provide for a number of items of expenditure which seem inevitable, and even desirable, in the interests of the people as a whole, and with these possible commitments right ahead of us, it would be unwise to forego a large source of revenue in the manner proposed in the Budget. I hope, therefore, that when we discuss the Estimates in detail, the Committee will insist upon considerable modifications of the proposals embodied in the Treasurer's statement.

Mr. HIGGINS (Northern Melbourne) [9.36].—I have had the advantage of reading the speech of the Treasurer, and of listening to the thoughtful and valuable contributions of the honorable members for Mernda and Bland. I am pleased that, after a long interval of talking against time, honorable members are again alert to the

importance of transacting public business. The Treasurer has adopted a policy upon lines similar to those suggested by me during the previous Budget debate, and has approached more closely to a solution of the problem than has any of his predecessors in office. However we may differ with regard to the details of his proposal, there is no doubt that the right honorable gentleman has applied his mind to this matter, and has contributed some valuable suggestions. I am glad to gather from the Prime Minister that there is no truth in the statement published in the newspapers this morning to the effect that he had stated that no proposal would be made for taking over the States debts until 1910. If that were true, this would be nothing more than a mere academic debate. I think that the Prime Minister, and the honorable member for Mernda, recognise that the question of reducing the burden of interest payments upon loans is of tremendous and immediate importance. For instance, if we could reduce the rate of interest payable on our loans by $\frac{1}{2}$ per cent., we should save the people of Australia over £1,000,000 per annum. If we could reduce the interest charge by 1 per cent., we should lighten the burden of the taxpayers by over £2,100,000 per annum. A reference to the Budget papers will show that next year £5,000,000 will have to be provided for the repayment of loans. In the following year, £7,000,000, in the next year, £3,000,000; in the succeeding year, £5,000,000; and in the ensuing twelve months, £6,000,000 or £7,000,000, will have to be found for the renewal of loans. Thus, every year large loans are falling due, and the whole question will have to be tackled. If the situation is not faced by the Commonwealth, the States must act on their own behalf under all the disadvantages attached to having to go into the London market as competitors, without the backing of the Commonwealth. This problem can be dealt with, irrespective of any amendment of the Braddon section. That provision in the Constitution is an important one, but its amendment is not essential to enable the Commonwealth to take over the States debts. The Braddon section provides that the three-fourths of the Customs and Excise revenue which is now paid over to the States, may be disposed of either in that way, or by being applied to the payment of the interest on the States debts taken over by the Commonwealth.

The Treasurer clothed the dry bones of his figures with a good deal of flesh and blood. He has put his whole heart into his subject, as he always does. Having said that, it is, perhaps, quite pardonable to find that he devotes one of his valuable two eyes to Western Australia, and a good portion of the other also. At all events, I shall show presently that, very naturally, he feels great concern lest his State should get the worst of the bargain.

Sir JOHN FORREST.—I do not want to see any injustice done to it.

Mr. HIGGINS.—There is one important feature of the Treasurer's scheme which differentiates it from all other schemes—it has the approval of the Government. That means that it is to be taken up by the Government, and it is extremely important, therefore, that honorable members should offer such critiques as they may think necessary before it is placed before the people in a definite form. The Treasurer proposes to make one amendment only of the Constitution.

Sir JOHN FORREST.—Two. I thought that there might be one.

Mr. HIGGINS.—Then, I understand that, in view of what has been said, the Treasurer recognises that it will be expedient to make a second amendment of the Constitution?

Sir JOHN FORREST.—I said in my Budget speech that only two sections of the Constitution are affected, namely, sections 94 and 105.

Mr. HIGGINS.—I think it will be necessary for the right honorable gentleman not only to amend the Constitution, so as to permit the Commonwealth to assume the responsibility for the debts which have been contracted by the States since Federation was accomplished, but to amend it in such a way as to enable the Commonwealth to take up the States loans as they approach maturity.

Sir JOHN FORREST.—We intend that, as will be seen by reference to my Budget statement, page 2034 of *Hansard*.

Mr. HIGGINS.—Quite so. I am very glad to find that the Treasurer, as the result of his visit to London, has arrived at the conclusion which I ventured to urge at this time last year. He has put it in very apt words. He says—

The financial authorities whom I consulted in London were unanimous in the opinion that it would be disadvantageous to place the Commonwealth brand on State stock before conversion, as such action would prevent the possibility of any profitable conversion, and would

be making to the existing holders a present of any increase in price caused by the additional Commonwealth security.

Mr. HARPER.—That is, if they are converted.

Mr. HIGGINS.—No. If the Commonwealth were to say, "We will see that these debts are paid," it would send up their value at once. I recollect the case of a young man who had got into debt through extravagance. His creditors were willing to sell his debts for a shilling in the pound, but his aunt stepped in and said, "I am going to see that all of Edward's debts are paid." The result was that the creditors would not accept less than 20s. in the pound. Of course, I recognise that I am putting an extreme case; but, after all, this is only a matter in which we must exercise common sense. The meaning of the words "take over" is perfectly clear. They do not mean that a State shall not continue to be liable to its creditors. It will still be liable. But the Commonwealth will have practically said, "We will also be liable." My point is that the creditor of any State will then know that in addition to the liability of the State there will be the liability of the Commonwealth.

Mr. HARPER.—But a creditor cannot get more than £100 for £100 worth of stock.

Mr. HIGGINS.—If the honorable member will permit me to develop my argument, he will see that I have taken into consideration everything that he has said. I embodied my conclusions in an article which appeared in the *Daily Telegraph* and the *Age* of last year. Rightly or wrongly, I hold that there will be a most material improvement in the stocks of the States when once they are backed by the Commonwealth guarantee. It now appears that the Treasurer, as the result of the interviews which he had with financial men in London, has come to a similar conclusion. The point which the late Treasurer ignored in all his interviews with the Premiers has been seized very thoroughly and clearly by the present occupant of that office. The only thing that I wish to say to the right honorable gentleman is that he must recollect that the only power which the Constitution gives us for taking over the States debts is contained in section 105. That power is to take over either all or a proportionate part of the debts of the States. In other words, what we do for one State we must

do for all. When the Constitution was being framed, the fear was expressed that one State might get more advantage from the Commonwealth backing than would another State. That was the reason why the clause was drafted in its present form. If we take over all the debts of the States at one swoop, we shall be giving the existing bondholders a big premium for nothing. Let us suppose that a Tasmanian bond carrying interest at 4 per cent. is worth £100, or par to-morrow. If the Commonwealth were to declare, "We will assume responsibility for the payment of that bond," I venture to say that it would be worth at least £102.

Mr. HARPER.—How would that affect either the Commonwealth or the Tasmanian Government?

Mr. HIGGINS.—I say that it is something to bargain with, and that as a result the Commonwealth could give a bond carrying a lower rate of interest. I have in my mind an instance of a Queensland loan which will mature in 1915. In that year a debt of £11,400,000 will fall due. If that debt were taken over in, say, 1907, the State of Queensland would still remain liable for it, but the Commonwealth would have pledged itself to see both the principal and the interest upon it paid. In other words, there would be behind that debt, not only the Queensland promise to pay, but also the Commonwealth promise—the better security of all the States. Moreover, in London, the stock would be more marketable, because we should have a large uniform stock. I am told upon very good authority that just as consols are used in London to-day for mercantile transactions—in the knowledge that there are plenty of consols available so long as people are willing to pay the price demanded for them—we shall find, so long as Commonwealth stock is uniform and invariable, and there is plenty of it to be had upon the market in time of stress, that not only investors, but financial men also will purchase it.

Mr. HENRY WILLIS.—What disadvantage will there be to the States or to the Commonwealth if we do not take over their indebtedness at once?

Mr. HIGGINS.—If we said to the holders of £100 worth of these Queensland Bonds, which carry interest at 4 per cent., "Your debt will fall due in 1915. We are prepared to give you the same amount of Commonwealth stock at 3½ per

cent. if you will exercise your option to convert within a certain time," they would see the advantage. A large number of investors hold trusts for long terms, and do not like changes; they do not like being paid off. They would much rather have a bond which, as proposed by the Treasurer, is not to be paid for a period of say, thirty years, or is interminable, than one which is to be paid off within a few years. And so they would say, "The rate of interest is still falling, no matter what we do, and we cannot obtain better rates. We will exchange the Queensland £100 bond for a Commonwealth bond at a lower rate, but issued for a longer term."

Mr. HARPER.—They might do that when the loans are approaching maturity. But I do not think they would do it during the next seven years.

Mr. HIGGINS.—I am quoting an extreme case. I know that as the bonds get closer to maturity there will be more likelihood of securing an exchange. The honorable member is aware that in London there are investors of all sorts. There are big companies and societies, and also big investors who want nothing so much as a fixed investment. The amount of interest payable is not so material as is the requirement that they shall not be disturbed, and, as the time approaches for payment of the bonds, they are extremely likely to be willing to make an exchange. As soon as all the stock has been taken over, as it is to be hoped it will be, we shall have a stock representing no less than £236,000,000 to work upon. That is a huge sum. The larger it is the better for the purposes of investment, and for those who are engaged in finance. At present, a number of men do not touch Australian securities because of the trouble experienced in ascertaining the terms—the various States issuing them, the rates of interest payable, and the general conditions. All these conditions are embarrassing, and consequently, these men invest in consols or something else simpler. It is an immense advantage to have a uniform stock with an undoubted security and simple conditions.

Mr. HENRY WILLIS. — British trustees were barred from investing in Australian securities.

Mr. HIGGINS.—I understand that they now have limited power to invest in them, but that power has not been largely used. In consequence of my law associations,

I have a good deal of experience in these matters, and I know that it is largely because of the differences in the conditions and terms, and the uncertainty with regard to the different States issuing bonds, that so many people in the old world do not take them up. The people of England are far more likely to understand what "Australia" means than what "Tasmania" or even "New South Wales" means. We should also give bond-holders an option. We should advertise that holders of bonds representing the £11,400,000 should apply, say, within six months to the Agent-General, or whoever may be appointed, who will give them, if they wish it, Commonwealth stock in exchange for their bonds.

Mr. HENRY WILLIS.—At a lower rate of interest?

Mr. HIGGINS.—Yes.

Sir JOHN FORREST.—They would be nearing maturity.

Mr. HIGGINS.—That is so. The nearer they are to maturity the more likely we are to secure an exchange.

Mr. HARPER.—If we gave the investor a bond for £100 he would take it.

Mr. HIGGINS.—There are many who would prefer a bond of £100, having a currency of thirty years, and bearing interest at $3\frac{1}{2}$ per cent., to a bond for £100, payable in two years, and bearing interest at 4 per cent. If we could next year convert the Queensland loan to which I have referred into one at $3\frac{1}{2}$ per cent., we should save £57,000 per annum. If we could convert it at par, bearing interest at 3 per cent., we should secure a saving for the year of £114,000. In the four years that must elapse before the expiration of the Braddon section we should, by means of a reduction of $\frac{1}{2}$ per cent. in the rate of interest, save Queensland £228,000. It will be seen, therefore, that I thoroughly concur with the Treasurer's proposal as to only taking over those bonds step by step. As an amendment of the Constitution is required, let us have it quickly. I feel convinced that if the Government put a complete, well-recommended scheme before the people, they would be given *carte blanche*.

Sir JOHN FORREST.—Would it not be sufficient if we struck out of section 105 of the Constitution the words "as existing at the establishment of the Commonwealth"?

Mr. HIGGINS.—I must ask the right honorable gentleman to again consult his advisers. I think that he must have misunderstood.

Sir JOHN FORREST.—I certainly was informed that we could do this.

Mr. HIGGINS.—There is no power under the Constitution to carry out the scheme that the Treasurer has very properly suggested for taking over the debts as they mature or approach maturity.

Sir JOHN FORREST.—Has the honorable and learned member read what I propose in sub-clause 1 of clause 8 of my memorandum? It is to be found at page 2034 of *Hansard*.

Mr. HIGGINS.—I have noticed that the right honorable member proposes that a law be passed enabling the whole of the States debts to be converted or redeemed "by such successive operations as may be thought fit." That is a proper idea, but effect cannot be given to it under the Constitution.

Mr. HARPER.—Does not section 105 authorize the taking over of the debts as they mature?

Mr. HIGGINS.—No; it merely allows the taking over of all the debts, or a proportion of them, at the one time.

Sir JOHN FORREST.—The clause in my memorandum to which I have directed the honorable and learned member's attention was carefully settled.

Mr. HIGGINS.—But without regard to the constitutional question.

Sir JOHN FORREST.—We always kept our eyes on the Constitution.

Mr. HIGGINS.—There is no power to take over each debt as it matures.

Mr. HARPER.—Although there is a general power to take over the lot?

Mr. HIGGINS.—We can merely take over all the debts at the one operation or a proportion of them.

Sir JOHN FORREST.—The Constitution does not say so.

Mr. HIGGINS.—I shall leave the right honorable gentleman to consult his advisers. I shall not venture to say that he has not received advice as good as that which I can give him, but I feel convinced that my contention is correct.

Mr. HARPER.—A layman would certainly think that the debts could be taken over as they matured.

Mr. HIGGINS.—My honorable friend is the first layman I have met who takes that view. As to the Treasurer's proposed substitute for the Braddon section, I think that the objection of the honorable member for Mernda is a just one.

Sir JOHN FORREST.—In the Constitution we have the words "take over." Can we

not legislate as to the way in which we shall take over the debts?

Mr. HIGGINS.—We can legislate only as allowed by the Constitution.

Sir JOHN FORREST.—In section 105 of the Constitution we have the words "take over," but nothing as to how we shall take over the debts.

Mr. HIGGINS.—It says, in effect, that we must take over the whole or a proportion of the debts.

Sir JOHN FORREST.—That is what we are going to do.

Mr. HIGGINS.—If we took over the whole, we should give to the bond-holders the present that the honorable member for Mernda has mentioned. We are in the dilemma that, if we took over the whole, we should put the Commonwealth brand on the States debts, without any equivalent, while if we did not take over the whole, we should be going against the Constitution.

Sir JOHN FORREST.—The honorable and learned member will see that sub-clause 2 of clause 8 of my memorandum provides exactly for what we want to do. We propose to do it by successive steps.

Mr. HIGGINS.—I understand that the Treasurer wishes to have successive steps; and that the only question between us is whether what he proposes can be done without an amendment of the Constitution.

Sir JOHN FORREST.—I shall look into the point.

Mr. HIGGINS.—As to the substitute for the Braddon section, I must say that I think that the criticism of the honorable member for Mernda is right and just. If there were a reduction in our revenue receipts, the Commonwealth would have to bear the whole brunt of it. If we had bad times, and if, as the honorable member for Mernda says, there were a fall in revenue from £8,000,000 to £7,000,000, then the States would get their fixed proportion, while the Commonwealth would receive only half of what it receives to-day. That would put the whole brunt of the difficulty on the Commonwealth. I am as hopeful as any one that we shall not have a great reduction of the kind in our receipts; but, having regard to the experience of Victoria, with which the honorable member for Mernda and myself are most acquainted, I must say that such an event is quite possible. I recollect that in a boom year the revenue in Victoria was £9,000,000, whereas a few years later it was only £6,000,000, showing a fall of one-third.

The Treasurer has had his lines cast in pleasant places in the glorious West, and can hardly understand what it is to have a deficit.

Sir JOHN FORREST.—I was looking at the probable increase of population.

Mr. HIGGINS.—But the more the population increases, the more women and babies there will be, and, therefore, the less revenue per head.

Sir JOHN FORREST.—I do not think so. I was taking into account new people.

Mr. HIGGINS.—The reason that there is such an expanding revenue in Western Australia is that in that State there are more men who drink and smoke; and I must say that the Treasurer is right when he reminds us that it is the drinking men and the smoking men who keep the Commonwealth solvent—that but for such men we should be in sad case. As a solution of the difficulty to which the honorable member for Mernda alluded, I suggest that there should be some slight modification of the Treasurer's proposal for fixed payments. That proposal has much to recommend it, inasmuch as it would make for certainty for the States Treasurers, and would tend to do away with quarrelling and trouble. Every year we are told that we are spending too much, but if there were fixed payments the fact would diminish immensely the friction between the Commonwealth and the States. I should like, however, to see some provision made by which, if the revenue were to fall considerably below, say, for example, £8,000,000, there should be a proportionate reduction in the fixed payments.

Sir JOHN FORREST.—I have no fear of that occurring.

Mr. HIGGINS.—I am very glad to hear the Treasurer say that, and I hope he is right. I only say that I should feel more secure if there were a provision that if the revenue fell considerably below, say, the £8,000,000 standard, which the honorable member for Mernda mentioned, there should be a proportionate reduction in the payment to the States.

Mr. WILKS.—An automatic reduction?

Mr. HIGGINS.—Yes.

Sir JOHN FORREST.—I did not propose such a provision, because I do not think the circumstances are likely to arise, and, in any case, do not think it necessary.

Mr. HIGGINS.—But I am sure the Treasurer has no objection to any sugges-

tion which may help his scheme to a consummation.

Sir JOHN FORREST.—If there were a deficiency we have specific powers to finance ourselves; we are responsible, like the States, for making both ends meet.

Mr. HIGGINS.—I am exceedingly anxious that the relations of the Commonwealth and the States should go on with diminished friction; and I think fixed payments would help to that end. At the same time, if a crisis ever does occur, I do not want the whole brunt to fall on the Commonwealth Government, because any difficulty ought to be shared by both States and Commonwealth. I think I am not wrong in saying that the proposal of the honorable member for Mernda depends on his reading of section 96 of the Constitution. The honorable member regards that section, which gives power to the Commonwealth to grant financial assistance to any State, as involving the further power to take over the debts, practically irrespective of section 105.

Mr. HARPER.—I regard the section as giving the Commonwealth power to lend the States money.

Mr. HIGGINS.—That was to me a new aspect of section 96, which I thought was well worth looking into, and I have come to the conclusion, right or wrong, that we cannot give financial assistance in that way by practically taking over the debts. If there were no section 105 in the Constitution, there would not be so much difficulty in coming to the conclusion presented to us by the honorable member. But section 105 sets forth the conditions under which we may take over the debts, and we must give effect to that section equally with section 96—we must read them both together. I have no doubt that the Court would come to the conclusion that section 105 provides the only way in which we can take over the debts, and that the granting of financial assistance was meant primarily to apply to the case of a State which threw out the flag of distress, and asked for help.

Sir JOHN FORREST.—That was the reason for the section.

Mr. HIGGINS.—But, according to the honorable member for Mernda, the section means that we may grant assistance to all the States, and in the same degree, without being asked. That is not the granting of financial assistance which was meant.

Mr. HARPER. — It would involve an amendment of the Constitution?

Mr. HIGGINS.—Yes. We all recollect the circumstances of the insertion of section 96. It was not passed by the Convention, which is, therefore, not responsible for it. It was a provision inserted by the Premiers in 1899 after the first referendum, at the instance, I believe, of New South Wales. That State felt that a low Tariff would suit its purposes, but recognised that, at the same time, a low Tariff would almost ruin Tasmania, and, perhaps, Queensland and South Australia. On behalf of New South Wales it was then said, "Well, in place of being coerced into a high Tariff, let us have a provision by which the Commonwealth can assist a State." I do not know who was the exact propounder or proposer of section 96, but I apprehend it must have been the honorable member who leads the Opposition. No doubt that was the intention of section 96, namely, to avoid the pressure of the argument that there must be much Customs taxation in order to meet the needs of the poorer States. I admit that the history of the section does not affect its interpretation; we must take a section as it stands in the Constitution. But I have little doubt that the interpretation of the two sections would be that the only power to take over the debts is that conferred by section 105, and that the only application of section 96 is to enable the Commonwealth to hold out a hand to a State which cries for aid.

Mr. HARPER. — Not to lend money simply.

Mr. HIGGINS.—I may also point out that it is not enough for our purposes to exercise a power which we believe we have. It is too doubtful a power to exercise. In London investors and others will obtain advice about these things, and if a doubt is thrown upon what we are doing, it will mean that many investors will fight shy of this security. It is not enough for us to make a safe security, but we must make a security which also seems to be safe. On these grounds, I do not think that it would be well for us to attempt the experiment the honorable gentleman has referred to. My feeling is that the sooner we get to a *per capita* distribution, the better, and that we ought not to be deterred by any difficulties with regard to small sums of money. Still, it must be remembered that Western Australia is in an exceptional position. Her

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Sir JOHN FORREST.—The reason I think, that there are more women and children in Western Australia.

Mr. HIGGINS. — Exactly; but where there are more men there is more drinking and more tobacco is smoked. The Treasurer properly says, the greater part of our revenue is derived from the consumption of alcohol and narcotics.

Mr. HARPER.—Women and children consume less than men.

Mr. HIGGINS.—The more women and children there are, the smaller the consumption, because women and children do not consume drink and tobacco as men. Why, I myself, in company with the Treasurer, saw in Kalgoorlie, men four or five waiting for drinks around a bar. The Treasurer need not think that his fellow Western Australia will always consume at such a great rate. He himself has told us that in the first year of the Commonwealth the consumption in Western Australia was not £3 14s. 10d., but £5 16s. 4d. per head. In other words, when the Commonwealth started five or six years ago, Western Australia had per head two and a half times the revenue of Tasmania. Now she has only one and a half times as much revenue, a falling off of 50 per cent. I expect that when we reach the year 1910 the States will have approached very near to an equality. The Treasurer, at page 2032 of his Budget statement, said—

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Those figures show that we are approaching very near to the state at which we ought to have a *per capita* distribution. For that reason, I think that the Treasurer's scheme based upon a five years' average is not a sound one. Suppose that by 1910 the consumption of Western Australia has approached almost to an equality with that of Tasmania?

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Mr. HIGGINS.—I venture to say that, the disproportion in Western Australia as been lowered by 50 per cent. in the last five years, it will probably be lowered by 50 per cent. in the next five years.

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Mr. HIGGINS.—I agree with him that it would not be fair for us to force upon Western Australia a *per capita* distribution unless the people of that State recognised that it was fair.

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an extreme disproportion as there is now in the case of Western Australia. In regard to the White Australia policy, Victoria, Tasmania, and the other States have shown that they are not by any means without generosity. The only States which benefit from that law are Queensland and part of New South Wales. The growers of sugar get a good deal of money from it, whilst Victoria and Tasmania get nothing.

Sir JOHN FORREST.—Nor do Western Australia or South Australia.

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Mr. HIGGINS.—Yes. We all recollect the circumstances of the insertion of section 96. It was not passed by the Convention, which is, therefore, not responsible for it. It was a provision inserted by the Premiers in 1899 after the first referendum, at the instance, I believe, of New South Wales. That State felt that a low Tariff would suit its purposes, but recognised that, at the same time, a low Tariff would almost ruin Tasmania, and, perhaps, Queensland and South Australia. On behalf of New South Wales it was then said, "Well, in place of being coerced into a high Tariff, let us have a provision by which the Commonwealth can assist a State." I do not know who was the exact propounder or proposer of section 96, but I apprehend it must have been the honorable member who leads the Opposition. No doubt that was the intention of section 96, namely, to avoid the pressure of the argument that there must be much Customs taxation in order to meet the needs of the poorer States. I admit that the history of the section does not affect its interpretation; we must take a section as it stands in the Constitution. But I have little doubt that the interpretation of the two sections would be that the only power to take over the debts is that conferred by section 105, and that the only application of section 96 is to enable the Commonwealth to hold out a hand to a State which cries for aid.

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The PRESIDENT.—If there is any question of the Senate having been misled, shall permit a motion to be moved, although it is certainly irregular.

Senator PLAYFORD.—I had no intention to mislead the Senate. I believed that the paper was in print, but I was not absolutely sure.

Senator WALKER (New South Wales) [2.40].—I move—

That the paper relating to the deportation of kanakas be printed.

On a previous occasion I spoke on this subject, and asked when the return would be tabled. Consequently I desire that it shall be printed.

Question resolved in the affirmative.

The CLERK laid upon the table the following paper:—

Return to an order of the Senate, dated 3rd August, relating to revenue from Customs and Excise duties on sugar, &c.

Ordered to be printed.

REFRESHMENT-ROOM.

The PRESIDENT.—I beg to lay upon the table a report of the Joint House Committee as to the working of the Refreshment-room. I do not know whether the Senate wishes that it should be printed or not; but, as it is very short, I shall ask the Clerk to read it.

Report read by the Clerk.

The PRESIDENT.—Does any honorable senator move that the report be printed?

Senator MACFARLANE.—I should like to ask a question.

The PRESIDENT.—I do not know that the honorable senator will be in order, but I shall answer the question if I can.

Senator MACFARLANE.—The question I desire to ask is whether there are any persons on the free list of the refreshment-room?

The PRESIDENT.—Not to my knowledge.

Senator MACFARLANE.—It is an extraordinary thing that there should be a deficit.

The PRESIDENT.—I am quite sure that there is no Member of Parliament or other persons on the free list.

Senator MCGREGOR (South Australia) [2.42].—I move—

That the report be printed.

I take this course in order to afford to honorable senators an opportunity to express their opinions. I think it will be gener-

ally admitted that the report will bring about the best conditions which, in the circumstances, could possibly exist. Outside caterers have had an opportunity of tendering under existing conditions, and it is plain that they are not able to render the service for less than the present expenditure. During last recess the dining room and the bar were closed. On several occasions this caused great inconvenience to many representatives of other States, who had occasion to visit the premises. Under the proposed arrangements, however, such visitors, and even the representatives of Victoria, would be able to get at least a cup of tea instead of being compelled to go outside. Meals are always prepared for the members of the Parliament, but their attendance is very irregular, and consequently it is impossible for a caterer to render the service at a less cost than the present amount. That, to a very great extent, is the reason why the Department has to be subsidized. From the character of the report, Senator Macfarlane might easily have seen that no members of Parliament, or even visitors, are on the free list of either the bar or dining room.

The PRESIDENT.—I would remind the honorable senator that on this motion he ought not to discuss the question.

Senator MCGREGOR.—I am submitting reasons why the report should be printed, so that the public may know what is being done.

The PRESIDENT.—I do not think that on this motion the honorable senator ought to go into the merits of the case. A paper is only printed in order to afford an opportunity to the Senate to discuss it later on.

Senator MCGREGOR.—I shall content myself with these few remarks.

Senator CLEMONS (Tasmania) [2.45].—I understand that the report under consideration merely deals with the existing state of things, and does not contain a balance-sheet or statement of accounts?

The PRESIDENT.—No.

Senator CLEMONS.—I suggest that a statement of accounts might accompany the report when printed, so that honorable senators might be able to see what the details are in connexion with the refreshment-room, and understand why it does not pay its way.

The PRESIDENT.—I will obtain the accounts and annex them to the report.

Question resolved in the affirmative.

Mr. HIGGINS.—I would listen to the honorable member for Wentworth more frequently if he did not talk so often. At all events, I shall be very glad indeed to find that I am in accord with him on this matter. We have great difficulties, because we are paying for our post-offices and other buildings from revenue. I am very glad that we adopted that policy. I feel certain that whether the Commonwealth borrows or not, it should never borrow until it has begun to float loans for the conversion of the States debts. It wants to get its foot firmly established on a creditable foundation in the London market. This system of paying from revenue for post-offices and the like is a strong factor in the economy which has marked our Federal system hitherto. Some years ago, I went into calculations, and I found that, notwithstanding that the object of borrowing is to relieve the tax-payers, yet they have actually paid more in interest than they would if they had paid for all their works from revenue. I have verified the figures for Victoria in particular, but the same remark applies in a greater degree to the other States, because Victoria has borrowed less per head. It is an extraordinary thing that what was meant to be a relief to the tax-payers has not been so in the long run. In conclusion, I feel that we have good reason for hopefulness in regard to Australia. A country with an oversea trade of £95,000,000, a trade per head of £23 9s. 9d., is one which, although it has only 4,000,000 people, is not to be despised. We have great troubles and great difficulties to face; we have our problems to solve, but there is no doubt that Australia is a country which is as likely to make progress as is any country in the world. I feel convinced that if the Treasurer could see his way at the next election to put before the people a well-framed constitutional amendment—not a partial or piecemeal one, but one which would enable a candidate to say to the electors, "Look, if you pass this, you will have the problem of States debts solved"—it would be ratified.

Mr. JOHNSON (Lang) [10.25].—As the usual hour for adjourning on Tuesday has arrived, I would ask the Treasurer to consent to progress being reported.

Progress reported.

House adjourned at 10.26 p.m.

Senate.

Wednesday, 8 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

PAPERS.

Senator PLAYFORD (South Australia—Minister of Defence) [2.32].—I beg to lay upon the table the following paper:—

Correspondence between the Prime Minister and the Premier of Queensland, together with a departmental memorandum, relating to the deportation of kanakas, dated 23rd July to 6th August.

Senator WALKER.—Will it be printed?

Senator PLAYFORD.—I believe that the paper is in print, but if it is not, then in order to make sure I shall move that it be printed. The Printing Committee will meet and arrange. I also lay upon the table the following paper:—

Précis and copy of correspondence between the Imperial Government and the Commonwealth on the question of the coinage of silver for the Commonwealth, dated 13th December, 1904, to 2nd November, 1905.

Senator PULSFORD.—Is it in print?

Senator PLAYFORD.—It will be referred to the Printing Committee.

Senator MACFARLANE.—Does the Minister refer to the Printing Committee of the Senate, or to the Printing Committee of both Houses?

Senator PLAYFORD.—Of the Senate.

The PRESIDENT.—The Minister cannot refer the paper to the Printing Committee.

Senator PLAYFORD.—No; it will be referred automatically to that body.

Senator WALKER.—Shall I be in order in moving that the paper relating to the deportation of kanakas be printed?

The PRESIDENT.—It is too late for the honorable senator to move that the first paper be printed.

Senator CLEMONS.—I feel quite certain, sir, that immediately the Minister made a reference to the kanaka question, Senator Walker took the earliest opportunity of asking whether the paper would be printed. The Minister proceeded to lay another paper upon the table, but Senator Walker certainly lost no time in taking action.

Senator MCGREGOR.—The Minister said he believed that the paper was in print, and that misled honorable senators.

The PRESIDENT.—If there is any question of the Senate having been misled, I shall permit a motion to be moved, although it is certainly irregular.

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The PRESIDENT.—I will obtain the accounts and annex them to the report.

Question resolved in the affirmative.

PUBLIC SERVANTS: SUSPENSION.

Senator PEARCE asked the Minister representing the Prime Minister, *upon notice*—

1. Was a communication relating to the suspension of certain Commonwealth public servants received by the Prime Minister, dated 25th April, 1906?
2. Why was no reply (except an acknowledgment) to such communication not sent till the 29th June, 1906?
3. Could not more expedition be shown in dealing with these matters?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes.
- 2 and 3. A full statement upon this question, made in the House of Representatives by the Prime Minister on Friday last, will be found reported in the number of *Hansard* that will appear to-morrow. To that statement I beg to invite the honorable senator's attention.

Senator PEARCE asked the Minister representing the Minister of Home Affairs, *upon notice*—

1. Is it a fact that some Commonwealth public servants at Fremantle, Western Australia, have for some time been suspended from their duties?
2. Have their cases been before a Board of Appeal?
3. Have the findings of such Board been forwarded to the Public Service Commissioner?
4. Why have these cases not been finally dealt with?
5. What length of time has elapsed since the suspension of these servants?

Senator KEATING.—The Public Service Commissioner reports as follows in answer to the questions:—

1. At present there are no public servants employed at Fremantle under suspension. An officer who is stationed at Onslow, but who, it is understood, at present resides at Fremantle, is under suspension. The papers in his case were received yesterday by the Public Service Commissioner, and action will be at once taken to deal with the matter.
2. There were previously a number of cases at Fremantle, and, except where the offence was admitted, they were all inquired into by a Board.
3. Yes.
4. They have all been finally dealt with, with the exception of the one case mentioned in reply to No. 1.
5. In the undealt with case referred to, the officer was suspended on the 8th June.

CASE OF MR. HART.

Senator STEWART asked the Minister representing the Postmaster-General, *upon notice*—

1. The total amount of salary and allowances paid to Mr. Hart, a clerk in the Postal Depart-

ment, Queensland, from the date of his first suspension till the date of his dismissal from the service?

2. The expenses incurred in connexion with the various Boards of Appeal and Inquiry commissioned to investigate the case of Mr. Hart?

3. The costs incurred in defending the action brought by Mr. Hart against the Commonwealth authorities?

4. Have those costs or any portion of them been paid by Mr. Hart, and, if not, does the Commonwealth expect to recover the same from Mr. Hart?

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

1. £165 17s.
2. £34 6s. 8d.
3. Approximately, £1,721 13s. 4d.
4. Yes, to the extent of £2 19s. 6d., the amount which the jury found to be due to Hart, but which the judge ordered to be paid to the Postmaster-General's Department, in part satisfaction of costs. The question of recovering the amount of the costs is under consideration, and the Postmaster-General is therefore not prepared to express an opinion in the matter.

CASE OF MR. GAVEGAN.

Senator STEWART asked the Minister representing the Postmaster-General, *upon notice*—

1. What were the costs incurred in defending the action brought by Mr. Gavegan, late of the Queensland Telegraph Department, against the Commonwealth?

2. Has any portion of those costs been paid by Mr. Gavegan; and, if so, what sum?

3. If not, does the Commonwealth expect to recover the whole or any portion of the costs?

Senator KEATING. — The answers to the honorable senator's questions are as follow:—

1. Approximately, £1,639 6s. 7d.
2. No portion has been paid by Mr. Gavegan.
3. The question of recovering the amount of the costs is under consideration, and the Postmaster-General is therefore not prepared to express an opinion on the subject.

ESTIMATES: TARIFF CHANGES.

Senator FULSFORD asked the Minister representing the Treasurer, *upon notice*—

Are the estimated financial results of the Tariff changes which have been proposed, or are intended to be proposed, embodied in the Budget Estimates for the current year?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows:—

It has not been possible to include the financial results of the proposed Tariff changes in the Budget Estimates.

Senator PULSFORD asked the Minister representing the Treasurer, *upon notice*—

What are the estimated increases or decreases of revenue in each State for the current year, consequent on the proposed changes in the Customs and Excise duties on spirits?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows:—

It is estimated that the revenue will not be increased or decreased to any notable extent by the proposed changes.

Senator PULSFORD asked the Minister representing the Treasurer, *upon notice*—

Will the Government explain how the estimates of revenue for the current year, especially those for Customs and Excise, have been framed? Do the figures of such States represent the estimates of the Commonwealth Officers in each State, or are the estimates wholly framed in Melbourne, and, if so, by whom?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows:—

First framed by Commonwealth officers in the State, then inquired into by the Central Staff, and then finally revised by the Treasurer.

MILITARY CANTEENS.

Senator PULSFORD asked the Minister of Defence, *upon notice*—

Will he take steps to lay on the table a statement showing where canteens are established; the receipt from the sale of alcoholic drink at each canteen, and the number of men attached to each barrack or fort where a canteen exists?

Senator PLAYFORD.—Yes.

PENNY POSTAGE: REVENUE.

Senator PULSFORD asked the Minister representing the Postmaster-General, *upon notice*—

What is the estimate of the loss of revenue on the sale of postage stamps, in each State, during the current year, consequent on the proposed adoption of penny postage?

Senator KEATING.—The answer to the honorable senator's question is as follows:—

The reduction in revenue for the period from 1st October, 1906, to 30th June, 1907, is estimated as follows, viz.:—

1. If the penny postage be limited to the Commonwealth—

New South Wales ...	...	£46,000
Victoria ...	...	7,000
Queensland ...	...	20,800
South Australia ...	...	18,700
Western Australia ..	...	14,750
Tasmania ...	...	12,000

Total £119,250

or
2. If extended also to all places beyond the Commonwealth—

New South Wales ...	...	£51,000
Victoria ...	...	12,000
Queensland ...	...	22,500
South Australia ...	...	20,000
Western Australia ...	...	16,500
Tasmania ...	...	13,000

Total £135,000

TELEGRAPHIC CHESS MATCH.

Senator PULSFORD asked the Minister representing the Postmaster-General, *upon notice*—

Referring to the reply given on Wednesday last to Senator Pulsford's question respecting the charges made for telegraphing in connexion with the recent telegraphic chess match between New South Wales and Victoria, is the Minister now prepared to order a refund to be made to the New South Wales Association of the amount in excess of that paid by the Victorian Association?

Senator KEATING.—The answer to the honorable senator's question is as follows:—

The Postmaster-General is not prepared, on the information at present before him, to order a refund of any of the charges paid in Sydney on account of the Chess Match referred to, because it appears that the messages in connexion therewith did not comply with the requirements of the regulation governing press messages, but were sent by one of the players, and paid for by the Secretary to the Chess Club.

DESIGNS BILL.

Bill returned from the House of Representatives with amendments.

MAIL SERVICE TO EUROPE.

Message received from House of Representatives intimating that it had concurred in the resolution as amended by the Senate in reference to the contract between the Postmaster-General and Sir James Laing and Sons Limited.

EMINENT DOMAIN BILL.

In Committee (Consideration resumed from 1st August, *vide* page 2131).

Postponed clause 16 (Approval of acquisition).

Senator KEATING (Tasmania—Honorary Minister) [2.54].—This clause was postponed because of considerations urged by certain honorable senators that as it stood it made it appear that the provisions of this Bill might be used in connexion

with the acquisition of territory for the Federal Capital. Since our last discussion of the measure an amendment has been drafted and circulated. We consider that it is better not to make that amendment in clause 16, but to insert a separate clause. We propose that it shall follow immediately after the definition clause, and be practically the first operative clause in the Bill. The suggested amendment reads as follows:—

5A. This Act shall not be construed to authorize the acquisition of the territory for the Seat of Government of the Commonwealth.

If placed where we intend to place it, the proposed new clause will be on the very forehead of the Bill, and any one looking through the measure would see at a glance that it was not applicable to territory acquired for purposes of the Federal Capital. I think that the proposal will meet the wishes of those honorable senators better than if an amendment were made in clause 16. We may leave clause 16 as it stands.

Senator Sir JOSIAH SYMON (South Australia) [2.57].—The Minister has been well advised in making it distinct and clear that this Bill is not designed to apply to the acquisition of the Federal territory, but I suggest for his consideration, whether the object which he desires to achieve could not be attained in a simpler way. If honorable senators will turn to clause 5 they will see that the suggestion I am about to make has a good deal to commend it. The definition clause contains the paragraph—

“Public purpose” means any purpose in respect of which the Parliament has power to make laws.

Those words are taken from the Constitution; rightly taken from it in my opinion, so as to define the public purpose for which property may be secured in the terms used in the Constitution. I suggest that we should add to that paragraph some such words as these—

But shall not include the acquisition of the Federal territory.

That provision would expressly exclude the acquisition of any portion of the Federal territory. If a clause like that proposed by the Minister were inserted it would certainly be precise and distinct, but it would be inconsistent with the definition. There would be a definition of “public purpose,” and then a clause negating its application. But if some such words as I have suggested were inserted after the defini-

tion of “public purpose” there would be a provision governing the whole measure. As to clause 16 itself, I should have been glad to see it modified in respect of the acquisition of land from a State. Some honorable senators have argued that there is no reason why a State should be treated with any more consideration than a private individual. I thoroughly agree with that view, to a certain extent. But in relation to a Federation, we cannot place a sovereign State, whose interests and particular sentiments we are all anxious to consider, in the same position as an individual. The object of the Bill is to give power to acquire land, whether from an individual, a corporation, or a sovereign State, and, intrinsically, looking at the matter as merely one of morals, the question is whether the superior power or right of eminent domain, according to the American phrase, should or should not be exercised with a high hand. Of course, if it comes to the pinch, the Commonwealth must exercise it with a high hand; but when dealing with a sovereign State, there is a kind of courtesy which ought to be exhibited, particularly to a State which forms part of the same Federation. If I may use the expression, it is rather unmannerly to provide that by a mere notice in the *Government Gazette*, we shall take whatever land we choose, quite irrespective of the feelings of the State which owns the land. I do not take the ground that if land is necessary it should not be taken from a State, just as it is from an individual; but we ought to have some regard to the position of a State as it was before Federation, and only exercise the powers, legislative and otherwise, which have been transferred to the Commonwealth. I should, therefore, have been glad to see the power stated not quite so baldly as it is in this clause, and to have had a provision similar to that in the English Act prescribing a notice to treat, or something of that kind. If it were thought better to adopt the shorter cut in regard to individuals, we might retain the old-fashioned and more mannerly method in dealing with the States. This clause might be further postponed in order to give the Government an opportunity to consider some method more consonant with the position of the States. I do not mean that if it comes to an absolute insistence on the rights of the Commonwealth, the States will be entitled to any more consideration than

individuals; but if my suggestion were acted upon it would be, as it were, a little more delicate method of achieving the end. Whichever way we adopt, that end would be achieved, and the land would be taken compulsorily; but a notice to treat would be an intimation to the States, and any suggestions made on their behalf might be considered. Sub-clause 3, as I pointed out before, does not contain much of a safeguard to the control of Parliament. It is provided that a copy of the notification shall be laid before Parliament within fourteen days after its publication in the *Gazette* if the Parliament is then sitting, and, if not, then within fourteen days after the next meeting of Parliament; but, in the meantime, the process of acquisition may have gone too far to permit of successful or prudent interference on the part of Parliament. It is, of course, for Parliament to say whether that is sufficient control. However, I draw attention to sub-clause 3, and shall be glad to hear from the Minister whether, in his opinion, it might be modified in regard to the acquisition of State lands.

Senator KEATING (Tasmania—Honorary Minister) [3.8].—If the only provision we had for the acquisition of land was that in clause 16, there might be some force in the remarks of Senator Symon, but I fail to see that those remarks have much application when we consider that, first of all, we provide for acquisition by agreement. I do not think it at all likely that the compulsory powers of acquisition will ever be exercised in regard to States lands until the opportunities for peaceful negotiation have been exhausted in vain. Senator Symon has suggested that we might consider the advisableness, in regard to the States lands, of adopting principles parallel with, or similar to, those in the British Act. In my opinion, the principles on which we propose to act under this Bill are still better than those in the British Act. We provide, first of all, that whether the land be the property of a State, or of a private individual, the Commonwealth shall be able to acquire it by agreement. The desire is to exercise the power to acquire by agreement as often as possible. As I pointed out on a previous occasion, the difficulty is that some of the States do not think that the agreement sections in the present Act are strong enough to warrant their parting with land under their operation. That fact, I should

think, ought to clearly indicate to honorable senators the desire of the Commonwealth Government to exercise, wherever possible, the power of acquisition by agreement. We must, however, have some ultimate power in the event of a State not agreeing to part with the land; and it is, therefore, provided that, whether in the case of a State or a private individual, land may be compulsorily acquired. I shall ask honorable senators to agree to clause 5a as circulated.

Clause agreed to.

Postponed clause 5.

In this Act, unless the contrary intention appears—

“Crown land” means any land the property of a State, whether reserved or dedicated for any public purpose or not.

“Land” includes any estate or interest in land (legal or equitable), and any easement, right, power, or privilege over, in, or in connexion with land, and also includes Crown land.

“Public purpose” means any purpose in respect of which the Parliament has power to make laws.

Senator KEATING (Tasmania—Honorary Minister) [3.10].—I move—

That after the word “not,” line 6, the following words be inserted, “but does not include any estate or interest granted by the State to any person.”

This amendment is proposed in order to meet the criticism raised by Senator Millen as to the definition of “Crown land.” The honorable senator referred to the case of selectors in New South Wales who had acquired some rights to land, but had not obtained the title deeds, and who, therefore, might possibly not have rights included in the definition. As I pointed out on a previous occasion, the definitions are, in my opinion, sufficient to cover all classes of cases which would arise under the Bill. I am still of that opinion; but honorable senators opposite seem to think that the definitions as they stand do not sufficiently protect the rights of the persons I have mentioned. Rather than that there should be any doubt, I am perfectly willing to submit the amendment, which will ensure that the possessor of such an estate or interest shall be able to exercise, in regard to compensation, the rights of a full and unencumbered owner of land.

Senator Sir JOSIAH SYMON (South Australia) [3.14].—The only effect of the clause is to say that it covers land, subsequently defined, of which the State is the owner. That being the case, all that the State owns is, as subsequently defined, the estate or interest in the land which belongs to the owner. Therefore, if the land were acquired, there might be two owners, namely, the State and the owner of the lesser interest; and I am not sure that the additional words proposed may not cause difficulty. All Crown land is defined to be land of which a State is the owner, but that can refer only to the estate or interest in the land of which the State is possessed; the remaining interest, if any, being that held by the individual. I do not know whether Senator Keating is satisfied that the proposed amendment fully meets the objection raised.

Senator KEATING.—I think that the Bill as it stands is sufficient.

Amendment agreed to.

Senator Sir JOSIAH SYMON (South Australia) [3.16].—In order to carry out our intention to exclude from the operation of this Bill the acquisition of the Federal Territory, I move—

That after the word "laws," the following words be inserted:—"but shall not include the acquisition of territory for the Seat of Government of the Commonwealth under the Constitution."

"Seat of Government" is the expression used in section 125 of the Constitution, which deals with the matter. No land can be acquired under the provisions of this Bill except for a public purpose, and a public purpose under the Constitution means a purpose in respect to which Parliament has the power to make laws. The doubt suggested in connexion with this Bill was that it might be construed to cover the acquisition of territory for the purpose of the Seat of Government of the Commonwealth, because under the Constitution Parliament has the power to make laws in respect to that territory. I think that the amendment I have moved will be effectual in preventing that.

Senator DOBSON (Tasmania) [3.18].—I should like to ask Senator Symon whether, when we come to acquire land for the purpose of the Federal Capital, and have arranged with New South Wales for the Crown land required, the amendment he has moved, if carried, would prevent the incorporation of the provisions of this Bill in the Act passed for the acquisition of

the land required for the Federal Territory, for the purpose of acquiring private lands.

Senator KEATING.—I do not think it would.

Senator Sir JOSIAH SYMON.—No, it would not.

Senator KEATING (Tasmania—Honorary Minister) [3.19].—It seems to me that the effect of the amendment will be the same as that of the amendment of which notice has been given in the printed papers. I think, however, that the amendment I have circulated to stand as clause 5A is preferable. If it were adopted the provision would stand out distinctly from the definition clause, and any person reading the Bill would see that in the forefront of the measure, immediately after the definition clause, practically the first operative clause of the measure.

This Act shall not be construed to authorize the acquisition of the Territory for the Seat of Government of the Commonwealth.

I think that would be a much more effective way of stating that this Bill is not to be used for the purpose indicated, than to put it in the form of what might be called a limitation of a definition. Honorable senators are no doubt aware that the definition section of an Act is not often looked at unless it is believed that some point may be involved in a particular definition of a term used in a section. With regard to what Senator Dobson has said, I presume that if the clause I have given notice of, or Senator Symon's amendment were accepted, the procedure would probably be that, when it became necessary to acquire territory for the Seat of Government of the Commonwealth, Parliament, in exercising the powers given under the Constitution, would prescribe what the particular territory should be, and would indicate the methods by which it was to be acquired. It would be perfectly competent for Parliament when doing so to decide that, so far as private lands within the proposed territory were concerned, a certain procedure should be followed, or that certain provisions of this Bill should be incorporated to deal with those lands.

Senator DOBSON.—Is the honorable senator satisfied that the adoption of the clause he has circulated, or of Senator Symon's amendment, would not prevent that?

Senator KEATING.—Yes. By adopting either of the amendments suggested we should decide that this Bill, of its own

force, is to have no application to the acquisition of territory for the Seat of Government. Parliament has supreme power to describe how that territory shall be acquired, and might adopt for certain portions of that territory the method of acquisition prescribed under this Bill, but which this Bill of itself would not bring into force in respect of those acquisitions.

Senator MCGREGOR (South Australia) [3.22].—I should like Senator Symon or Senator Keating to say what would be the effect of either of the amendments suggested in circumstances I propose to describe. I believe that Parliament, under the Constitution, has full power in connexion with the selection and acquisition of the Federal Capital Site, but if, when all these powers had been put into operation, and we had acquired the Federal Territory, it was found necessary some few years afterwards to acquire more land in connexion with that territory, would the adoption of either of the amendments suggested compel us to come again to Parliament for a special Act for the purpose, or should we be able to proceed under this Bill?

Senator WALKER (New South Wales) [3.24].—As a layman, it seems to me that the difference in this case between Senators Symon and Keating is that between tweedledum and tweedledee. Both honorable and learned senators desire to do the same thing, and I prefer the amendment proposed by Senator Symon. I hope that Senator Keating will accept it.

Senator Sir JOSIAH SYMON (South Australia) [3.25].—The case submitted by Senator McGregor is mixed up with the difficulty suggested by Senator Dobson, and it may be convenient to deal with both together. We are now in a stage, and I hope we shall shortly come to the end of it, in our negotiations for the acquisition of territory for the Federal Seat of Government. The object of my amendment is to prevent this mere machinery Bill, when it becomes an Act, being used for that purpose. We desire that it should not be said that the drastic provisions of this measure have been introduced for the purpose of taking land from New South Wales in the event—I hope a highly improbable event—of no friendly arrangement being come to between New South Wales and the Commonwealth. Should the amendment be carried, when the Federal Territory is determined on, an

Act will have to be passed by the Commonwealth Parliament for the special purpose of acquiring it, and it might include a clause incorporating the whole of the provisions of this measure, and providing that they should apply to the acquisition of further territory. This measure would then apply to the acquisition of any additional land that might be required. A Bill must be passed by the Federal Parliament to establish the Seat of Government, and in that measure a clause of a few lines would be all that would be necessary to meet the objections raised. I should like to say, with regard to making this provision in the definition clause—

Senator KEATING.—The honorable and learned senator will not press the amendment as to place.

Senator Sir JOSIAH SYMON.—It is not as to place merely. I like the honorable and learned senator's term—the forefront of the Bill. The definition clause is absolutely in the forefront—it is on the forehead of the Bill. "Public purpose" is that which gives the key to the power taken under this measure to acquire land, and "public purpose" means any purpose in respect to which Parliament has power to make laws. It is right that we should exempt the public purpose which we do not intend to include in this measure, and that is the public purpose of acquiring territory for the Seat of Government of the Commonwealth. If we do that, as I propose, we shall put in one passage the whole scope of the Bill, and it will not be necessary to go to some other clause to see how the Act is to be construed. It is very undesirable to insert what lawyers call a *non obstanti* clause, to say that a Bill is not to be used in a particular way. All that we require to do is to show that under this Bill "public purpose" means every purpose in respect to which Parliament has power to make laws, except one. I think that Senator Keating will agree that that should be put in the forefront of the Bill, and attached to the words which are the key to the object of the measure. Then every one reading the Bill will be able to see that there is one public purpose which is not dealt with by the measure, and that is a public purpose which must be dealt with by the Parliament of the Commonwealth passing a separate and independent Act for the acquisition of the Federal Territory.

Amendment agreed to.

Clause, as amended, agreed to.

Title agreed to.

Motion (by Senator PLAYFORD) proposed.
That the Bill be reported with amendments.

Senator KEATING (Tasmania—Honorary Minister) [3.31].—I desire to move that clause 20 be reconsidered. I desire the reconsideration of this clause, in order to deal with the class of cases referred to by Senator Mulcahy, when he was discussing his amendment. The clause declares the exceptions to the cases in which the Parliament may declare the notification of the acquisition of land to be void. I intend to move the omission of the words "except in the following cases," and to insert in lieu thereof these words:—

Where the land is Crown land of a State which is dedicated for a public park, or for the recreation or amusement of the public, and in all other cases except the following:—

Then follow the present provisions of the Bill, and the substantive portion of the clause comes into operation—

Either House of the Parliament may within thirty days pass a resolution that the notification shall be void and of no effect.

I believe that my amendment will give effect to the generally expressed desire in the debate on Senator Mulcahy's amendment, and that was that in cases where parks or reserves, or any portion thereof, had been resumed the fullest opportunity should be given to the Parliament at the earliest time after its assembling to discuss, if necessary, the desirableness of annulling the acquisition.

Senator Sir JOSIAH SYMON (South Australia) [3.33].—I have no objection to the reconsideration of clause 20. There are one or two other clauses which I desire to have reconsidered. I should like to give the Committee another opportunity of eliminating that misleading title "*Eminent Domain Act*," and substituting the title "*Lands Acquisition Act*." Since the point was previously discussed some persons have got the impression that the Sydney Domain is dealt with by the Bill. Perhaps, after consideration, the Minister may adopt my suggestion. "*Eminent Domain*" is merely the source of the power to which we give effect. The Bill does not deal with that subject at all, but with the acquisition of lands. Therefore, the short title which tells what a Bill is should be the *Lands Acquisition Act*. I also desire that clause 6 be reconsidered. It gave rise

to a considerable amount of debate. The gist of the contention was that we ought to keep the provision as it stands in the existing Act, namely, to empower the Governor-General to enter into an agreement, on the ground that we by this measure cannot give, and ought not to pretend or profess to give, to the Governor of a State, a power which must be conferred upon him, if at all, by the Parliament of his own State. We cannot give powers to Governors of States in relation to dealing or parting with State land. I am sure that, on reflection, the Minister will see that it is a blot on the Bill to put in words which affect to give such power to a State Governor. I also wish to draw his attention to clause 35, with a suggestion that in the interests of every person whose land is taken, there should be a time limit in which the Minister shall cause the claim for compensation to be examined. In previous clauses, as well as in clause 36, great care is taken, and rightly taken, to put in a time limit within which a person shall make a claim for compensation. Under clause 34 he has to make the claim within 120 days, and then, after the Minister has communicated to him the result of his consideration, he has to say within sixty days whether he accepts the decision or not. It is a little hard upon the claimant that there should be no time limit within which the Minister, who is the purchasing party, should be obliged to cause the claim to be examined. The clause merely says—

As soon as practicable after a claim for compensation has been made, the Minister shall cause the claim to be examined.

That is not quite just, because, as we know, the Minister, as well as the Department, is greatly occupied. If an unfortunate individual had his claim held up for a long while, he would have no remedy of any sort. He would be literally paralyzed. Having regard to the multifarious duties of the Minister, and the Department, I suggest that a time limit of 120 days should be prescribed. I have had considerable experience in these matters, and the smaller a claim the more likely it is to be overlooked by a subordinate officer. Although the amount of compensation might be £100 or £200, still the claimant might have the greatest difficulty in getting the matter brought to a head. The last clause which I desire to have re-

considered is clause 63. It is a pity that it should be put into a measure dealing with the acquisition of land, and I ask you, sir, to say whether it comes within the title or scope of this Bill. This is not a Bill for the purpose of authorizing the Governor-General or the Commonwealth to dispose of land or to grant leases of land. If it is intended either now or at any time to empower the Governor-General to deal with the land of the Commonwealth, and grant mining or pastoral or agricultural or other leases, that should be dealt with by a separate measure. After we come to acquire Federal territory we all contemplate that there shall be some reform in the method of disposing of our Crown land. The subject ought to be dealt with in one measure. But if, sir, you should think that the clause is within the scope of the Bill, I would still appeal to the Government to delete it. Nobody would expect to go to an Act for the acquisition of Crown lands for a provision as to how the Commonwealth shall dispose of Crown lands or lease them for mineral purposes. I do not know any Act in which such a provision is contained. This clause gives substantive power to the Governor-General to grant mineral leases. It ought to appear in a special Bill, with which we could deal, because, in the interests of the community, we might wish to impose conditions to provide for the better working of the mines. But the clause is certainly inadvisable. We are incorporating the laws of the States affecting mineral leases. I am not prepared to say that State mineral laws in regard to what might be Commonwealth lands in South Australia should apply. We are legislating in the dark. We are asked to shut our eyes and open our mouths. The laws of the States with respect to mineral leases may differ. Probably they do differ in each State. But by one stroke of the pen we are practically re-enacting all the mineral laws of all the States, and making them apply to Commonwealth lands. The question is whether we are prepared to legislate in that fashion.

Senator FRASER.—How could we do otherwise?

Senator Sir JOSIAH SYMON.—Why should we not legislate with regard to our own mineral rights?

Senator KEATING.—This is only a temporary provision.

Senator Sir JOSIAH SYMON.—But it is a very definite provision.

Senator KEATING.—If there were mining on Commonwealth land in Victoria, it would be very inconvenient if the Victorian law as to mining did not apply to it.

Senator Sir JOSIAH SYMON.—Why should not the Commonwealth law apply?

Senator KEATING.—We have no Commonwealth mining law.

Senator Sir JOSIAH SYMON.—We are absolutely re-enacting the mineral laws of the States without knowing what they are.

Senator FRASER.—There may be a mineral lease which is partly on Commonwealth land and partly on State land. It would be very complicated indeed to have two mining laws applying.

Senator Sir JOSIAH SYMON.—The land ceases to be under State control the moment it becomes Commonwealth property. If a Commonwealth lease is granted, it must be granted under Commonwealth law, and we should have an opportunity of deciding the conditions under which Commonwealth leases are granted. The question is whether this provision for the alienation of Commonwealth land is within the title or scope of the Bill, which is intended to provide for the acquisition of land. If it is, the words to which I have referred are subject to further consideration. If it is not, the provision ought to be the subject of a separate Bill.

The CHAIRMAN.—It appears to me that the title does cover the clause referred to. The title describes this as a Bill for an Act—

relating to the acquisition by the Commonwealth of lands required for public purposes, and for dealing with lands so acquired, and for other purposes connected therewith.

The clause appears to me to be in order. It might, however, be improved. The first provision of it reads—

The Governor-General may authorize the grant of a lease or licence to any person to mine for any metals or minerals on any land the property of the Commonwealth.

That might be improved by words to the effect that the properties referred to are properties under this Bill; because the Commonwealth Government already owns land which might be held to be dealt with by the clause in question. Such is not the intention. The intention of the clause

is to deal with lands acquired under the Bill, and not with lands already the property of the Commonwealth.

Ordered—

That clauses 1, 6, 20, 35, and 63 be reconsidered.

Clause 1—

This Act may be cited as the Eminent Domain Act 1906.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That the words "Eminent Domain" be left out, with a view to insert in lieu thereof the words "Lands Acquisition."

Senator PULSFORD (New South Wales) [3.52].—The Minister might very well give way on this point. I feel certain that if he does he will save himself the trouble of having to deal with the clause again when the Bill returns from the other House. The present title is misleading. It does not help people who may be searching for information on the subject of lands acquisition.

*Question—*That the words proposed to be left out be left out—put. The Committee divided.

Ayes	...	...	11
Noes	...	...	9
Majority	...	...	2

AYES.

Baker, Sir R. C.	Pulsford, E.
Dobson, H.	Symon, Sir J. H.
Drake, J. G.	Walker, J. T.
Findley, E.	
Fraser, S.	<i>Teller:</i>
Henderson, G.	Macfarlane, J.
Mulcahy, E.	

NOES.

Higgs, W. G.	Story, W. H.
Keating, J. H.	Styles, J.
McGregor, G.	
Pearce, G. F.	<i>Teller:</i>
Playford, T.	Croft, J. W.
Smith, M. S. C.	

Question so resolved in the affirmative.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 6—

The Governor of a State, acting with the advice of the Executive Council thereof, may (by force of this Act, and notwithstanding anything to the contrary in the law of any State) sell or lease to the Commonwealth any Crown land of the State which is required for any public purpose, and execute any instrument or assurance for the purpose of granting, conveying, or leasing the land to the Commonwealth.

Senator Sir JOSIAH SYMON (South Australia) [3.56].—This is a clause in which we profess to assume the right to give power to the Governor of a State to deal with the Crown lands of the State. I venture to point out that we have no right to do by legislation anything of the kind. It will be a blot upon our statute-book if we attempt to do it. The words of the existing Act express the power that we have exactly, and are much better to the point. Those words empower the Governor-General to enter into arrangements or make an agreement with any State. That is an intelligible and proper enactment. We have no more right to say that the Governor of a State shall have power to dispose of the Crown lands of the State than to order that I shall do so. The Governor of a State takes his power from the Parliament of the State. The only possible suggestion that can be made in favour of the clause is that it would be nugatory, and that it would do neither good nor harm. But there it would be on the face of our statute-book. It would be an attempt by us to vest in the Governor of a State a power which it is for the Parliament of the State alone to exercise. There is a subsequent clause 15, which is intended to have the same effect, except that instead of the Governor-General executing an agreement, the Attorney-General is to have that power delegated to him. Therefore, it is unnecessary to insert clause 6. For these reasons I ask that it be negatived.

Senator KEATING (Tasmania—Honorary Minister) [4.0].—I hope that honorable senators will not agree to the suggested amendment. As Senator Symon said, this question was previously discussed very fully, both when we were dealing with the clause itself, and when we were dealing with other parts of the Bill. If the clause is struck out, every one of the Departments of the Commonwealth, which is called upon to acquire land from a State, will remain in its present paralyzed position.

Senator Sir JOSIAH SYMON.—Nonsense!

Senator KEATING.—There is no nonsense about it. Every time the Commonwealth desires to acquire one foot of land from New South Wales, for instance, we are unable, as the law stands, to take the land by any ordinary negotiation. There has been no opposition raised in New South Wales, or

in any other State, to the compulsory powers under the Property for Public Purposes Acquisition Act; but we are confronted with the position that in every transaction, involving, it may be, only £5 or £10, with a State, our law is said not to be strong enough to enable a State Governor to dispose of land amicably and peaceably. In each case we are told that we had better exercise our compulsory powers; and to this course we are forced in every instance.

Senator PLAYFORD.—At great expense.

Senator KEATING.—At great expense, and in a round-about method, which involves considerable delay, and which may hereafter, as I said previously, be made the subject of attack on the Commonwealth by persons who are not fully seized of the circumstances which necessitate the use of compulsory powers as against the States. Does it not seem scandalous that we should be so paralyzed in connexion with the acquisition of land, that, in the case of two 5-acre adjoining blocks, one belonging to a private individual, and the other belonging to a State, we can obtain the one by peaceful negotiations and arrangement, while in regard to the other we are compelled to use our compulsory powers?

Senator Sir JOSIAH SYMON.—Nothing of the kind.

Senator KEATING.—In the case of a State, we are, in every single instance, compelled to exercise our compulsory powers. And why? Because the Crown Law authorities of the States say that the Commonwealth Act does not go far enough—that it only empowers the Governor of a State to dispose of State lands subject to the limitation of the laws of the State. The States do not object to the States Governors disposing of lands in the way we desire, but they point out that at present there is not the power to do so; and, that being so, all lands disposed of to the Commonwealth by States are subject to certain conditions. For instance, in some States the lands must be submitted to auction or selection, and the Commonwealth must acquire the land as a selector or bid at auction. There is no aggressiveness on the part of the Commonwealth in seeking the powers conferred by the Bill. We are empowered under the Constitution to exercise to the fullest extent all legislative powers incidental to the execution of the trusts reposed in us; and this is one of the powers contemplated. How

is the Post and Telegraph Department to be administered, or the defences of the country to be looked after, if the Commonwealth is not empowered, under any circumstances, to acquire lands which may be absolutely necessary?

Senator PLAYFORD.—We have that power now, but in a round-about way.

Senator KEATING.—Under the existing law, we have power to acquire State lands by compulsory process.

Senator Sir JOSIAH SYMON.—And by agreement.

Senator KEATING.—And by agreement. We have power under the existing law to acquire land by compulsory process, either from private individuals or from a State, but, unfortunately, as I said before, the Crown Law authorities in some of the States hold the opinion that our provisions for acquiring land by agreement are not sufficiently strong to warrant the States disposing of lands, unless subject to the ordinary conditions which apply in the State itself.

Senator FRASER.—The Minister means that, in the opinion of the States Crown Law authorities, the powers of the Commonwealth are not sufficiently strong?

Senator KEATING.—Yes; and that is one of the main reasons for the introduction of this Bill. I laid particular stress on this point when I moved the second reading of the measure, and I then gave a striking instance. The Commonwealth entered into negotiations under the Act with the Government of Western Australia for the acquisition of land for public purposes, and, as in the case of a private individual, we came to terms, and a deed was prepared and forwarded transferring the land to the Commonwealth. But this deed contained a condition that the State Government could resume the land unless certain improvements were made within twenty-one years. The Commonwealth held that it was not in the position of a private individual; but the Western Australian Government pointed out that, according to the law of the State, the deed must contain a condition of the kind, or the Commonwealth must exercise its compulsory powers. Are we always to be forced to use our compulsory powers, as we should be if this amendment were adopted? I ask honorable senators to assist the Government in the endeavour to so legislate that hereafter, in all transactions between the Commonwealth and a State,

we shall be able to precede any compulsory acquisition by the fullest negotiation for a satisfactory settlement. Clause 6 is intended to effect that object, and if the clause be removed the conditions will have to remain as at present. New South Wales and Western Australia do not afford the only instances of difficulty in this connexion. In New South Wales Commonwealth action is very often likely to be misunderstood or misrepresented to the prejudice of those responsible for Commonwealth administration, and I again point out that in that State we cannot obtain a foot of land by ordinary negotiations with the State Government. It is to remedy this condition of affairs, and to enable us to deal with States as with private individuals, that I ask honorable senators to retain clause 6.

Senator DRAKE (Queensland) [4.10].—Would not the objections urged be met by re-enacting section 3 of the present Act, with an addition? The Minister points out that when it is sought to acquire land from New South Wales, or any of the other States, we are informed that the Commonwealth has not sufficient power to free that land from the obligations imposed by the State law. What was suggested previously in the debate—and I cannot see that the Minister has met the arguments then advanced—was that section 3 of the present Act should be re-enacted, with the addition of certain words. Section 3 of the present Act is as follows:—

The Governor-General may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State, for the absolute purchase by the Commonwealth for a consideration in money or its equivalent of such land, or for the exchange of such land for any land of the Commonwealth.

To those words might be added the words of clause 17 of the Bill, as follows:—

The lands so acquired shall be freed and discharged from all trusts, obligations, estates, interests, contracts, licences, charges, rates, and easements.

Such a provision would give all the power that is required, and I think that the Minister might have addressed himself to this particular phase of the question. What troubles a great number of honorable senators is, not so much the substance of the clause as the manner in which it is expressed, which might give unnecessary umbrage to the States from which land is acquired. The amendment I suggest would

free us from the difficulty of apparently instructing the Governor of a State as to what his duties are.

Senator Sir JOSIAH SYMON.—The clause empowers a State Governor to act in defiance of the State law.

Senator DRAKE.—The clause purports to confer certain powers on the Governor of a State quite apart from the powers he derives from the laws of the State. I do not think that such a clause is desirable, if it can be avoided; and I ask the Minister to consider whether all the powers he is seeking could not be obtained by the amendment I have suggested. The law at present empowers the Governor-General to do certain things, and to enter into certain agreements, while the clause before us purports to tell the Governor of a State what he can or ought to do, although the laws of his State may, apparently, provide to the contrary.

Senator Sir JOSIAH SYMON (South Australia) [4.13].—We have listened to an extremely vehement and heated speech in opposition to the suggestion I made to omit clause 6; but I scarcely think that vehemence and heat are likely to assist very much in the determination of this question. The Honorary Minister drew a picture of the defences of Australia being paralyzed by the striking out of the clause, and various other pictures, which are altogether creations of his imagination, and do not help to any end, other than, I am quite sure unintentionally, misleading honorable senators and drawing attention away from the real meaning of the provision, and the suggestion made regarding it. I do not think there is any honorable senator who is not desirous to facilitate in every way possible the exercise of the powers of the Commonwealth. It is our duty to see that those powers are large, and that they are carried out in order to effect the public purposes the Commonwealth has in view. But the clause in its present shape does not bear in any way on the powers of the Commonwealth. The Minister has told us how the States are unable to enter into agreement for the disposal of lands which are subject to restrictions. But the remedy for that is for a States Parliament to remove the restriction. We have no power to repeal a State law, but we have power to acquire land for Commonwealth purposes by virtue of our superior authority under the Constitution; and when we take land in that way the effect under subsequent provisions is to

sweep away any reservation or dedication. I think there ought to be some limitation in this connexion, but that is not now the question before us. Senator Drake has pointed out that the remedy is to put at the end of the corresponding section in the existing Act the words that on such acquisition the land shall be held by the Commonwealth free from those limitations or reservations. Whether we could do that might or might not be problematical, but, at any rate, that would be a way of doing what is desired, which would not, on the face of it, assume on the part of the Commonwealth the right to give power to the Governor of a State to sell or lease the Crown lands of that State, notwithstanding anything contained in the laws of the State. That is a most preposterous provision to put into any Commonwealth law. The clause provides that—

The Governor of a State, acting with the advice of the Executive Council thereof, may (by force of this Act, and notwithstanding anything to the contrary in the law of any State) sell or lease to the Commonwealth any Crown land of the State.

I say that we have no right to confer upon the Governor of any State a power to negotiate voluntarily for the sale or lease of Crown lands of the State in defiance of the laws of the State. In addition to that, this clause, as it stands, does not contain any provision for doing away with dedications and reservations. There may be dedications and reservations quite irrespective of the laws of a State, and the clause is defective from that point of view. The main question, however, is this: Is this Parliament entitled to enact that the Governor of a State may sell or lease Crown lands of that State in defiance of any law of the State? I say we have no power of that kind, and should not insert a provision which is altogether unnecessary, as this certainly is, to effect any such purpose. Senator Keating says that the acquisition of land, the property of a State, is paralyzed under the existing conditions. I venture to say that that is sheer nonsense. The power of the Commonwealth to acquire the land exists at this moment, and might be carried into effect under this measure. Even if it were to be by compulsory taking, it would be by arrangement with the States Government. What is the great expense involved? Merely the cost of the notification in the *Gazette*.

That can be agreed upon in a friendly way with the State Government. What other expense is there?

Senator PLAYFORD.—The preparation of plans and all sorts of things.

Senator Sir JOSIAH SYMON.—The preparation of plans would be necessary in any case. No more plans would be required for the acquisition of land by the publication of a notice in the *Gazette* than would be required in the case of the acquisition of land by mutual agreement. But in the one case it would be necessary to write out a long and formal agreement, whilst in the other it would be necessary only to publish a notification in the *Gazette*, and if there is a mutual understanding between the Commonwealth and the States Governments there should be absolutely less expense involved in that course, unless it is desired to introduce some conditions irrespective of the notice in the *Gazette*. Really, this reference to the paralyzation of the acquisition of land is merely extravagant language. It is making a mountain out of a mole-hill. I do not know what New South Wales people may have said. I accept Senator Keating's statement as to that. They may have been unwilling in a particular case.

Senator KEATING.—It is not a single case; the difficulty arises in every case.

Senator Sir JOSIAH SYMON.—Then I say that I should like to have an opportunity to bring this particular clause before the States Parliament, and to ask them whether they are prepared to see the Commonwealth in one of its Acts assume to confer powers on the Governor of a State to deal with the Crown lands of the State. I do not believe that a single one of them would approve of it for a moment. We could overcome the difficulty in some other way, and I do not believe that any State Parliament would agree to the Commonwealth Parliament conferring powers upon the Governor of the State to sell or lease the lands of the State by mutual agreement with the Commonwealth Government, and in defiance of the laws of the State.

Senator FRASER (Victoria) [4.21].—Until I read the clause carefully, and had considered section 3 of the existing Act, I was inclined to agree with Senator Keating, but I must now admit that this clause is very unsatisfactorily worded. We propose to enact that the Governor of a State may do certain things with the advice of

his Executive Council. We are here asked to insert a clause revoking States laws, but we have nothing to do with States laws in regard to land matters. I think the Minister must agree that to add the few words which have been suggested to section 3 of the existing Act would be a much nicer way of doing what we desire than by forcing a provision like this upon the States Parliaments.

Senator PLAYFORD.—We do not force anything on the States Parliaments.

Senator FRASER.—I think that we do, because we direct the State Governor as to what he may do.

Senator PLAYFORD.—We are in this position, that if he will not do what is proposed, we must take the land compulsorily. Why should we not come to a friendly arrangement rather than exercise compulsion?

Senator FRASER.—There is an agreeable as well as a disagreeable way of exercising compulsion. The object sought to be attained by the clause is all right, but the provision is worded in an extraordinary way. Surely the Minister can have no objection to follow the advice given by Senator Drake in this matter? If that honorable and learned senator's suggestion were adopted, no one could object to it.

Senator PEARCE (Western Australia) [4.23].—We can all claim that in any matter in which States rights are seriously threatened we would be prepared to do our duty. We would not stand by and see the Federal Parliament usurp powers which belong legitimately to the Parliaments of the States. But, as Senator Keating has pointed out, the obligation is imposed upon us to carry out our powers to the fullest extent. The Government have had five years' experience of the working of the existing Act, and they find that, not because of any opposition on the part of the States authorities, or any opposition intended by the States laws, but simply because of the operation of those laws, and the fact that the States Governments are powerless to set them aside, conditions have arisen which render the provisions of the existing law exceedingly cumbersome. The Government of a State for the time being is charged with the administration of the laws of the State. They can by lax administration set aside any law, or render it a dead letter, but they are responsible to the Parliament of the State whose duty

it is to see that they do administer the law. In this clause we do not lay any obligation upon the State Governor. We do not interfere with his duties, or with the control exercised over him by the State Parliament. All that we say is that on the advice of the State Executive, that is to say, the State Government charged with the administration of the State laws, and responsible to Parliament, he may say, in certain circumstances, "We are willing that laws of the State which hinder the transfer of this land to the Federal authorities shall be set aside in order that the transfer may be speedily made."

Senator Sir JOSIAH SYMON.—Does the honorable senator think that the Commonwealth Parliament has power to say that the Governor of a State may dispense with State laws?

Senator PEARCE.—I would not give an opinion on that question; but, from a layman's point of view, it appears to me that, if it is necessary for the purpose of carrying out effectively our responsibility to defend Australia, or to conduct the business of the Post and Telegraph Department, to set aside a State law which stands in the way of our acquiring a piece of land which is necessary to us in order to carry out those transferred services, we have the power to set it aside.

Senator PLAYFORD.—We have the power of compulsory acquisition.

Senator PEARCE.—We have the power also under the Constitution, which provides that our laws shall be paramount where they conflict with those of a State.

Senator DRAKE.—Is not that made quite clear by the amendment I have suggested?

Senator PLAYFORD.—It is the same thing.

Senator DRAKE.—The Minister admits that it is the same thing; but it is put in a much better way.

Senator PEARCE.—I do not pretend to say whether the reference to "trusts, obligations, estates, interests, assurances, licences, charges, rates, and easements" cover all the scope of the States laws. In Western Australia certain lands have been set aside by the land laws of the State as agricultural areas, and definite conditions have been attached to the sale or lease of those lands. It might be held that, in order to enable the Commonwealth to acquire any of those lands, it must be put in

the same position as any other applicant for them, and must comply with the same conditions.

Senator Sir JOSIAH SYMON.—No.

Senator PLAYFORD.—The State has no power to dispose of land otherwise than in accordance with the laws of the State.

Senator Sir JOSIAH SYMON.—But where there is a mutual agreement between the Commonwealth and the State Government, all that the Commonwealth requires to do is to put a notification in the *Gazette*.

Senator PLAYFORD.—To take the land compulsorily.

Senator Sir JOSIAH SYMON.—It would not be compulsorily; it would be by arrangement with the State Government.

Senator PEARCE.—I should like to ask Senator Symon whether, in the case of the acquisition of land set aside under a State Act for a certain purpose, it would not be necessary for the State Government, in consenting to the acquisition of that land, to ignore or set aside that purpose in order to transfer the land to the Commonwealth Government?

Senator Sir JOSIAH SYMON.—The Commonwealth Government would take it by arrangement with the State Government by the insertion of a notice in the *Gazette*.

Senator KEATING.—The honorable and learned senator asks them to do by compulsion, or collusion, what they could not do by agreement.

Senator Sir JOSIAH SYMON.—It would be done simply by putting a notification in the *Commonwealth Gazette*.

Senator PEARCE.—The question as to the method by which the acquisition of the land is carried out does not affect the question whether this provision is an infringement of States rights. That it is an infringement of States rights is Senator Symon's main reason for endeavouring to secure an amendment of the clause. My reply to that is that I do not think it is an infringement of States rights, because it lays no obligation upon the Governor of a State. It provides that he may take certain action, with the advice of his Executive Council, who are responsible to the State Parliament for the administration not only of the particular law affected, but of all the laws of the State. I cannot contemplate a State Executive Council going out of their way to set aside laws of the State in order to suit the convenience of the Commonwealth Government, if in doing so they would bring upon themselves the censure of the State Parliament. They

would take very good care to retain the good-will of the State Parliament. I think that no infringement of States rights is involved, and I shall support the clause as it stands.

Senator WALKER (New South Wales) [4.29].—I cannot forget that we are here, amongst other things, to protect the rights of the States. I believe that in New South Wales there is likely to be a considerable outcry against the wording of this clause, because, as Senator Symon has already said, it looks as though we were endeavouring to teach the Governor of a State what his duty is, or that we were endeavouring to supersede the laws of a State. I have throughout believed that the proper course would be for the State Parliament to authorize the Governor in Council of the State to negotiate with the Commonwealth Government with respect to State lands. We should at all events endeavour to do the thing in such a way as not to cause unpleasantness. Rightly or wrongly, there is a feeling growing in New South Wales that the Commonwealth is encroaching rather too much upon its rights. It is the duty of the Senate, as the States House, to see that States rights are not injured. This clause seems to me to be an interference with States laws.

Senator STANFORTH SMITH (Western Australia) [4.30].—It seems to me that the clause does not invest the Commonwealth with new powers. It merely provides that with the consent of the Governor of a State acting with the advice of his Executive Council, the Commonwealth may exercise in another way the power which it already possesses under the compulsory provisions of the measure. Senator Symon, I think, said that that difficulty could be overcome. He mentioned that we should not necessarily resort to those provisions if each State were to alter its Act in so far as it related to lands transferred to the Commonwealth. But that seems to me to be rather a cumbrous way of proceeding.

Senator Sir JOSIAH SYMON.—I have not made that suggestion.

Senator STANFORTH SMITH.—I agree with the honorable and learned senator that the States might complain if we authorized a tribunal inferior to a State Parliament to override its Acts. That is an inference which may be drawn from the wording of the clause. I ask the

Government to consider the advisability of accepting the suggestion made by Senator Drake, and that is to re-enact section 3 of the existing Act with the addition of certain words which would enable State lands to be transferred to the Commonwealth without any of the conditions that would apply if they were transferred to private individuals.

Senator Sir JOSIAH SYMON (South Australia [4.35]).—Perhaps the better plan to adopt in the first instance would be to move the omission of the words "Governor of a State" with a view to insert in lieu thereof the words "Governor-General." That would bring prominently before the minds of honorable senators what the real point is. It is quite true, as Senator Pearce says, that there is no obligation imposed upon a State Governor, but this clause purports to give him a power which can only be given to him by the Parliament of his State, and that is the power to deal with its lands in any form. The Commonwealth Parliament can override the State law by taking any lands compulsorily, but it cannot empower the Governor of a State to deal with its lands in any shape or form. That must be done by the State Parliament alone, and the point is apparent in the use of the words "the Governor of a State." Senator Pearce said quite truly—and so did Senator Keating too—that when we are dealing with an owner of land we have no trouble. Why? Because the owner can do what he likes with his own. If, however, the ownership of a State is limited, the Commonwealth Government cannot increase the extent of that ownership. That must be done by the Parliament of the State.

Senator PEARCE.—But sometimes a State Parliament fetters the State Government as to the method of disposing of Crown lands.

Senator Sir JOSIAH SYMON.—The remedy for that position is for the State Parliament to pass an Act empowering the Governor, with the consent of the Executive Council, to dispose of Crown lands. If it will not free the Governor from all restrictions and limitations we cannot do so. Our only method is to take the lands compulsorily. Instead of having an agreement drawn out, it will only be necessary for the Commonwealth to arrange with the State to take a certain piece of land, and

for the State to say "Very well, put your notice in the *Gazette*," and the thing will be done.

Senator PEARCE.—Where in a special Act the Parliament of a State has laid down the procedure in regard to dealing with certain Crown lands, could the State Government take that step without getting the law amended?

Senator Sir JOSIAH SYMON.—Neither the State Governor nor the State Executive could deal with the lands of a State by sale, or lease, in opposition to the local law, nor could the Commonwealth Parliament enable them to do so. But the Commonwealth Government, as the superior sovereignty, might take the land, and, when a price was agreed upon, the State Government if it had no power to enter into an agreement could say, "Now that we are agreed upon the price, put the notice in the *Gazette*," and the thing would be done. All I desire to accomplish is to preserve this Parliament from taking, in form, at least, if not in substance, a false step, and that is to assume to vest in the Governor of a State the power to sell, lease, or otherwise dispose of its lands in defiance of State law. That is not the way to get over any difficulty which may have arisen in respect of agreements in connexion with the taking of land without compulsion. The compulsion is a mere myth. If an owner of land agrees with the Commonwealth Government to hand over his land, but owing to some difficulty, he is unable to give a title, there is no compulsion if he says to the Commonwealth Government, "Now that we have agreed about the price, put the notice in your *Gazette*." I move—

That the words "Governor of a State," be left out, with a view to insert in lieu thereof the words "Governor-General."

Senator FRASER (Victoria) [4.40].—This Parliament has no power to revoke the Act of a State Parliament relating to land.

Senator PEARCE.—Only so far as it applies to a particular piece of land.

Senator FRASER.—Suppose that an honorable senator owns a piece of land in a State, and has to comply with certain conditions in its land laws. By this clause we are asked to revoke the conditions with which he has to comply.

Senator PEARCE.—No; because this clause applies to only Crown lands.

Senator FRASER.—There are certain lands which are only partly owned by the State, because the conditions of the land law have not been fully complied with. In New South Wales, for instance, there are millions of acres which are not freehold. To these lands are attached conditions regarding cultivation, fencing, and improvements. Yet, it is proposed by this clause to revoke such conditions. The Parliament of a State is the proper authority to pass a law to the effect that in the case of any land being sold to the Federal Government its Governor may complete the business without regard to any other State law.

Senator Sir RICHARD BAKER (South Australia) [4.43].—It seems to me that this is purely a question of what are our powers under the Constitution. By the clause as it is printed, I understand that it is proposed to alter the laws of the States. Can we make a law for a State? What right have we to empower the Governor of a State over whom we have no jurisdiction to act contrary to its laws? Undoubtedly we have power to override the laws of a State, if we keep within the limits of the Constitution. But have we power to make a fresh law for a State, and if so, in what section of the Constitution is it given? All it comes to, I admit, is a question of doing the same thing by a different wording. We ought to adopt such a wording as would undoubtedly place the provisions of the measure within the limits and terms of the Constitution.

Senator PULSFORD (New South Wales) [4.44].—I feel very keenly about this clause. Never before has a proposal so offensive and insulting to the States been submitted to this Parliament. Am I expected to join in giving power to any one to abrogate the laws of the State which I am here to represent?

Senator PLAYFORD.—That is done when land is taken compulsorily.

Senator PULSFORD.—An act may be done properly, and without offering an insult. A most offensive way of doing a simple thing is proposed, and I ask the Committee not to carry the provision as it stands. We do not know what developments may take place in the future. The Commonwealth may follow the advice of many people and arrange to take over the railways of the States. In that case it would frequently be necessary to acquire property and lands; and I can imagine

that cases would arise when the power sought to be given under this clause might be used in a manner detrimental to a State.

Senator HENDERSON (Western Australia) [4.46].—The arguments used against this clause seem to me to be somewhat confusing. It is admitted that the Federal authority has power to take land from any State, in spite of State laws. The States already know that the Federal Government has such power. In what way would there be an insult inflicted upon a State, simply by enforcing the power that the Constitution gives? It would appear from the arguments of some honorable members that the Constitution itself has inflicted a severe insult upon the States, inasmuch as it has given to the Federal Government power to take, at its free will, for certain purposes, such lands as it may require. Honorable senators who are opposing the clause are endeavouring, I understand, to take the sting out of it. Where that sting is I candidly confess that I have not been able to discover. The Government has submitted a Bill to Parliament in which certain machinery is formulated to enable it to attain in an easy manner the position which it is desired to attain. The Minister has given us a good illustration in the case of Western Australia. The Land Act of that State certainly provides that the Government shall have power to resume within twenty-one years, but no difference can be made so far as the land law is concerned between the representative of the Commonwealth Government and some private individual. If the Western Australian Government wished to make the acquisition of land easier for the Commonwealth, it would have to alter the law now applying generally in that State. The simplest way to attain the object sought is for the Commonwealth Parliament to express in its own Act its own way of doing what it wants to do. I shall support the Government in maintaining the clause as it stands, because I have not yet heard sufficient reasons why we should vote against it.

Senator MCGREGOR (South Australia) [4.52].—I am rather surprised at the turn affairs have taken in reference to this clause. I thought the matter in dispute was settled a week ago, and that we should not again hear the old arguments repeated. I cannot see what difference a reversal of what we did on a previous occasion would

make to the States. Senator Fraser does not think that, where there is a reservation of land of any description, the Commonwealth has any right to take that land, even compulsorily. But every one admits that our compulsory powers in relation to the lands of the States are paramount. Some honorable members contend that we have no right to empower the Governor of a State to do anything. This Bill does not give to the Governor of a State any powers. It only says that he may do certain things.

Senator Sir JOSIAH SYMON.—That is giving him power.

Senator MCGREGOR.—If we desire to give powers to the Governor of a State, this is not the way we should do it. The Governor-General is the head of the Executive authority of the Commonwealth. Seeing that he has vested in him all the powers that are given to the Commonwealth Government by any Commonwealth Act, there is no reason to mention again that he is clothed with those powers. Now what does this clause do? It says that the Governor of a State, with the consent of the Executive Council of the State—that is, with the consent of his advisers—may make an agreement with the Commonwealth, which, if we like to strain the provision to its ultimate effect, means that the Governor-General, notwithstanding any law of a State, may cause any piece of land in that State to be transferred by agreement, thus avoiding the necessity of using compulsion. When an agreement is made, all that has to be done is to insert in the *Gazette* a notification that it has been arrived at, and that it does away with the law of the State in that respect. Is it not more honest and above-board to say that the Governor of a State, with the consent of his Executive Council, may make an agreement with the Commonwealth, notwithstanding any State law, than to attain that end by a round-about method? The object is to avoid the necessity of going to the trouble of compulsory acquisition, with probably the recriminations that might arise from taking that step. Say that the Government of New South Wales has reserved Tickell Bay, and that a State law provides that a house shall not be erected on the foreshore; so that in perpetuity the people may go to gather whelks there. Suppose that suddenly it is discovered that Tickell Bay is one of the most vulnerable points in the Common-

wealth, and that it is necessary to erect a fort there. The Government of the State could not order the revocation of that reserve without repealing the State Act. But the Commonwealth Government, notwithstanding the reservation, might say to the Governor of the State, "If you, with the concurrence of your advisers, are prepared to enter into an arrangement with the Commonwealth to transfer this land, notwithstanding your State law, we are prepared to take it. If you are not prepared to make an arrangement we shall have to take it compulsorily." The same would apply if a reservation had been made by a State of a piece of coast, on account of the drainage of a city being emptied into the sea at that point. In the event of the Commonwealth Government requiring that piece of coast for some public purpose, it could take what it wanted. Many illustrations might be given of the advantage of giving facilities for the making of an amicable agreement, and thereby avoiding the use of compulsory powers. The method adopted in this Bill gets over the difficulties in an open and above-board manner, which is better than that suggested by Senator Symon and Senator Drake. That, in my opinion, and it is the opinion that was expressed by a majority of honorable senators on a previous occasion. I hope that honorable senators will adhere to their determination.

Senator KEATING (Tasmania—Honorary Minister) [5.0].—The only suggestion which seems to come from those who are opposed to the clause is that submitted by Senator Drake.

Senator MULCAHY.—That suggestion was previously made by Senator Best.

Senator KEATING.—That is so; and Senator Drake asked why I had not directed my attention to this particular amendment. I may remind Senator Drake that I referred to this suggestion by Senator Best when addressing the Committee on a previous occasion. I cannot be expected to be constantly repeating arguments, simply because the attention of honorable senators may be called elsewhere when I am dealing with particular matters. I pointed out that the Commonwealth does not always desire to acquire the whole of the rights attaching to lands which are transferred. It may happen that, when negotiating with a State for certain lands, there are attached rights which the Commonwealth would rather be without. For instance, in connexion with

a large area, there may be certain underground mining rights, and the Commonwealth would not desire to be burdened with the obligation and duty to make mining laws and regulations. Later on in the Bill we deal with cases where such rights have passed over to the Commonwealth, and it is proposed, under such circumstances, to make the law of the particular State applicable. Honorable senators can see, however, that in many instances no more than the surface rights are desired by the Commonwealth; and if a hard-and-fast line is laid down, and certain consequences must follow acquisitions, the Commonwealth may obtain more than it wants, and be saddled with undesirable duties and obligations. It is proposed to enable the Governor of a State, with the advice of the Executive Council—in other words, to enable the Government of the State—to dispose of land to the Commonwealth. As I said before, we may, under the Constitution, legislate with respect to all matters incidental to the exercise of any of our powers. Section 51, sub-section xxxi., of the Constitution empowers the Commonwealth to acquire property on just terms from any State or person; and the same section later enables the Commonwealth to legislate for matters incidental to the execution of any powers vested by the Constitution in this Parliament. Having those powers, we find we are confronted with a practical difficulty. Even honorable senators who are opposed to the clause do not, I think, ignore the fact that there is a practical difficulty in the way of acquiring Crown lands, more particularly in the case of New South Wales, though also in other States. It is proposed by the Bill to empower—not to command or order—the States Governments to transfer, by agreement, lands for the purposes of the Commonwealth.

Senator FRASER.—And to annul Statutes of their own Parliaments.

Senator KEATING.—No; we propose to enable the States to transfer lands, despite the fact that there may be some particular State Statutes applying to land; but, so far as the general operation of such Statutes is concerned in other matters, we do not interfere, directly or indirectly. The suggestion of Senator Best, if acted upon, would, in many instances, carry us much further than we desire to go. We should get more than the actual land we require, with attending extra obligations and duties,

which we know can, in most instances, be better discharged in the interests of all by the States.

Senator MULCAHY.—Is that the only objection to Senator Best's suggestion?

Senator KEATING.—That is one objection.

Senator BEST.—I do not see that it is an objection.

Senator KEATING.—If Senator Best were in the position of those who have had practical experience of the working of the present Act, the objection might appeal more strongly to him. I have been in conference with those who have been associated with the operation of the existing law, and in connexion with some of the properties we occupy there are conditions which necessitate the subsequent clause in the Bill dealing with mining leases and so forth. At this stage of the Commonwealth's history we do not desire to have cast upon us the obligation to make mining regulations, and probably to establish within a State a separate code of mining laws, applicable to Commonwealth properties. For that reason provision is made in the Bill for State laws to apply under such circumstances. There are other conditions and reservations in regard to which similar reasons would hold force as against Senator Best's suggestion. The only other alternative that seems to be offered is that we should wait until the States severally make provision that, notwithstanding any limitations there may be imposed on the Lands Departments in connexion with the disposal of lands to private persons, such limitations shall not apply to land disposed of to the Commonwealth. Is it reasonable to ask the Commonwealth Government to wait until the several States legislate to that effect? What hope or what immediate prospect have we of any one, not to say all, of the States legislating in that direction? What guarantee have we that the States would legislate uniformly? Another suggestion which seems to be offered is that the present procedure in the case of New South Wales might be persevered in.

Senator BEST.—Whoever suggested that? I never heard such a suggestion.

Senator KEATING.—Senator Symon pointed out that it would be a very easy matter—

Senator Sir JOSIAH SYMON.—I made no such suggestion.

Senator KEATING.—Senator Symon pointed out that there would be no trouble whatever—that it was only a matter of coming to an arrangement with a State, and inserting a *Gazette* notice acquiring the land compulsorily.

Senator Sir JOSIAH SYMON.—The land would not be acquired compulsorily, but by agreement.

Senator KEATING.—Exactly, by mutual agreement in fact, but by compulsion in form. We have power under the present Act to compulsorily acquire land by *Gazette* notice, whether the owner be a State or a private individual. It is suggested that it would be easy to come to an arrangement with a State to have the necessary notice gazetted. Legally and strictly, if there were any dispute as to the Commonwealth having properly acquired the land, the High Court, or any other Court having jurisdiction, would have to decide that it had been acquired compulsorily.

Senator Sir JOSIAH SYMON.—That it had been acquired properly and effectively.

Senator KEATING.—That it had been acquired effectively by the compulsory powers vested in the Commonwealth. In other words, the Commonwealth would be shown to the citizens of New South Wales, and the Commonwealth generally, as always acquiring land compulsorily, whereas, in fact, we should be acquiring the land in agreement, or in collusion with the States.

Senator Sir JOSIAH SYMON.—Collusion?

Senator KEATING.—That is what I maintain—collusion, neither more nor less. I ask honorable senators whether they would not prefer to enact straight out that the Governor of a State, with the advice of his Executive Council, may—not “must” or “shall”—dispose of land to the Commonwealth, notwithstanding any limitations imposed by State Statute.

Senator MULCAHY.—The question is really how far that provision goes; it is not at all clear to my mind.

Senator KEATING.—It may not be clear to the honorable senator's mind, but the present Act already provides that the Governor of a State “may grant land in the name of the King to the Commonwealth.” We have already, by a law on our statute-book, conferred a power on the Governor of a State. But the provision to which I have referred has been construed to mean that a State Governor must grant the land subject to the laws of the State.

The Governor of a State already has the power with which he has been invested by the legislation of the Commonwealth Parliament; but the extent of that power is the matter that is in dispute at present between the Commonwealth and the States. It is proposed to overcome the difficulty by enacting that the power may be exercised by the State Governor, notwithstanding anything to the contrary in any law of the State. Under the Constitution, we have power, when legislating in all matters entrusted to us, to override the laws of the State. According to section 109 of the Constitution, when a law of a State is inconsistent with the law of the Commonwealth, the latter shall prevail.

Senator MULCAHY.—That does not give us power to override the States laws?

Senator KEATING.—It gives us power to make a law inconsistent with that of a State, and, to the extent of the inconsistency, to render the law of the State inoperative.

Senator Sir JOSIAH SYMON.—If the Minister relies on that, where is the necessity to legislate affirmatively that the Governor of a State may do something contrary to an Act of Parliament of the State?

Senator KEATING.—As I have already pointed out, the Crown law authorities of the Commonwealth hold that the Governor of a State possesses the power under the existing law. The question has been raised, however, in one or more of the States as to whether a State Governor has the power. I am not sure, but I believe that in some of the States the Governors already exercise the power we propose to confer.

Senator BEST.—I do not doubt for a moment that the States Governors have the power to do what the Bill proposes to offensively authorize them to do now.

Senator KEATING.—The States Governors, I believe, exercise the power in some of the States now; and, although the point has been raised, the Commonwealth Crown law officers hold the opinion that this Parliament has already invested the several Governors with the amplest power to transfer land to the Commonwealth altogether apart from any of the restrictions which would apply to the granting of land in the case of a private individual. The object of the clause is not to invest the States Governors with any new power, but to set aside all doubt, and make it abundantly clear that in the future we

shall not be compelled, in every instance, to resort to the unpleasant compulsory method. Surely there is nothing offensive in the words of the clause or aggressive on the part of the Commonwealth? That is a fair, honest, and straightforward way of conducting these negotiations with the States. I indicated, when discussing the matter previously in Committee, that, in many instances, under the existing law, when the State of New South Wales actually agree to the compensation to be given in respect of certain lands, and when everything necessary for its acquisition has been arranged, the State authorities find themselves obliged to say, for instance, in such a case as that cited by Senator Symon by way of illustration, "We are agreeable to accept £75 for this land, but we cannot transfer it to you. You require the land, and we wish to get rid of it; but our law compels us to dispose of it by public auction or by methods of selection." The Commonwealth has the power under the existing law, and will have the power under this Bill, if it be passed, to compulsorily acquire the land. So we have had to fall back in every such instance on our power to acquire the land compulsorily. It is proposed that we should do what is desired neither more nor less than in connivance with, or in collusion with, the States.

Senator Sir JOSIAH SYMON.—By "agreement" with the States. The honorable and learned senator should not use an unpleasant word if he may use a pleasant one.

Senator KEATING. — It might be by agreement, but it would amount, in a sense, to connivance or collusion. The outsider would know nothing of the agreement made, and, reading the *Gazette* notice, would come to the conclusion that the Commonwealth was acquiring the land by, so to speak, "force of arms."

Senator Sir JOSIAH SYMON. — Senator Best has indicated how the difficulty with respect to the outsider might be overcome.

Senator KEATING. — Senator Best's amendment would take us further than we desire to go in some instances, and in other instances it would not be found to be a satisfactory provision.

Senator Sir JOSIAH SYMON.—The honorable and learned senator does not desire that we should restrict our powers?

Senator KEATING.—No; but we do not wish to be burdened with all kinds of obligations in respect to something more than the land itself.

Senator Sir JOSIAH SYMON.—The amendment would not put any burden upon us.

Senator KEATING.—It might, because it is proposed that we should acquire land free from all kinds of reservations and dedications. We might desire to obtain a considerable strip of land from a State for the purpose of a rifle range. If we were going to take that land by agreement, and the provisions with regard to acquisition by agreement would exempt that land from all reservations and dedications, we should not only acquire the surface, which might be all that we would require, but also the minerals beneath, and would either have to prevent persons mining on adjoining land from extending their operations to the land acquired, or to pass some legislation to control their operations in respect of that land. We might not desire to have to do that. There might be reservations of another character in connexion with fore-shores with respect to fisheries, and so on, where we might desire to acquire no more than the surface rights of the land.

Senator BEST.—That objection is met by the amendment I have suggested.

Senator KEATING.—If we make arrangements with the Governor of a State that he can dispose of the land, these difficulties can be met by agreement in every instance. In almost every instance in the past it might be said that we have acquired land by the system of compulsory acquisition. We introduce compulsory acquisition in the existing law as a method which it was contemplated would be used only as a last resort, because we had made provision earlier in the Statute for acquisition by agreement. I am certain that every honorable senator who took part in the discussion of the Property for Public Purposes Acquisition Act believed that the compulsory method would be resorted to only after all effort at acquisition by agreement had failed. I think that was in every honorable senator's mind. I have just had an opportunity to inform honorable senators how the existing Act was worked. We have had to use the compulsory method in cases in which we least desired to do so, and in such circumstances as would warrant a belief in the minds of ordinary individuals that the attitude of the Commonwealth towards the States, and towards one State in particular, was very aggressive. I cannot help thinking that citizens of New South Wales, learning that every time we acquired land from that State

we did so compulsorily, would imagine that the Commonwealth Government were proceeding in a very high-handed way with what ordinarily, as between the Commonwealth and individuals, or other States, would be transactions settled by agreement. I point out to honorable senators that, inasmuch as we are not imposing any duty or purporting to cast any obligation upon the Governor of a State, and are not making it any personal matter so far as the Governor is concerned, but a matter to be dealt with by him with the advice of his Executive Council, we are proceeding in a proper way in empowering that entity, which might be called the Government of the day, for the public purposes of the Commonwealth, to grant or transfer the lands of a State.

Senator Sir JOSIAH SYMON.—If it were only a matter of method, and we could do it in a pleasanter way, would it not be better to adopt that course?

Senator KEATING.—I see nothing at all unpleasant in the method proposed.

Senator Sir JOSIAH SYMON.—Unconstitutional, I should say.

Senator KEATING.—I think that it is constitutional. We discussed the matter fully on the proposed amendment to clause 6, and on the second reading, or elsewhere. I think honorable senators must realize that there is nothing unpleasant or offensive in the words used in this clause, that they are calculated to be effectual in the direction desired, and to overcome the difficulties presented to the Commonwealth in the past by enabling the Commonwealth Government in transactions with the States to deal with them in precisely the same way as they can deal with individuals.

Senator BEST (Victoria) [5.23].—I confess that I feel somewhat disappointed that Senator Keating should have so carefully ignored the complete answers which other honorable senators and myself have from time to time given to the objections which he makes. If those objections were not absolutely and completely met by the words of the proposed amendment, I should be the very last to urge its acceptance upon him. First of all, it is contended by myself and other honorable senators that the clause in its present form is offensive to the States, and that it is a departure from the precedent already established by the Commonwealth as to the way in which we should deal with the States, namely, by empowering the Governor-General to do certain things with the Governor of a State, and not, as in this case,

making laws for the guidance and assistance of the Governor of a State. I contend, and I hope I shall do so incontestably, that everything that Senator Keating seeks to do can be inoffensively done in another way. The present law dealing with this particular subject is embodied in sections 3 and 5 of the Property for Public Purposes Acquisition Act. The form of words used in section 3 is as follows:—

The Governor-General may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State, for the absolute purchase by the Commonwealth for a consideration in money or its equivalent of such lands, or for the exchange of such lands for any land of the Commonwealth—

and, subsequently, by way of administrative process, it is provided in section 5 that—

In the case of any Crown land of any State purchased under this Act, the Governor of the State may grant such land in the name of the King to the Commonwealth.

I frankly admit that if that section were at present before us, I might have some objections to take to the form in which it is stated. In my opinion, the law as it stands is sufficient for all the purposes sought by Senator Keating, but as the honorable and learned senator has stated that there are certain doubts in regard to it, I am entirely with him in the desire to meet the difficulty which he says has from time to time arisen, particularly in regard to the acquisition of lands in New South Wales. For this purpose. I have proposed, though I do not for a moment claim, that the words I have suggested are complete in themselves, that we should add words to the effect that upon the publication of an agreement in the Government *Gazette*, the land which is the subject of the agreement should vest in the Commonwealth according to the terms of the agreement, or that, if the Government desire absolutely to acquire the land free from all encumbrances, then it should vest in the Commonwealth free from all such encumbrances. I desire to deal with the Minister's objections to the amendment. The first objection the honorable and learned senator takes is that it would not answer the present undesirable features of the law, which he says exist, that if he were to negotiate with New South Wales, and had a mutual arrangement with the Government of that State to acquire a certain piece of land, it would be

necessary to go through the compulsory process. If such an objection arises under the existing law, the purpose of the amendment is to do away with it once and for all. So that once a mutual agreement has been made with the Government of New South Wales, or of any other State, upon the publication or notification of that agreement in the Commonwealth *Gazette*, the land shall vest in the Commonwealth. In these circumstances, and with the words I have suggested in the Bill, there would be no necessity whatever to resort to the compulsory process. I challenge the honorable and learned senator to say whether that is not a complete answer to his first objection. I challenge him to say that there is any doubt or uncertainty that with the words I have suggested added to section 3 of the existing Act, it would be necessary to resort to any compulsory process. I come now to his second objection. The Minister says that the insertion of the amendment would mean that the Commonwealth would be obliged to take more than it intended to take. That is entirely wrong. The honorable and learned senator claims that if the Commonwealth desired to acquire land for a rifle range, and required only the surface according to the proposed amendment it would be necessary that we should acquire the land completely.

Senator KEATING.—Has the honorable and learned senator before him the words which Senator Drake read out?

Senator DRAKE.—They are the words of clause 17, but we are not bound to them.

Senator BEST.—I was going to meet that objection. I originally suggested the use of words taken from clause 17, but honorable senators will remember that by saying that the property should vest in the Commonwealth free from all encumbrances, I have overcome the necessity for the introduction of those words. I wish now to deal with the objection which Senator Keating sought to drive home that, according to the amendment, in the event of the Commonwealth seeking to acquire surface rights in respect to an area of land required for a rifle range, it would be essential that we should acquire the land completely. I wish to show how absolutely fallacious such a suggestion is. The terms of the agreement might be to acquire either the surface of or other interest in the land, because, under the clause "land" includes

"any interest in land." The agreement in its terms would be to acquire the surface of the land, and consequently there would be only compensation therefor. My amendment proposes that upon the publication of that agreement in the *Gazette*, the land shall be held subject to its terms.

Senator KEATING.—The difficulty is that the honorable senator is the only one who knows what his amendment is. When he was absent, Senator Drake read these words—

The lands so acquired shall be freed and discharged from all trusts, obligations, estates, interests, contracts, licences, charges, rates, and easements.

He indicated that that was the honorable senator's amendment. Now the honorable senator is telling us what his amendment would provide, but no one has seen it in print.

Senator BEST.—It is of no use for my honorable friend to attempt to get away from the point in that way. I do not doubt for a moment that Senator Drake read an amendment.

Senator KEATING.—And he said that it was the honorable senator's amendment.

Senator BEST.—When this matter was first discussed, my honorable friend raised certain objections, and on the spur of the moment, I said, "Here is a reply within the four corners of the Bill." On the second occasion, I pointed out how it was possible even to reduce those words by the use of four or five other words, and my honorable friend will see that my suggested amendment will achieve, in an inoffensive way, what he wishes to achieve by the Bill.

Senator KEATING.—I should like to see the proposed amendment.

Senator BEST.—I have already stated that I propose to insert in this Bill section 3 of the existing Act, and to add words to the following effect:—

Upon the publication of a notification of the agreement in the Government *Gazette*, such land shall vest in the Commonwealth, subject to the terms of the agreement.

If the Commonwealth desired to acquire only the surface of the land, the agreement would contain that statement, and the surface of the land alone would vest in the Commonwealth. Most elaborately, my honorable friend illustrated to us the restrictive laws of the various States, and the processes which might have to be gone through in order to acquire any land, and the reservations and the encumbrances

which would naturally follow if the amendment were adopted. But the use of these words completely overcome that objection:—

Or the said land shall vest in the Commonwealth absolutely.

When entering into an agreement, the Commonwealth would have to state therein whether it wanted the land absolutely free from all encumbrances, and accordingly it would belong to the Commonwealth free from all encumbrances. If, on the other hand, the Commonwealth wanted to acquire only an interest in the land that statement would be made in the agreement, and that interest alone would vest in the Commonwealth. If it wanted a right of easement over a particular piece of land, the agreement would contain that statement, and then that right of easement alone would vest in the Commonwealth; and, what is more, the compensation would be regulated accordingly. If the Minister could successfully substantiate any of the objections which he raised this afternoon, I would ask leave at once to withdraw my amendment.

Senator DRAKE.—The honorable senator desires to give the Minister all the power that is asked for.

Senator BEST.—Yes, but in an inoffensive way. I would urge the Committee to adhere to the precedent which it has established. The Bill makes a departure from the existing Act when it proposes to enact what the Governor of a State may or may not do. It would be a waste of time on my part to attempt to deal with the other objections which were made by my honorable friend. In the circumstances, I think that the proper course for the Committee to adopt is to reject the clause, and thereupon I shall propose a new clause, which will be section 3 of the existing Act, with the addition of the words I have indicated.

Senator KEATING (Tasmania—Honorary Minister) [5.40].—Before honorable senators proceed to deal with the amendment of Senator Symon, I desire to point out that in effect they are being asked to strike out the clause, without being told what provision is going to be substituted therefor.

Senator BEST.—I have stated what my amendment will be.

Senator KEATING.—In a moment I shall deal with what my honorable friend has just said. Previously this question was

discussed in all its bearings once, if not twice, and this afternoon it has been discussed again. Senator Drake suggested the adoption of Senator Best's amendment, and asked why I did not give some consideration to it in my remarks. Previously I had pointed out that I had dealt with that amendment at a previous sitting. Senator Best entered the Chamber immediately after that incident. He did not repudiate Senator Drake, so to speak, but he began to tell us of a new amendment which he intended to move.

Senator BEST.—No; the honorable senator should not make that statement, because he knows that I have read the amendment I suggested on the last occasion when this question was discussed.

Senator KEATING.—The amendment to which Senator Best has just referred is entirely distinct from the one read this afternoon by Senator Drake. That is the amendment with which I was dealing; and at that stage Senator Best had not addressed himself to the matter. Why does he object to clause 6? Does he say that we ought not to empower the Governor of a State to dispose of these lands?

Senator BEST.—It will not be necessary if the words of my amendment be adopted.

Senator KEATING.—Section 3 of the existing Act empowers the Governor-General to deal with the States. It says—

The Governor-General may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State, for the absolute purchase by the Commonwealth for a consideration in money or its equivalent of such land, or for the exchange of such land for any land of the Commonwealth.

My honorable friend proposes to re-enact that provision, and to add some words to the effect that it shall be necessary to publish the notification of the agreement in the *Gazette*. In the case of an acquisition of Crown land of a State, why should there be any necessity for the publication of such notification? In this clause we deal with the Crown in connexion with the acquisition of Crown land of a State, in exactly the same way as we deal with a private individual. My honorable friend has admitted that he does not think that there is any necessity for inserting in the clause the words to which so much objection has been taken, because they are alleged to be offensive.

Senator BEST.—I do not believe in the clause at all. I think it is all wrong.

Senator KEATING.—Does not my honorable friend admit that under the existing Act the State Governors have sufficient power in respect to these transactions?

Senator BEST.—As a matter of fact, I think so, but I do not approve of section 5 at all. I approve of section 3, plus my words.

Senator KEATING.—We have there a clause which purports to empower the Governor of a State to grant land to the Commonwealth. My honorable friend holds the opinion, which I and others hold, that that sufficiently empowers the Governor of a State to dispose of State lands to the Commonwealth, and that the whole force of his authority is derived from the Commonwealth Act. We propose to make that abundantly clear; that is all.

Senator BEST.—So do I.

Senator KEATING.—There has not been a single instance where a State Government, or a State Parliament, or anybody outside this Parliament speaking on behalf of the States, has objected to section 5 of the Act. Under that section, we can do what we are doing by the clause under consideration—simply empower the Governor of a State to transfer land to the Commonwealth. Certainly we do add some other words to this clause, but we do not assert any right other than we have previously asserted, but simply endeavour to make it absolutely clear that State authorities can rest upon this measure in respect of any transfer that they purport to make to the Commonwealth. We are not assuming any new power, nor are we proposing any new application of it, nor imposing any fresh duty upon a State Governor other than we have already given power to exercise. But we endeavour to make it clear that the power rests upon Commonwealth legislation.

Senator BEST.—Will the honorable senator show in what respect my amendment does not cover the ground?

Senator KEATING.—My honorable friend has not submitted an amendment.

Senator BEST.—I have explained what my amendment is intended to do.

Senator KEATING.—He has indicated what the nature of it will be. But are we going to sacrifice the certainty of this clause in order to take something else which my honorable friend admits is not yet drafted?

Senator BEST.—I have already told the Committee what I propose to do.

Senator KEATING.—My honorable friend has told us what his ideas are, but what are we to do? Are we to strike out this clause without knowing exactly what new proposal is to be submitted? My honorable friend's principle may be perfectly correct, but he may seek to give effect to it by words which may prove, in actual practice, to be very defective. The supposed remedy may be worse than what the words set out to cure.

Senator Sir JOSIAH SYMON (South Australia) [5.50].—Curious transformations sometimes take place in arguments in this Chamber, but I do not remember any *volte face* that excels that to which we have just listened from the Minister at the table. Apparently his objection now is that Senator Best has not put his amendment in writing, but has merely indicated what he desires to accomplish. I take the ground that the clause as it stands is unconstitutional in substance, and is equally unconstitutional and disagreeable in form. But I have no objection to some such amendment as Senator Best has outlined. I gather from Senator Drake that his amendment was to be exactly the same as Senator Best suggested on a previous occasion. Whether he expressed the meaning in the same words, I do not know.

Senator DRAKE.—The object was to give the Minister everything he wanted.

Senator Sir JOSIAH SYMON.—The object at any rate was not to attempt any interference with the powers of the States in regard to the functions of their own Governors. Probably if Senator Best puts in writing the amendment which he has explained, my honorable friend Senator Keating's objections will be removed, especially if it carries out what the Government desire, namely, that when land is taken from a State the limitations upon its sale or lease, and restrictions under local laws, shall *ipso facto* disappear upon the publication of a notification of the agreement in the *Gazette*. If that purpose is accomplished I am sure that Senator Keating, on reflection, will see that his objection to Senator Best's proposal disappears.

Senator DRAKE (Queensland) [5.55].—I am perfectly prepared to accept the amendment which has been suggested by Senator Best. My object was to recall to the mind of the Minister the fact that an

amendment of this character had been suggested when the matter was under discussion before. I thought that Senator Keating would take some notice of the objections then made. In regard to the words to be added to section 3 of the existing Act, I am not at all particular as to the form, so long as they give to the Minister the power he has claimed to have under this Bill. No one has objected to the Minister having all the power that he wants. The objection is to the offensive way in which the power is expressed in the present clause. The Minister wishes to get rid of all obligations and encumbrances upon land that is compulsorily taken.

Senator KEATING.—We anticipate that the compulsory process will be exceptional rather than general under this Bill.

Senator DRAKE.—Quite so; and in the case of compulsory acquisition the Minister desires to have words inserted, so that the land acquired will be free of all encumbrance. The Minister's objection is, however, that what is now proposed gives him too much power—more than he wants; that he would be embarrassed by having the land so entirely free from all encumbrance, and would prefer a provision under which some obligation might still attach to it. Senator Best's amendment is now drawn in such a form that the actual terms of the agreement will go into the notification, and the land will be acquired exactly in the terms of the agreement. I think that the Minister will admit that that amendment will give him every power that he desires to have. If that be so, I think there can be no question as to the desirableness of putting the power in an inoffensive form.

Senator BEST (Victoria) [5.58].—My honorable friend, Senator Keating, has asked me to write out my amendment. I have done so. But I did not think that I should receive an objection at this stage, because the Minister knows that I could not move the amendment now. I propose to add to section 3 of the existing Act the words—

and upon notification of the agreement in the *Government Gazette* all such land shall vest in the Commonwealth, according to the terms of such agreement, or if it is proposed to acquire the land free from all encumbrances, then upon such notification of the said agreement the land shall vest in the Commonwealth accordingly.

Senator PEARCE (Western Australia) [5.59].—It seems to me that Senator Best's

amendment is practically the clause as it stands, except that it does not say that what the clause expresses shall happen notwithstanding anything in the laws of the States. If there is a law of a State that makes that declaration necessary, will not this amendment set that law aside?

Senator BEST.—In terms of the Constitution, yes. But by the amendment we do not attempt to give power to the Governor of a State or to legislate as to what the Governor of a State may do.

Senator PEARCE.—The clause in its present form allows the Governor of a State to transfer land to the Commonwealth notwithstanding any State law which would make that transfer illegal. If that is objectionable, it is equally objectionable in Senator Best's amendment, because the amendment accomplishes the same thing without stating that the State laws are set aside.

Senator BEST.—The objection to the present clause is that in it we propose to legislate as to what the Governor of a State may do. My amendment does nothing of the kind.

Senator PEARCE.—In the clause as it stands we propose to legislate as to what the Governor of a State may do in pursuance of this measure; and Senator Best says that where an agreement is entered into between the Governor of a State and the Commonwealth Government State Acts shall be set aside. Is not that another way of saying the same thing? Are we to suppose that the States will not know what is intended? Is it supposed that they will be mollified because we do not say openly what their legal advisers will tell them is the meaning of the clause? It seems to me that we are fighting shadows. The only objection to the clause can be either that it is unconstitutional or that it is unnecessary. The legal gentlemen opposite do not argue either of these points.

Senator Sir JOSIAH SYMON.—Yes, we do.

Senator PEARCE.—If it is unconstitutional to say, on the face of the clause, that States Acts shall be set aside, or that a State Governor "may," not "shall," do certain things, it is equally unconstitutional to say so in more agreeable terms.

Senator PLAYFORD.—Both mean the same.

Senator BEST.—Not at all.

Senator PEARCE.—According to Senator Best's proposal, a State Governor may enter into an agreement, and certain results shall follow, while the clause provides that a State Governor may by agreement hand over lands to the Commonwealth, notwithstanding anything to the contrary in the State law. So far as I see, this is simply a reversal of the order of agreement.

Senator BEST.—No; one is affirmative legislation.

Senator PEARCE.—The most that could be said is that, although we have an undoubted right to legislate as to the Governor-General, we may have no power to legislate as to the Governor of a State. That argument, I think, has no force, because the provision is not mandatory, but permissive; and no objection could be raised by the States on that score. If the States did object they could render the provision valueless by refusing to enter into any agreement; and, under the circumstances, I think the clause might be allowed to pass.

Question—That the words proposed to be left out be left out—put. The Committee divided.

Aves	...	...	...	14
Noes	...	...	...	13
Majority	...	...	...	1

AYES.

Baker, Sir R. C.	Mulcahy, E.
Best, R. W.	Pulsford, E.
Clemons, J. S.	Symon, Sir J. H.
Dobson, H.	Turley, H.
Drake, J. G.	Walker, J. T.
Fraser, S.	
Higgs, W. G.	Teller:
Macfarlane, J.	Smith, M. S. C.

NOES.

Croft, J. W.	Playford, T.
de Largie, H.	Stewart, J. C.
Findley, E.	Story, W. H.
Guthrie, R. S.	Styles, J.
Henderson, G.	
Keating, J. H.	Teller:
McGregor, G.	O'Keefe, D. J.
Pearce, G. F.	

Question so resolved in the affirmative.

Amendment agreed to.

Amendment (by Senator BEST) proposed—

That after the words "Governor-General," the following words be inserted:—"may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State, for the absolute purchase by the Commonwealth for a consideration in money or its equivalent

of such land, or for the exchange of such land for any land of the Commonwealth, and upon notification of the agreement in the *Government Gazette* such land shall vest in the Commonwealth according to the terms of such agreement; or if it is proposed to acquire the land free from all encumbrances, then, upon such notification of the said agreement, the land shall vest in the Commonwealth accordingly."

Senator KEATING (Tasmania—Honorary Minister) [6.10].—I cannot sav that I consent to the amendment in its terms.

Senator Sir JOSIAH SYMON.—The amendment ought to be subject to revision by the Minister.

Senator BEST.—There is no objection to that.

Senator KEATING.—It is not a question of draftsmanship merely. As I pointed out before, this may be said to be one of the main impelling causes to the submission of this Bill—that is, the whole question of the arrangement and settlement of matters between the States and the Commonwealth.

Senator Sir JOSIAH SYMON.—It may be necessary to recast the form of the amendment.

Senator KEATING.—It may be necessary to do more than that. In the meantime, I point out to Senator Best that in the Bill there are definitions which are not to be found in the original Act. In the Bill the word "owner" includes a State in respect of Crown lands; and to that extent the words of the amendment, "and with any State where such land is Crown land," are unnecessary.

Senator BEST.—Undoubtedly verbal alterations may be necessary.

Senator KEATING.—According to clause 15 of the Bill, the Governor-General may approve of the acquisition by the Commonwealth of any land "by agreement with the owner." In that case "owner" includes a State where Crown lands are in question; and, therefore, the words of the amendment which deal expressly with a State are redundant.

Senator BEST.—That is purely verbal; the amendment says more conclusively what we mean.

Senator KEATING.—This is not merely a question of draftsmanship; it may be a question of policy as affecting the acquisition of lands from the States. I am not in a position, standing here as a Minister, to give the Committee any guidance as to what words might prove to be dangers in the present amendment. I do

not say there are dangers, but there may be some difficulty and danger attending the amendment. Personally, as a Minister, I am not in the position to give any information at this stage, and I shall have to consult with those who carry out these negotiations with the States, before I am able to say what may be the exact effect of the amendment.

Senator CLEMONS.—We have voted on the principle.

Senator KEATING.—Of course, but the Government have not accepted the principle.

Senator Sir JOSIAH SYMON.—The Senate has.

Senator KEATING.—Yes, by a majority of one vote; but on a previous occasion the Senate accepted the principle as presented in the Bill.

Senator Sir JOSIAH SYMON.—Also by a majority of one vote.

Senator KEATING.—That is so, and I am not assenting to the adoption of the amendment at this stage.

Senator Sir JOSIAH SYMON (South Australia) [6.14].—It is perfectly reasonable that the Minister should have an opportunity to recast the amendment, because there are verbal expressions to which we may not assent. Indeed, we have a right to expect that amendments of this character shall be revised by the draftsman in consultation with the Minister. Nor is it unreasonable for the Minister to say that he reserves to himself the right to consider the substance of the clause, and whether some alteration in this respect may not be necessary after consultation. The proper course is to adopt the amendment, so to speak, *pro formâ*, subject to revision by the Minister, and, if desired, by the Senate at a later stage.

Amendment agreed to.

Amendment (by Senator BEST) agreed to—

That the remaining words of the clause be left out.

Clause, as amended, agreed to.

Clause 20—

Except in the following cases:—

- (a) where moneys have been appropriated out of the Consolidated Revenue Fund for or towards the purpose for which the land was acquired; or
- (b) where the Governor-General has sanctioned the construction or carrying out of the work or undertaking in respect of which the land was acquired, and public funds are legally available for the purpose; or

- (c) where the Minister certifies under his hand that the estimated value of the land does not exceed One hundred pounds.

either House of the Parliament may, within thirty days after a copy of the notification has been laid before it, pass a resolution that the notification shall be void and of no effect, and thereupon the notification shall be void and of no effect, and the land shall be deemed not to have been vested in the Commonwealth.

Senator KEATING (Tasmania—Honorary Minister) [6.16].—In accordance with notice, I move—

That the words "Except in the following cases," line 1, be left out, with a view to insert in lieu thereof the words "Where the land is Crown land of a State which is dedicated for a public park or for the recreation or amusement of the public, and in all other cases except the following—"

The object of the amendment is to insure that in every case in which the Commonwealth exercises its powers for the acquisition of land used for a park or recreation ground, or dedicated to the public, the Commonwealth Parliament shall be given an opportunity at the earliest possible moment to consider the desirableness of sustaining or annulling the acquisition. Senator Mulcahy proposed to prevent the Commonwealth having the power to acquire for public purposes any lands dedicated to the public for the purpose of health or recreation. The honorable senator's amendment was negatived, but a strong feeling was exhibited by honorable senators who voted both for and against that amendment, that in all such cases the Commonwealth should exercise its powers with due regard to the requirements of the public. If the amendment be agreed to, in such cases, and in all other cases except those referred to in paragraphs a, b, and c, of the clause—

either House of Parliament may, within thirty days after a copy of the notification has been laid before it, pass a resolution that the notification shall be void and of no effect.

Senator GUTHRIE.—No provision is made in case Parliament is not sitting.

Senator KEATING.—Senator Guthrie will see that under sub-clause 3 of clause 16, it is provided that—

A copy of the notification shall be laid before both Houses of the Parliament within fourteen days after its publication in the *Gazette*, if the Parliament is then sitting, and if not, then within fourteen days after the next meeting of the Parliament.

What I now propose is to provide that in every case where the lands proposed to be

acquired have been dedicated to the public, it shall be competent for Parliament to annul their acquisition.

Senator MULCAHY.—The effect of the amendment will be to delay the completion of the acquisition until Parliament approves of it.

Senator KEATING.—Exactly; and that, I think, will meet the object which Senator Mulcahy had in submitting his amendment.

Senator MULCAHY.—Very largely.

Senator GUTHRIE (South Australia) [6.22].—When this matter was previously before the Committee, I strongly objected to park lands dedicated to the public for purposes of health and recreation, being acquired for the Commonwealth for any purpose whatever. The amendment now proposed merely puts the power to which I objected in a somewhat milder form, and enables the Commonwealth Government, if the course proposed is approved by Parliament, to acquire any of these lands. I hold the view that the people to whom these lands have been dedicated have a greater interest in the matter than has either House of the Commonwealth Parliament. I am being placed in the position of having to accept what the Government now propose or nothing, but I do enter my protest against the Commonwealth making any inroad upon lands dedicated to the public in the different States, for any purpose whatever.

Senator PEARCE.—Suppose it were necessary for defence purposes to resume such land?

Senator MULCAHY.—The Commonwealth will always have the power to resume these lands.

Senator GUTHRIE.—I cannot imagine that any lands which have been dedicated to the public for purposes of health and recreation, should be required for the defence of the Commonwealth. They might be desired for the erection of drill sheds, or the establishment of parade grounds, but, in my opinion, we would not be justified in robbing the public of their heritage in these lands which the States Parliaments have in their wisdom granted to them, merely because we require land for a rifle range. I know many of the public parks and recreation reserves throughout the Commonwealth, but I do not call to mind any on which it would be necessary to erect a fort for the defence of the Commonwealth.

Senator CROFT.—What about the reserve overlooking Newcastle?

Senator GUTHRIE.—I think that we could sufficiently protect Newcastle without making any inroad on the parks granted for the use of the people of that place. In the near future it will probably be necessary in South Australia to secure a range for artillery practice. I can quite imagine that the Minister of Defence will say, "It would involve a very large sum if we had to purchase the land required from private individuals, and there is no reason why we should not take land for a range from the National Park."

Senator PLAYFORD.—A range for artillery practice would require to be ten miles long, and we could not get a range four miles long in the National Park.

Senator GUTHRIE.—Then I take another case. The Minister will admit that we could get a range of ten miles along the beach. I think it is absolutely necessary that the people should be given every possible means of access to the beaches. The Government might propose to acquire the beach from Marina for ten miles southward, and might refuse to allow any person to have access to it.

Senator PLAYFORD.—The range would only be used a few times in each year.

Senator GUTHRIE.—It would be used every Saturday afternoon, and that would be just the time when the public would desire to use the land.

Senator PLAYFORD.—We should not be firing live shells every Saturday afternoon.

Senator GUTHRIE.—I know something about the artillery practice in South Australia at the present time. The Minister of Defence knows as well as I do that at present in practising from Largs Fort and Glanville the men fire out to sea.

Senator PLAYFORD.—The honorable senator is not referring to the field artillery?

Senator GUTHRIE.—No, to garrison artillery.

Senator PLAYFORD.—We could not shift the guns from Fort Largs to Marina, and blaze away with them on the sand there. It would be for field artillery that we would require a range.

Senator GUTHRIE.—The field artillery could fire out to sea, just as the garrison artillery do. Last year the Minister said that it would be necessary for the artillery in Tasmania to shoot out to sea as they do in South Australia.

Senator MULCAHY.—That is what they are going to do.

Senator GUTHRIE.—I hope that that will be done, as it will probably lead to a saving of a considerable sum of money to the Commonwealth.

Senator Sir JOSIAH SYMON.—It is not usual in actual warfare for field artillery to shoot out to sea.

Senator GUTHRIE.—It might be necessary that they should do so. It is all a question of the nature of the attack to be made upon us. The first attack we know must be from the sea, and we shall require to be able to concentrate every available man of the field, as well as of the garrison, artillery on the coast.

Senator Sir JOSIAH SYMON.—What could we do with field guns against the guns of a cruiser?

Senator GUTHRIE.—I recognise that, as an ironclad could not get very near to any part of the coast, a hostile attack or any attempt to land a hostile force would have to be made by a smaller vessel, and in that event the field artillery would be useful for defence purposes. I am afraid that we are getting away from the subject, and I repeat that I hold a very strong opinion that land dedicated to the public should not be taken from them under any condition whatever.

Sitting suspended from 6.27 to 7.45 p.m.

Senator GUTHRIE.—The amendment, although it is an improvement upon the original provision, does not meet my objections, and therefore I move—

That the amendment be amended by leaving out the word "Where," line 1, with a view to insert in lieu thereof the following words, "The provisions of this Act shall not apply if."

Senator BEST.—From time to time the Committee divided on this question, and this amendment is a concession.

Senator GUTHRIE.—On a previous occasion, the Committee supported a provision empowering the Government to take over public parks and reserves; but out of deference to the wishes of those who voted against them, the Government said "Do not shoot; we will come down." They have come down a little, but not far enough to suit me. My contention is that the Commonwealth should not be empowered to impinge upon any lands which have been dedicated in a State for the purpose of amusement and recreation.

Senator FINDLEY.—The honorable senator does not place the Commonwealth's affairs before anything else?

Senator GUTHRIE.—The Commonwealth is not the Minister of Defence, but the people who occupy this great Continent. In their wisdom, our predecessors said, "In Australia we are not going to permit that overcrowding which has taken place in older countries," and, therefore, they set aside certain areas of land for the use of the people.

Senator BEST.—This provision merely says that the public needs must first be respected.

Senator GUTHRIE.—What is the first public need, but to preserve the health of the people?

Senator MCGREGOR.—Does the honorable senator think that the West Cemetery preserves the public health?

Senator GUTHRIE.—The honorable senator reminds me that a portion of the park lands of Adelaide has been filched by the State Government for the purpose of a cemetery. Other parts have been filched for the purpose of erecting a store for water-pipes.

Senator PLAYFORD.—The cemetery reserve was made at the time when the park land was dedicated. It was dedicated for the purpose of a cemetery, and it was not filched.

Senator GUTHRIE.—Perhaps the Minister's reading of the history of these park lands is different from mine. On looking into the question pretty closely, I found that the park lands of Adelaide were laid out by Colonel Light, and dedicated by the Imperial Parliament, but no provision was made for the reservation of a site for the purpose of a cemetery, or a store for water-pipes, or markets. The only reservation which was made in the dedication was for the purpose of military drill. The site of our present cattle market was taken for the purpose of erecting a barracks. When it was abandoned by the military, it was taken by the corporation, only a short time ago, for the purpose of a cattle market. When they applied for some space there, the citizens spoke with no uncertain sound with regard to taking any more of the park lands. The result was that the Government of the day abandoned the position they had taken up, and so did the corporation, who are looking for land elsewhere. Every one in South Australia is proud that these park lands have been set aside for the purpose of healthful recreation. Under the dedication, the Minister of Defence has the right

to drill the Commonwealth troops in the park lands. What more does he want?

Senator FINDLEY.—Would the honorable senator argue that if the Commonwealth required land for a national purpose, it should not have the power to take it even if dedicated for the purpose of recreation or amusement?

Senator GUTHRIE.—That is my sole contention.

Senator MCGREGOR.—The honorable senator cannot lose sight of the Adelaide park lands.

Senator GUTHRIE.—A little time ago Senator McGregor complained very much about the action of New South Wales in restricting the Commonwealth to a certain area for the purpose of the Federal Capital. What argument did he use then? He said that in Sydney more land was dedicated for the purpose of public recreation than the representatives of New South Wales proposed to let the Commonwealth have for the site of the Federal Capital. Let the representatives of that State hold on to every inch of land which they possess for recreative purposes, because it will be wanted by-and-by. People will desire to get out of narrow streets like George-street, and go to a place where they will have elbow room. I hope that in Australia cities as large as any in Europe will be built up. Are we not going to leave the citizens with breathing spaces? Are we going to take their breathing spaces for the purpose of drill sheds or any other purpose? Under this measure park lands can be taken not only for defence purposes, but for any purpose within the scope of the Constitution. Who will say that the Constitution will always be confined to its present narrow limits? There are some members of this Parliament who think that constitutional means should be taken to broaden the Constitution. I hope that in the near future it will be broadened, at any rate in some directions. There are many members of this Parliament who think that it ought to take legislative power to deal with industrial matters. Under this measure a public purpose might be the erection of a soap factory on lands which have been dedicated to the public for the purpose of health. The Minister of Defence also contemplates the starting of a small arms factory. He knows as well as I do that there are many persons who think that coal is contained in the Adelaide park lands, and that on several occasions they

have been tested. It is well known, too, that iron abounds in South Australia. I feel so strongly on this question that I intend to press for a division. If I am defeated, I shall have done my duty.

Senator STANFORTH SMITH.—Does the honorable senator propose to exempt all Crown lands?

Senator GUTHRIE.—No; I only propose to exempt Crown lands which have been dedicated for the purpose of a public park or for the recreation and amusement of the people. I admit that the Commonwealth ought to have the power to take whatever Crown or private lands it may require on paying fair compensation therefor. It would be impossible to recompense the citizens for any park lands which might be taken.

Senator FINDLEY.—The country might be taken from the public if the honorable senator's ideas were carried out.

Senator GUTHRIE.—The country will always be able to protect itself without robbing the poor citizens. The rich man can always get plenty of breathing space, but why should we empower the Commonwealth to take breathing spaces away from those who are shut up in small cottages in the cities? There is no proposal on the part of the Government to recompense the citizens for any park lands which might be required by the Commonwealth. If they had said that, where it was absolutely necessary to resume a portion of park lands the Commonwealth would provide an equal area convenient to the city, the position would have been different. But they ask for power to take away from the citizens a great privilege which they have long enjoyed, without compensating them for the loss of it.

Senator MCGREGOR.—They must be compensated under the measure.

Senator GUTHRIE.—The compensation which the State Government will receive for the lands will be used in the general interests of the State, and distributed amongst people who have never used the resumed lands.

Senator FINDLEY.—The money will be utilized in most instances to acquire other lands for public purposes.

Senator GUTHRIE.—The public reserves in Victoria are gradually being encroached upon, and the people are getting nothing in return.

Senator BEST.—They are not being encroached upon in Victoria.

Senator GUTHRIE.—They are. I could give instances where they have been encroached upon in several places.

Senator FINDLEY.—Name one.

Senator GUTHRIE.—Only a little while ago a deputation waited upon the Premier of Victoria in reference to encroachments in one or two up-country towns. It is easier for the Government, if it wants land for the purposes of this Bill, to obtain it from a State Government than from private individuals. I have seen a good deal of encroachments upon public reserves. In the old country people have absolutely had to take up cudgels to protect their commons. I trust that the Committee will insist that public lands shall be kept sacred, and that no one, not even the Commonwealth Government, shall have a right to filch them from the people.

Senator BEST (Victoria) [8.5].—One cannot but sympathize with the sentiments of my honorable friend who has just resumed his seat in his insistence upon the preservation of lands reserved for the recreation and amusement of the public. But while the honorable senator is quite right as to the duty of the Parliament to preserve public rights and interests, all that is contemplated by this Bill is that where national interests are greater than the limited interests of the public of a locality in respect of dedicated land, the greater public interest shall prevail. That is a fundamental principle that not only underlies this measure, but has been recognised during the last century in connexion with the resumption of land in the public interest. I fear that my honorable friend has taken rather a limited view, and has practically confined himself to grievances and hardships of a somewhat provincial character. I am not disputing for a moment the great value of the Adelaide park lands, and the duty that is cast upon public men to conserve them fully. What he has said in that regard also obtains in reference to many other recreation reserves. But the fact remains that if the interests of Australia are so pressing that even the park lands of Adelaide should be taken, say, for purposes of defence, the greater interests of the Commonwealth must necessarily prevail. The honorable senator overlooks the fact that this principle is at present the established law of the Commonwealth. He forgets that since the year 1845 there have been consistent provisions in the Acts of the various States,

as well as of other portions of the Empire, enabling public lands to be taken for public purposes. That principle has been recognised almost ever since we had responsible government in Australia. The Parliaments of the States have not improperly and unfairly exercised their powers.

Senator GUTHRIE.—Is it not necessary in Victoria to pass a special Act to resume reserved lands?

Senator BEST.—The law in Victoria is that it shall be competent for the Minister to reserve permanently certain lands. The purposes for which they may be reserved are set out in the tenth section of the Land Act. If it should be found that it is necessary to revoke a reservation for certain public purposes, it is necessary to pass a special Act of Parliament. But my honorable friend forgets that we have to deal with different circumstances. We are dealing with what may be done by the Commonwealth, the laws of which are superior to States laws, and the interests of which in certain matters are superior to local interests. If the Commonwealth interest demands that local interests shall—to put it baldly—be sacrificed, the fundamental principle is that the lesser interest must give way to the greater.

Senator GUTHRIE.—Why not have a special Act to do it?

Senator BEST.—It would be idle, and would increase the difficulties to have to resort to the formidable machinery of a special Act of Parliament for the purpose of doing something of this kind. My honorable friend appears to possess but little confidence in the judgment and public spirit of honorable senators when he objects to the clause as it stands. May I assure him that in my opinion there is not a single honorable senator present who does not feel as keenly as he does that recreation reserves should be preserved for the public as far as possible. This clause provides that if the Government conceives that in the public interest of the Commonwealth a certain area dedicated for the amusement and recreation of the people should be resumed, before the actual resumption can be consummated it shall be necessary to come to Parliament. If honorable senators are animated by the same views as is my honorable friend, and the circumstances of a particular case brought before Parliament by the Government are such that the land in question should not be resumed, my honorable

friend and others would be able to make such representations as would prevent injustice being done. Nothing could be more reasonable and fair, and nothing could give Parliament a better opportunity to assert its views and insist on regard being paid to its wishes.

Senator GUTHRIE.—We shall have that power if a special Act has to be passed.

Senator BEST. — The machinery of passing a special Act would be more cumbersome, but the same deliberation can be exercised in regard to a motion, which, however, is not so dilatory. One House can prevent a reservation being revoked if a motion has to be passed. It will be competent for the Senate, for instance, to object to pass such a motion, no matter what the other House may do.

Senator GUTHRIE. — Within a limited time.

Senator BEST.—Let the period be made as reasonable as my honorable friend may desire. Thirty days appears to me to be a most reasonable time. I can state, from experience, that in Victoria there have been reservations of areas of land which have been dedicated to the public in the expectation of settlement springing up in a certain district. In a number of cases it has been found that those reservations are not required for recreation and amusement purposes, and never can be so required within reasonable limits of time. Reservations have been lavishly made, but the expectations originally entertained have not been consummated, with the result that, in session after session, Acts have had to be passed revoking them, and even going so far as to sell the reserved areas for the purpose of enabling other land to be purchased in a more convenient position. My honorable friend need not be at all fearful, because, if he is satisfied that honorable senators are as fully alive as he is to maintaining reservations for public purposes, he may be sure that the public interest will be respected, and that only the greater public interest of the Commonwealth will justify the resumption of land. The question has been fully debated. Senator Mulcahy and myself spoke prominently on the matter; and made the suggestion that this particular clause should be introduced. The Government have seen fit to submit the clause under consideration; and, in my judgment, if I may be permitted to say so, it really answers all the purposes which Senator Guthrie desires,

and will conserve the best interests of the public.

Senator MULCAHY (Tasmania) [8.16].—I merely desire to explain why I cannot support the amendment of Senator Guthrie. That amendment goes much further than I ever intended to go. We all recognise the sovereign right of the Commonwealth to take such lands as may be necessary; and it would not be proper to interfere with that right so decisively as Senator Guthrie proposes. My idea was to cause delay—to put a break on the acquisition of certain lands used for public recreation or amusement; and that object has, to a great extent, been accomplished, though not quite so completely as I would desire, by the proposal of the Government. If there is a public outcry after the taking over of lands without due consideration for the wishes and the welfare of the people—as might very likely happen, especially in the Defence Department—there will be an opportunity for either House to veto any action the Government may contemplate.

Senator DE LARGIE (Western Australia) [8.17].—In view of the reasonable proposal made by the Government, I think that Senator Guthrie ought to see his way to withdraw his amendment. Every safeguard now appears to be provided in the Bill; and to me it is inconceivable that any Government would go out of its way to acquire public lands which were not really necessary for some more useful purpose. In several parts of the Commonwealth, especially in the neighbourhood of some of the cities, there are hills, or, it may be, mountains, which at present are used as pleasure resorts, but which might be the very best sites possible for a fort or some other defence structure; and yet, according to Senator Guthrie, the Federal Government, before they could acquire a foot of that land, would have to pass an Act of Parliament.

Senator FINDLEY.—What would be done if it were a matter of urgency, and Parliament was not in session?

Senator DE LARGIE.—That is a very important consideration; and, really, I think that Senator Guthrie is submitting a proposal which I may, without offence, describe as unreasonable.

Senator Sir JOSIAH SYMON (South Australia) [8.19].—I expressed the opinion very strongly that the Bill, as originally framed, might operate very unjustly in

respect to dedicated lands. As an illustration, I pointed to the park lands of Adelaide, in regard to which the citizens entertain very strong feelings, and on the preservation of which they lay very great stress. I do not agree with Senator Guthrie, however, when he seeks to introduce into the Bill an absolute prohibition against the Commonwealth Government acquiring any such lands whatever.

Senator GUTHRIE.—What I propose is that the provisions of the Bill shall not apply to such lands.

Senator Sir JOSIAH SYMON.—That is the same thing. When the honorable senator says that the Commonwealth Government are taking something away from the people, that is true in a sense, because they are diverting the land from one use by the people to another use by the same people. We may believe that no Commonwealth Government would plank down in the middle of the park lands of Adelaide, even a fort, unless such a work were absolutely essential.

Senator GUTHRIE.—The Adelaide Corporation wishes to erect a rubbish destructor in the park lands.

Senator Sir JOSIAH SYMON. — The City Corporation is different from the Commonwealth Government. The Corporation have not the power to do that which the Commonwealth Government have the power to do, so long as their action is approved by Parliament. I think that Senator Guthrie may be very well satisfied with the provision offered by the Government. I quite agree with Senator Guthrie that the more direct way would probably be by Bill, setting forth the particular purpose for which land was sought to be acquired; but, with the provision offered by the Government, I think we may trust each other to be very keen about States interests in regard to lands dedicated to amusement and recreation, and to be very prompt to submit a motion should such reserves be in danger. The interval of thirty days after the notification is laid before the Senate, affords a distinct opportunity for control, in view of the fact that either House may interpose. Senator Guthrie will, I think, see that the object he has in view will be accomplished by the Government proposal.

Senator STEWART (Queensland) [8.27]. —I am astonished at the small measure of support which Senator Guthrie has hitherto received for his very reasonable amendment. It appears to me that honorable

senators have not been keeping their eyes very closely on the action of our various States Governments, or otherwise they would have seen that wherever an area of land, big or little, is required for any public purpose, a portion of a reserve is immediately seized on. That has been consistently the conduct of every one of our States Governments; and the presumption is that the Commonwealth Government, instead of making a new departure, will follow that extremely bad example. That is a point which, apparently, has not occurred to honorable senators. The Committee, in my opinion, seem disposed to do what may prove to be an act, or a series of acts, of vandalism. Senator Best professed to be deeply sympathetic with the amendment proposed by Senator Guthrie; but of what earthly good is the sympathy of the honorable senator? In effect, Senator Best, says that the amendment is perfectly just, and that he believes in it, but he will not vote for it. The honorable senator contends that the Commonwealth must be supreme; and in that regard we all agree with him. Bearing in mind the tendency of the States Governments—and I have no doubt the Commonwealth Government will develop exactly the same tendency—to nibble at public reserves, the honorable senator is perfectly justified in his endeavour to introduce a safeguard. Do honorable senators realize that our city reserves are the lungs of our huge centres of population? What would happen to a man if his lungs were taken out? He could not breathe, and he would be no longer of any earthly use as a member of Parliament. Take the wind out of a man, and he is of no use here. If we deprive the cities of their lungs they will breed a feeble and degenerate people. I have not the slightest doubt that if the Commonwealth Government wanted land they would seize some of the people's reserves without any scruple. The probability is that the act would be committed before Parliament would have an opportunity to express an opinion upon it. I again point out that the public reserves all over the Commonwealth are every day becoming smaller in area, and fewer in number, and when it is remembered that at the same time our population is increasing, and is likely to continue to increase, the necessity for maintaining the reserves we have must become apparent to every member of the Committee. Senator Guthrie does not intend to deprive the

Commonwealth Government of the power to take any land which may be required. His object is merely to provide a sufficient brake to prevent precipitate action on the part of the Commonwealth authorities. I think that every member of the Committee should assist the honorable senator to give effect to his most laudible desire.

Senator BEST.—The brake will be afforded by the Minister's amendment.

Senator STEWART.—I do not know whether that is a legal opinion or not, or whether if it is, it is worth much. We find that legal gentlemen in this Senate are so continually at sixes and sevens with each other that we laymen can only sit afar off, and wonder that lawyers should possess so little knowledge of law. Senator Guthrie's desire in this matter is one that should appeal to every patriotic Australian. We have a huge continent, and there is no earthly reason why the States Governments or the Commonwealth Government should ever seize a single acre of a public reserve. We have over 3,000,000 square miles of country, or about a square mile to every inhabitant of the Commonwealth, and most of it vacant, and that being so, I do not see why we should be nibbling at the reserves which have been set apart for the health of the people.

Senator DE LARGIE.—Does the honorable senator think that any Government that has any regard for its position or continuance in office would be likely to do what is suggested?

Senator STEWART.—I should not be supporting Senator Guthrie's amendment if I did not think that it was likely that Governments would do that. I have never known Governments to have any regard for the health or convenience of the people. If they have wanted a piece of one of these reserves they have taken it without scruple, and without any regard for the public health or convenience.

Senator BEST.—Then under the Minister's amendment we could block them in the Senate.

Senator STEWART.—I have heard that phrase a hundred times, but when the Government perform an administrative act it is only in one case out of a hundred that either House of the Parliament goes back on them. I may say frankly that I have very little confidence in any Government. They are all inclined to go wrong, unless they are watched very carefully.

Senator MULCAHY.—Man is prone to evil.

Senator STEWART.—No doubt man is prone to evil, and Governments are especially prone to evil, but members of Parliament are elected to see that Governments do not go further wrong than is necessary or desirable. The arguments adduced by Senator Guthrie should have some weight with the Committee. The honorable senator has laid it down as an axiom, and it is one with which I agree, that every public reserve should be looked upon as sacred, and should not be invaded, except in case of extreme necessity. These reserves should not be nibbled at and destroyed as they have been by the various States Governments. We should set a good example to the Governments of the States; an example of self sacrifice. We should say to them, "We have abandoned our claim to these public reserves, go thou and do likewise. We are the mentors, and you should follow our good example." Instead of that, I am afraid we are likely to follow their bad example, and so lead the Commonwealth into exactly the same labyrinth of difficulty as that into which the States have been led by the action of the States Governments. I hope that honorable senators will reconsider this matter, and will assist Senator Guthrie to place the amendment he has moved in the Bill.

Senator STORY (South Australia) [8.40].—I hope that Senator Guthrie will not press his amendment to a division. If he does, I believe he will have the support only of Senator Stewart, who has admitted that he does not understand it, and perhaps that may be the honorable senator's reason for supporting it.

Senator STEWART.—No; I understand it now.

Senator STORY.—I should like to say that I have quite as great a regard for the Adelaide park lands as Senator Guthrie has. I agree with the honorable senator, and, indeed, with every other member of the Committee, that lands dedicated to the public should be held sacred to the use of the public. I am satisfied that neither the Commonwealth nor any State Government will ever dare to take any lands dedicated to the public unless it is impossible to secure other land that will answer the purpose as well. Senator Stewart has said that in Australia we have over 3,000,000 square miles of land, but that should be a proof that the Government will have no desire to

intelligible, plain, common-sense title, describing what the measure is, namely a Lands Acquisition Act.

Senator KEATING. — To-day there was only a majority of two for that title, whereas, on the first occasion, there was a majority of three for the original title.

Senator Sir JOSIAH SYMON.—Why should not the short title of the Bill stay as it is? It is really absurd to ask for a reconsideration of the clause, because on the third reading of the Bill the question will be dealt with again. If my honorable friend thinks that there are some supporters of the original clause away—I do not know whether there are or not—let him take a division on the third reading.

Senator BEST.—Perhaps there are present some honorable senators who were absent previously.

Senator Sir JOSIAH SYMON.—Which ever way it is, let a division be taken on the third reading.

Senator KEATING.—I offered no objection to the reconsideration of the clause on the honorable senator's suggestion.

Senator Sir JOSIAH SYMON.—That was a first reconsideration of the clause.

Senator DRAKE.—Probably the Minister thought then that he was all right.

Senator KEATING.—I did.

Senator Sir JOSIAH SYMON.—Is there anything to be gained by taking this course? Suppose that my honorable friend prefers as a matter of music "Eminent Domain" to "Lands Acquisition,"—

The CHAIRMAN.—Perhaps it may save time if I remind the Minister that standing order 195 says—

No new clause or amendment shall be at any time proposed which is substantially the same as one already negatived by the Committee, or which is inconsistent with one that has already been agreed to by the Committee, unless a re-committal of the Bill shall have intervened.

We are still in the same Committee.

Senator Sir JOSIAH SYMON.—It must be done at the third-reading stage.

Senator KEATING.—The clause which we propose to insert will read as follows:—

Where the Governor of a State agrees with the Governor-General for the sale or lease of any Crown land to the Commonwealth any instrument, conveyance, or assurance included by the Governor for granting, conveying, or leasing the lands of the Commonwealth accordingly, shall by virtue of this Act, and notwithstanding anything in the laws of the State, be valid and effectual to vest the land in the Commonwealth according to the tenor thereof.

If it is held that this is substantially the same as the clause negatived by the Committee, I presume that the standing order referred to by the Chairman would apply.

The CHAIRMAN.—I shall have to rule the Minister's proposal to be inconsistent with the decision come to by this Committee.

Senator KEATING.—It has the same object in view.

Senator Sir JOSIAH SYMON.—It seems to me that if the words "notwithstanding anything to the contrary in the laws of a State" were eliminated, the proposal quoted by the Minister would be consistent with Senator Best's amendment. The words are not necessary, because the provision declares that the land becomes vested in the Commonwealth according to the tenor of the conveyance.

Senator KEATING.—I agree with that, and the Crown law officers of the Commonwealth agree; but, unfortunately, the Crown law officers of the States do not.

Senator Sir JOSIAH SYMON.—Do not the Crown law officers of the States agree with the proposal in the form in which the Minister submits it? It is an excellent form. It declares that where an agreement has been come to upon the execution of a conveyance by the Governor of a State, the land shall vest in the Commonwealth, according to the tenor of the conveyance. If the tenor of the conveyance is that the land shall vest in the Commonwealth unencumbered there is no need to put in the words "notwithstanding anything to the contrary in the laws of the State." That is the only element of inconsistency that I can see between the Minister's proposal and Senator Best's amendment.

The CHAIRMAN.—We have come to a decision, and have struck out of clause 6 the words "by force of this Act and notwithstanding anything to the contrary in the law of any State." It is proposed by the Minister's amendment to reinsert those or similar words. That proposal in the same Committee would be inconsistent with the decision already come to.

Senator BEST.—Is there any value in the words "notwithstanding anything to the contrary in the laws of a State"?

Senator KEATING (Tasmania—Honorary Minister) [9.9].—I have said all along that I do not think those words are essential, but State law officers, it seems, refuse to recognise the authority of this Bill unless there are some

such words in it. I desire to expedite the passage of this measure, which has been a long time before us. I should like to have the clause reconsidered, so that we might reach the reporting stage to-morrow. I will take it that, if we report the Bill now, honorable senators will assist me to expedite the Bill through its later stages, in order that it may go to another place as soon as possible.

Senator Sir JOSIAH SYMON (South Australia) [9.10].—Whatever course is taken, certainly I think I can say for myself that there will not be the slightest objection to facilitate the adoption of the report on the same day as the Bill is reconsidered in Committee. I should not like to pledge myself as to the third reading, but I think we can get through with the Bill on Friday.

Question—That the Bill be reported with amendments—resolved in the affirmative.

Bill reported with amendments.

METEOROLOGY BILL.

In Committee (Consideration of House of Representatives' amendment):

New clause 5A—

The Governor-General may enter into an arrangement with the Governments of other countries, or any of them, for the interchange of meteorological information, and any matter incidental thereto, between such Governments and the Commonwealth.

Senator KEATING (Tasmania—Honorary Minister) [9.12].—The new clause which has been inserted by the House of Representatives simply enables arrangements to be made, in connexion with the meteorological work that may be conducted in Australia, with the Governments of other countries that carry on similar work, for the interchange of information. When the Bill was introduced in the Senate reference was made by me to the fact that it was probable that proposals would be made for the interchange of such information with India. I had not amongst the papers then in my possession any official document conveying such an intimation, but some quotations which I then submitted to the Senate from a *Svdnev* newspaper were to the effect that an offer was to be made to the Government of the Commonwealth on behalf of the Government of India. Honorable senators, I think, appreciate the importance of an interchange of such information. There is nothing novel in principle in the new clause. It simply enables

us, in connexion with our own meteorological service, to carry out our work with the advantage of the latest information that can be supplied to us from other sources, in return for which, of course, we may be expected to reciprocate by furnishing information to those who give us advantages in that respect. I think that there can be no objection to the amendment, and I therefore move—

That the amendment be agreed to.

Question resolved in the affirmative.

Resolution reported; report adopted.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

SECOND READING.

Senator PLAYFORD (South Australia—Minister of Defence) [9.18].—I move—

That the Bill be now read a second time.

This Bill has been before Parliament for a number of years, and, therefore, the remarks I have to make, in moving the second reading, will not occupy much time. Honorable senators will recollect that when Federation was under discussion the people of Western Australia showed some anxiety to have their State joined with the eastern States by means of a railway, if they consented to join the Union. The Government of Western Australia made inquiries as to whether the adjoining State of South Australia would be prepared to assist in the furtherance of such a project.

Senator DOBSON. — Have the Commonwealth Government yet got the consent of the South Australian Government?

Senator PLAYFORD. — We have the consent of the South Australian Government to the making of a survey.

Senator DOBSON. — Has that consent been given by Act of Parliament?

Senator PLAYFORD.—No; there is no necessity for an Act of Parliament, because we think that we may take the word of the Premier of South Australia.

Senator DOBSON.—It is not a matter of accepting the Premier's word, but a matter of obtaining official consent.

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intelligible, plain, common-sense title, describing what the measure is, namely a Lands Acquisition Act.

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us, in connexion with our own meteorological service, to carry out our work with the advantage of the latest information that can be supplied to us from other sources, in return for which, of course, we may be expected to reciprocate by furnishing information to those who give us advantages in that respect. I think that there can be no objection to the amendment, and I therefore move—

That the amendment be agreed to.

Question resolved in the affirmative.

Resolution reported; report adopted.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

SECOND READING.

Senator PLAYFORD (South Australia—Minister of Defence) [9.18].—I move—

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Senator DOBSON. — Have the Commonwealth Government yet got the consent of the South Australian Government?

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Senator DOBSON.—It is not a matter of accepting the Premier's word, but a matter of obtaining official consent.

Senator PLAYFORD. — Perhaps the honorable senator will permit me to proceed, because, in the natural order of things, I shall have to deal with that particular point, and refer to the time when the Senate disagreed, by a majority of one, to the proposal for a survey, unless the

consent of South Australia, by Act of Parliament, was obtained, not only to the making of a survey, but to the construction of the line. The following letter was addressed to Sir John Forrest, who was then Premier of Western Australia, by the Premier of South Australia, on the 1st February, 1900:—

Chief Secretary's Office,
Adelaide, 1st February, 1900.

Sir,—Following our conversation as to the possible blocking of the construction of a railway line from Kalgoorlie to Port Augusta by the Federal Authority, by South Australia refusing consent rendered necessary by Section 34 of Clause 51 of the Commonwealth Bill, to the construction of the line through her territory, I regard the withholding of consent as a most improbable thing, in fact, quite out of the question.

To assure you of our attitude in the matter, I will undertake, as soon as the Federation is established (Western and South Australia both being States of the Commonwealth) to introduce a Bill formally giving the assent of this Province to the construction of the line by the Federal Authority, and to pass it stage by stage simultaneously with the passage of a similar Bill in your Parliament.

I have the honour to be, Sir,
Your obedient servant,

(Sgd.) F. W. HOLDER.

The Right Honorable Sir John Forrest, Premier,
Western Australia.

Senator DOBSON.—What is the use of that letter, when the South Australian Government have declined to do what they promised?

Senator PLAYFORD.—I am at present merely giving the history of the events in connexion with the proposal to construct a transcontinental line, and I do not see why I should be subject to these unnecessary interjections. Senator Dobson will have an opportunity later on to express his own peculiar views, which I have no doubt he will do in that extremely forcible and unique style of which he is master. That letter, of course, was written before South Australia and Western Australia had joined the Commonwealth, and there is no doubt as to the anxiety of the people of Western Australia to ascertain whether they would experience any difficulty or opposition at the hands of their neighbour. Such a line would, of course, have to go through South Australian territory, and without the consent of that State neither survey nor construction could be undertaken by the Federal power. It was mainly on the assurance contained in the letter that I have read, and in the belief—which was shared by the principal politicians at the time—that no

trouble would be experienced so far as South Australia was concerned, that the people of Western Australia were induced to join the Union. In my opinion, if that assurance had not been given, Western Australia would not have formed part of the Commonwealth.

Senator DOBSON.—Does that not show that the letter is useless, and that an Act of Parliament is the only thing on which we can rely?

Senator PLAYFORD.—Surely the honorable senator has lived long enough to know better than to subject me to this constant interruption. Western Australia joined the Commonwealth believing that she would receive no opposition from South Australia and the rest of the Commonwealth in the matter of a transcontinental line, without which it was felt by the people in the West they could never be regarded as forming an indissoluble part of the Federation.

Senator MULCAHY.—At whose expense had the railway to be built?

Senator PLAYFORD.—It is extremely strange that all the interjections come from the representatives of the little State of Tasmania. Of course, Western Australia anticipated that she, with the other States of the Union, would pay her share of the cost of what was regarded as a national undertaking. There is not the slightest doubt that unless we have a transcontinental railway, the western State cannot be said to be properly defended. Of course, we are secure so long as Great Britain has command of the sea; but if at any time that command should be lost, we should, in the absence of railway communication, be unable to go to the assistance of Western Australia in time of invasion or stress. Under such circumstances, Western Australia would be completely isolated, bearing in mind that the deserted, waterless country which lies between east and west would prevent anything in the nature of the marching of troops.

Senator TURLEY.—Is such a state of things imminent now?

Senator PLAYFORD.—I should like to be permitted to proceed with my argument. At present, I am merely pointing out that for strategic and defence purposes a transcontinental line is absolutely necessary; and I base the justification of the present proposal on no other ground. Personally, I do not believe that such a

railway would pay for a good number of years, but it would certainly pay indirectly by affording an assured means of rendering assistance to the western State should the necessity arise. In the absence of the railway, it can easily be conceived how foreign troops could conquer and hold the western State, always supposing, of course, that Great Britain had lost command of the sea.

Senator FINDLEY.—Is this Bill for the construction of a railway, or for a survey only?

Senator MULCAHY.—It is a preliminary Bill for the construction of the line.

Senator PLAYFORD.—In order to justify the proposed expenditure on a survey, it must be shown that a railway is necessary. I do not contend, of course, that a line to the west should be constructed at once, but there is no doubt that in the immediate future it will be necessary. I have to put forward the strongest arguments possible in order to show that a transcontinental line is required for defence purposes, and then to deal with the proposal that a survey shall be made. Amongst the papers circulated in connexion with this Bill, is a report by Mr. John Muir, Departmental Surveyor of Western Australia, who, with a number of other experts, examined a portion of the country over which this line would be taken from Kalgoorlie to the borders of South Australia. The report, which is lengthy, points out that one of the difficulties would be that of water supply. The line which they suggest would be from Kalgoorlie to Eucla, and thence to Tarcoola; and they furnish an estimate of the cost of the construction of the line within the borders of Western Australia. There has been no real examination of the country from Port Augusta northwards, but its nature is known as far as Tarcoola, and a little beyond. There is also information as to the country in the neighbourhood of Lake Gardiner, should it be decided that the transcontinental line, instead of going *via* Tarcoola, should take the more direct route on the western side of the lake, instead of the eastern side. From the border of Western Australia to a point not far from Tarcoola, on the South Australian side, we know little or nothing of the country. We are informed that a considerable area consists of rolling sandhills, and that in some parts water is found at the foot of those hills. There

is a very fair supply of what is known as pot-hole water nearer Tarcoola, and, until the drought drove him away, a squatter occupied a portion of that country with sheep. Honorable senators will recollect that a Conference of the Engineers-in-Chief of the States was held in Melbourne in March, 1903, and issued a report in which they pointed out what they believed would be the cost of a transcontinental line. I desire, by reference to this report, to emphasize the necessity for a survey before proposals are introduced for the construction of a line. Parliament ought to be placed in possession of all possible information of a definite and unmistakable kind, so as to be able to come to a conclusion as to whether or not a line is necessary. I am quite certain that a transcontinental line must be constructed sooner or later, so that in any case the money spent on the survey will not be thrown away; but, of course, if the information does not warrant the construction now, then the matter may be allowed to rest. The points on which they were asked to submit a report were the probable expenditure in construction; the probable annual revenue on construction, and for ten years after; the probable annual expenditure in working the line and its maintenance; the route recommended; the gauge proposed; the probable time which would be occupied in its construction; the probable present and prospective effect of such railway if constructed; the advisability of constructing the line, and any other matters in connexion with the scheme which they thought should be brought under notice. I do not desire to go into all these matters, because I am not concerned with them in submitting this Bill, but I wish to emphasize the fact that these gentlemen admitted that they had not the necessary information to enable them to make a reliable estimate of the probable cost of constructing the line. They say—

The information to hand is not sufficient to enable us to speak with certainty and accuracy on all points. For instance, the particulars as to possible sources of water supply, both for construction purposes and for locomotive use, are extremely meagre.

In what is certainly very dry country, that is unquestionably a most important consideration. There must be a sufficient supply of fresh water for the working of the locomotives used on the line, and if a sufficient supply of brackish

water could be secured it could by condensation be rendered suitable for the purpose. It is, however, necessary that we should know whether a sufficient supply of suitable water can be secured, and the probable cost of providing such a supply. They say further—

And the best route cannot be determined without further data, the obtaining of which will affect both the length of the line and its cost.

This report is drawn up by the Engineers-in-Chief of the various States Railway Departments, and it is signed by H. Deane, New South Wales; William Pagan, Queensland; Alex. B. Moncrieff, South Australia; Maurice E. Kernot, Victoria; and C. S. R. Falmer, Western Australia. Honorable senators will see from the portion of the report which I have read, that these gentlemen had not sufficient data on which to make any reliable estimate of the cost of the line. They further say in their report—

From the information at our disposal, we formed the opinion that the line can be constructed for the above amount (£5,090,183). The estimate may appear large, but, as already pointed out, many of the data are uncertain—no survey has been made, the waterways have not been fixed, and the cost of water supply is indeterminate. We are strongly of opinion that further and closer examination and partial survey will show that the line can be constructed for a less sum than that named.

From that, honorable senators will see that before we can get the necessary data on which to form a reliable estimate of the expenditure necessary for the construction of the line, we must have a survey of the route, and this Bill proposes that that survey shall be made. Honorable senators are aware that the matter was previously before Parliament, and they are familiar with the whole subject. I submit the Bill for the purpose of asking the Senate to authorize the survey, and I believe that when it is made it will possibly be found that the estimate of the cost submitted in the report of the States Engineers-in-Chief can be considerably modified.

Senator MULCAHY.—It will grow up to about £9,000,000; that will be the modification.

Senator PEARCE.—It will be reduced to £4,000,000.

Senator PLAYFORD.—Very possibly it will be reduced to £4,000,000. But whether it is reduced in that way or remains at £5,000,000, or is fixed at more than that sum, before Parliament can fairly consider the construction of the line, we

must have an accurate survey of the route. I point out to honorable senators that the money expended in the survey proposed will certainly not be thrown away. The only objection which any honorable senator can offer to the Bill is that the survey is not necessary at the present time. But I contend that it is necessary and advisable that the survey should be commenced at the present time, because it will take a year or two to complete it, and to procure and lay before Parliament the necessary data. The money will not be wasted, because the survey is an absolute necessity. No honorable senator can say truthfully that the line will never be required. It must be admitted that sooner or later it will have to be constructed, and, that being so, why should we not set to work as early as possible to secure the data necessary to place us in a position to say what the cost of its construction will be? That is all that honorable senators are asked by this Bill to do. When the matter was under discussion in the Senate last year, an amendment was moved to the effect that the Bill should not be proceeded with until, by an Act of the State Parliament, South Australia had agreed to the construction of the line. The present Premier of that State has given a direct assurance, in unmistakable language, that he agrees to the survey. All that he desires is that South Australia shall be consulted as to the route and the gauge.

Senator TURLEY.—The amendment carried last year did not refer to the survey, but to the building of the line.

Senator PLAYFORD.—I am aware of that. Some honorable senators asked last year that South Australia should give a distinct assurance in favour of the construction of the line. I can quite understand that before the Parliament of South Australia would be prepared to agree to the building of the line they would require to be assured of two things—the route to be taken, and the gauge to be adopted for the railway. The route is a most important consideration for the State of South Australia, because if the line goes in one direction it will be of very little use to that State, whilst if it goes in another direction it will be of use. If the line does not traverse the mineral country in South Australia, it will not be of as much use to that State as it will be if it is taken by way of Taroona, and thus opens up the mineral country. If,

on the other hand, it is decided that the line shall be built on the 4 ft. 8½ in. gauge. South Australia might very well say, "No, thank you," because that would mean the alteration of the gauge of the existing railway from Port Augusta, and the State of South Australia could not afford to make that alteration.

Senator MULCAHY.—And yet, in view of all these difficulties, the honorable senator is asking the Senate to vote £20,000 for the survey of the line.

Senator PLAYFORD.—I am asking that because the line must be constructed sooner or later.

Senator MULCAHY.—Not necessarily by us.

Senator PLAYFORD.—And because it will be absolutely impossible for the question of the construction of the line to be submitted to Parliament without a reliable estimate of the cost. That cannot be provided until the survey is made, and I repeat that in any circumstances the money expended on the survey will not be thrown away.

Senator WALKER.—What gauge will South Australia demand?

Senator PLAYFORD.—South Australia will demand the 3 ft. 6 in. gauge. She could not afford any other. I observe that the Parliament of Western Australia has expressed a willingness to alter the gauge of the existing line from Kalgoorlie to Perth to the 4 ft. 8½ in. gauge, but I say that they will be only throwing their money away if they do that.

Senator WALKER.—What is the distance from Adelaide to Port Augusta?

Senator PLAYFORD.—From 180 to 200 miles; but I remind honorable senators that the proposal is for an alteration of the gauge on the line through South Australia to the border of Victoria, and through Victoria to the border of New South Wales. The idea is preposterous. Yet the Engineers-in-Chief recommend the adoption of the 4 ft. 8½ in. gauge. That is a proposal to which I do not think South Australia or Victoria will agree. Possibly the only State that would be prepared to agree to that would be New South Wales, where they already have the 4 ft. 8½ in. gauge.

Senator TURLEY.—So that the recommendation of the Conference of Engineers-in-Chief is altogether discounted.

Senator PLAYFORD.—Only so far as the gauge to be adopted is concerned. I have already pointed out that the recom-

mendations of the Engineers-in-Chief were made, on their own showing, upon insufficient data, and the object of this Bill is to provide sufficient data on which to make reliable estimates.

Senator TURLEY.—Not with regard to the gauge to be adopted.

Senator PEARCE.—The solution of that problem has nothing whatever to do with this Bill.

Senator PLAYFORD.—The honorable senator is quite right. It has nothing whatever to do with this Bill. I am satisfied that honorable senators generally are thoroughly acquainted with the whole of the facts connected with this measure. It was previously before them for consideration, and it has passed the other branch of the Federal Legislature by large majorities on two occasions. It was lost here last year by a majority of only one, and I do ask the Senate on the present occasion to agree to the expenditure of the moderate sum proposed for such a survey as will enable proper plans and estimates to be supplied, on which a reliable estimate of the cost of the line can be made when any proposal is submitted for its construction.

Debate (on motion by Senator PEARCE) adjourned.

Senate adjourned at 9.44 p.m.

House of Representatives.

Wednesday, 8 August, 1906.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

GRADING OF BUTTER.

Mr. FULLER.—In the *Kiama Independent* of the 3rd instant, a newspaper circulating widely in the South Coast dairying districts of New South Wales, the following paragraph appears:—

Mr. Hindmarsh, M.L.A., states that the Federal Minister has agreed to allow the North Coast (Byron Bay) Company to grade its own butter.

I wish to know from the Minister of Trade and Customs if the honorable member was justified in making that statement. If so, will the Minister place all the butter factories in Australia in the same position?

Sir WILLIAM LYNE.—What I told the representative of the Byron Bay factory

was that I should be very glad to appoint their expert, or some person in their factory, as the representative of the Department, for the purpose of grading their butter, subject to periodical inspection, probably by Mr. O'Callaghan, with a view to seeing that everything was right. I wish to interfere as little as possible with the working of distant factories like that, and I am prepared to take similar action in connexion with every factory of any moment in New South Wales, or, indeed, in Australia.

PAPERS.

Mr. AUSTIN CHAPMAN laid upon the table the following papers:—

Paper relating to country telephone lines read by Mr. Hesketh at the Sale Convention of the Chamber of Agriculture, 5th July.

The CLERK laid upon the table:—

Report from the Joint House Committee as to the working of the Refreshment Rooms.

LAUNCESTON MAIL DELIVERY.

Mr. AUSTIN CHAPMAN.—Yesterday the honorable member for Darwin asked the following questions with reference to the delivery of mails at Launceston:—

Whether he will supply the House with information showing—

(a) The times of the delivery of the mails at the Launceston Post-office for the last six months?

(b) The times they should be delivered according to mail contract—if not at Post-office, on Launceston wharf?

The Deputy Postmaster-General, Hobart, has now furnished me with these replies:—

Date.	Delivery of mails, Post Office, Launceston. (a)	Contract time at Launceston wharf. (b)
1906.		
Feb. 1	9.30 a.m.	9.50 a.m.
3	9.45 a.m.	9.35 a.m.
6	9.0 a.m.	9.30 a.m.
8	12.40 p.m.	12.25 p.m.
10	10.20 a.m.	10.25 a.m.
13	10 a.m.	9.25 a.m.
15	12.15 p.m.	9.50 a.m.
17	8.40 a.m.	9.26 a.m.
20	10.20 a.m.	9.25 a.m.
22	9.30 a.m.	9.25 a.m.
24	10.15 a.m.	10.28 a.m.
27	11.15 a.m.	10.25 a.m.
Mar. 1	8.50 a.m.	9.30 a.m.
3	9.15 a.m.	9.35 a.m.
6	10.40 a.m.	9.30 a.m.
8	9.50 a.m.	9.31 a.m.
10	8.43 a.m.	9.30 a.m.
13	11.10 a.m.	10.35 a.m.
Mar. 15	9.35 a.m.	9.30 a.m.
17	9.20 a.m.	9.30 a.m.
20	8.40 a.m.	9.25 a.m.
22	8.50 a.m.	9.10 a.m.
24	9.8 a.m.	9.25 a.m.
27	11.10 a.m.	10.25 a.m.
29	9.5 a.m.	9.25 a.m.
31	9.16 a.m.	9.28 a.m.
Apr. 3	8.40 a.m.	9.30 a.m.
5	9.5 a.m.	9.28 a.m.
7	8.42 a.m.	9.25 a.m.
10	9.40 a.m.	9.10 a.m.
12	11.45 a.m.	9.40 a.m.
14	9.15 a.m.	10.23 a.m.
17	8.50 a.m.	9.25 a.m.
19	8.50 a.m.	9.30 a.m.
21	9.17 a.m.	9.27 a.m.
24	10.25 a.m.	10.20 a.m.
26	10.45 a.m.	10.29 a.m.
28	11.42 a.m.	10.42 a.m.
29 (Coogee)	11.45 a.m.	noon
May 2	10.45 a.m.	9.20 a.m.
4 (Coogee)	1.0 p.m.	noon
6	9.30 a.m.	9.30 a.m.
9 (Coogee)	11.55 a.m.	12.15 p.m.
11	11.40 a.m.	9.30 a.m.
13 (Coogee)	2.30 p.m.	noon
16	10.30 a.m.	9.35 a.m.
18 (Coogee)	12.35 p.m.	12.35 p.m.
19	9.50 a.m.	9.20 a.m.
23 (Coogee)	3.45 p.m.	12.10 p.m.
25	1.25 p.m.	9.38 a.m.
26 (Coogee)	1.35 p.m.	noon
30	10.30 a.m.	9.52 a.m.
June 2	10.0 a.m.	9.40 a.m.
6 (Coogee)	12.0 p.m.	noon
8	10.43 a.m.	9.40 a.m.
9 (Coogee)	12.15 p.m.	1.0 p.m.
12	10.40 a.m.	9.30 a.m.
14 (Coogee)	3.25 p.m.	1.15 p.m.
16	11.22 a.m.	9.52 a.m.
19 (Coogee)	1.25 p.m.	12.15 p.m.
21	10.0 a.m.	9.30 a.m.
23 (Coogee)	2.0 p.m.	12.0 p.m.
26	11.5 p.m.	9.30 a.m.
28 (Coogee)	2.30 p.m.	1.0 p.m.
30	10.15 a.m.	9.27 a.m.
July 3 (Coogee)	1.20 p.m.	noon
5	10.40 a.m.	9.16 a.m.
7 (Coogee)	12.50 p.m.	noon
10	1.40 p.m.	9.54 a.m.
12 (Coogee)	2.15 p.m.	noon
14	1.35 p.m.	9.30 a.m.
17 (Coogee)	12.10 p.m.	noon
19	9.55 a.m.	10.20 a.m.
21 (Coogee)	12.15 p.m.	noon
24	11.0 a.m.	9.35 a.m.
26 (Coogee)	2.20 p.m.	noon
28	10.25 a.m.	9.34 a.m.
31 (Coogee)	2.5 p.m.	noon

The *Loongana's* time has been calculated at 16 knots per hour on all occasions, although doing the double service during the first three months. Fifteen minutes may be allowed between wharf and post office.

HOURS OF DUTY OF
POSTMASTERS.

Mr. AUSTIN CHAPMAN.—On the 2nd August, the honorable member for Gwydir asked some questions with reference to the hours of service required from certain postmasters in Sydney and suburbs, to which I now wish to give the following replies:—

1. The Postmaster-General is not aware of any statement having been made, in answer to a question by the honorable member for Canobolas, to the effect that postmasters are permitted to use their own discretion as to absenting themselves from their offices, nor has he any knowledge of the examination referred to, as reports of proceedings of Appeal Boards are not communicated to the Department.

2. No; and the Acting-Deputy Postmaster-General, Sydney, states he has made inquiry of the principal officers, and finds that none know of any case in which a postmaster has been called upon for an explanation of his absence when rung up by telephone.

3. No. The Acting-Deputy Postmaster-General, Sydney, reports as follows:—

I am not aware of any such understanding; the matter of where officers reside could not be taken into consideration in the arrangement of their duties. It is not a fact that postmasters are required to report themselves on duty to any call from the head office up to closing of the office at 8 p.m.

4. See answer to question No. 1.

EX-DRIVER FAY.

Mr. DEAKIN.—In reply to the questions asked by the honorable member for Wentworth in reference to the case of ex-driver Fay, the Minister of Defence has furnished the following additional information:—

Driver Fay's case, with others, has been fully considered by the Military Board, who reported as follows:—

"The Military Board finds that compensation, based on three years' pay as the maximum payment, is on the same lines as provided for in the Employers Liability Act (Victoria).

"The regulations, as they at present exist, are, in the opinion of the Board, sufficient so far as the Permanent Forces are concerned."

This report has been approved by Cabinet.

Driver Fay has, in addition to the three years' pay, been granted permission to obtain medical advice and medicines free of charge at the Garrison Hospital, Sydney, for three years from date of his discharge from the forces.

An effort will be made to find Driver Fay some suitable employment in the Public Service.

MILITARY DEFERRED PAY.

Mr. KELLY asked the Minister representing the Minister of Defence, *upon notice*—

1. Are the following facts:—

(a) That, at the time of transfer of the New South Wales Military Forces to the Commonwealth, certain members of the Instructional Staff, Permanent Army Service Corps, Ordnance Department, and Military Clerical Staff, drew deferred pay, in accordance with Brigade Order 37 of 1886, General Order 17 of 1889, an approval by the Chief Secretary in 1898, and General Order 2 of 1892?

(b) That in July, 1902, the payment of deferred pay was discontinued to the members of the Permanent Army Service Corps, Ordnance Department, and Military clerical staff, who had hitherto been drawing it?

(c) That, in 1903, the Minister of Defence approved of the payment to the above of the above deferred pay for the financial year 1902-3, while warning those concerned that that was the last occasion on which such payments would be made?

(d) That such pay was afterwards discontinued?

(e) That those formerly entitled to it appealed, on the ground that under section 84 of the Constitution they legally preserved a right previously existing under the State, and acknowledged for one year under the Commonwealth, to continue to draw this pay?

(f) That the Minister decided not to vary his decision, since (as advised by the Crown Solicitor) an order made by a State Minister prior to transfer can be cancelled at any time by the Commonwealth Minister?

2. What is the total annual amount involved?

3. Was not such deferred pay invariably granted under the State *régime* on the certificate of the Commanding Officer that the services of the W.O. or N.C.O. concerned had been satisfactory for the year?

4. Is it not a fact that the intention and spirit of section 84 of the Constitution are that no officer of the State should suffer by his transfer to the Commonwealth?

5. Is it not a fact that by the abolition of the above deferred pay, those concerned have financially suffered as the result of their transfer from the State to the Commonwealth?

6. Will the Minister of Defence reconsider his Department's decision in this matter?

Mr. DEAKIN.—I have been furnished with the following replies:—

1. (a) Yes.

(b) Yes.

(c) Yes.

(d) Yes.

(e) Yes.

(f) Yes.

2. £365 per annum, so far as can be at present ascertained.

3. Yes.

4. It is not usual, in an answer to a question in the House, to advise upon the construction of a section of the Constitution. But there can be no doubt that the decision of the Minister was legal: See the judgment of the High Court in the case of *Cousins v. the Commonwealth*, 3 C.L.R., 529—a test case, involving the salaries of a large number of public servants whose claims were founded on an Act of the State Parliament. The Privy Council has recently refused to grant leave to appeal from that judgment.

5. Yes.

6. That would be fruitless.

SALE OF BRANDY.

Mr. HUTCHISON asked the Minister of Trade and Customs, *upon notice*—

1. Under the new Customs regulations, is pure grape brandy made in the Commonwealth, and over two years old, prevented from being sold if blended with silent spirit of a less age than two years?

2. Under the above regulations, can imported spirits of a less age than two years be sold?

3. If so, is not an unfair advantage given to outside manufacturers, calculated to destroy the trade of Australian distillers?

4. What immediate steps does the Minister propose to take in the interest of local distillers?

Sir WILLIAM LYNE.—The replies to the honorable member's questions are as follow:—

1. According to the wording of the recommendation of the Tariff Commission, and adopted in the resolutions, all such spirit must be two years old, but it is proposed to deal with this matter in the Bill.

2. At present, this is the case, but it is proposed in the Bill to apply the same restrictions to imported spirit as to Australian in regard to purity and maturity.

3 and 4. It is intended to adjust this matter by legislation.

COMMONWEALTH FINANCIAL PROBLEMS.

Mr. KNOX asked the Treasurer, *upon notice*—

In view of his indefinite reply given to a question asked yesterday—Whether he will now inform the House if it is the intention of the Government to introduce legislation, during this session of Parliament, to give effect to his recommendations for dealing with the financial problems of the Commonwealth?

Sir JOHN FORREST.—In reply to the honorable member's question, I have to state that the reply given was not intended to be indefinite. A Bill is in preparation.

BUDGET.

In Committee of Supply:

Debate resumed from 7th August (*vide* page 2432), on motion by Sir JOHN FORREST—

That the item, "President, £1,100" be agreed to.

Mr. JOHNSON (Lang) [2.36]. — It would be a good thing if we could all share the cheerful optimism of the Treasurer, and accept his views regarding the present condition of Australia, and the outlook for the future. No doubt the figures which he presented in support of the statements made in his Budget speech afford abundant evidence that the present condition of Australia, so far as its commercial, industrial, and manufacturing enterprises are concerned, is such as should give cause for the liveliest satisfaction, and the fact that for the last three years we have enjoyed such great prosperity completely refutes the statements of Ministers and their supporters that destruction of industries, ruin, and general desolation threaten this country. The Treasurer's Budget speech is also a striking commentary on the theatrical agitation at present being carried on by the honorable member for Melbourne Ports and others associated with him in his fiscal policy, who are visiting the Melbourne factories, and addressing the workers there upon the pressing need for increased duties, in order to stop what they term the continuous decay of Victorian and Australian industries. When the working men who have been the subject of so much political attention at their hands read the Treasurer's Budget speech—if they ever do so—they will wonder what was the purpose of the visits to them of these energetic politicians on the eve of a general election.

Mr. MAUGER.—They will wonder why they have not shared in the general prosperity.

Mr. JOHNSON.—Undoubtedly. I am about to deal with that point. The honorable member is assiduous in his endeavours to have the Tariff raised, in order to save the country from the ruin which he and those associated with him assert is threatening it; but I wonder that he does not point out to the working men and wage-earners whom he addresses that there is very little likelihood of the advantages resulting from the higher Tariff he is advocating being shared by them. It is manifest that no Tariff ever has been, or

can be, devised which will increase the rates of wages by a single fraction.

Mr. MAUGER.—The honorable member should read the last report of the Chief Inspector of Factories.

Mr. JOHNSON.—Whether the wages of employes in protected industries will be increased will depend largely upon the benevolence of their employers, and not upon any Tariff. High protective duties, by raising the prices of commodities to consumers, give our local manufacturers opportunities to increase their profits; but their employes do not necessarily receive a corresponding, or, indeed, any advantage in higher rates of wages. In spite of a high protective Tariff, Wages Boards had to be established in Victoria for the purpose of increasing wages. During the period when the protective duties in force in Victoria were at their highest point, allegations of sweating were most frequent. It was during that period that commissions were appointed to investigate charges of sweating, and Wages Boards were created to get rid of the evil. Those facts strongly support my contention that increased wages do not necessarily result from high Tariffs. Increased wages may come about naturally, or may be brought about artificially by special legislation. The latter, however, affects only men actually in employment, since it would be impossible to compel men by Act of Parliament to give employment to others. These are facts which some of our misguided protectionist agitating friends who sit on the other side of the Chamber would do well to ponder over. I doubt very much whether any of the employers for whose benefit they wish to increase the Tariff would voluntarily sacrifice the advantages derived therefrom by increasing the wages of their employes to the extent of the full benefit of the duty. I doubt whether any one of them would voluntarily make an arrangement with his employes, giving them the benefit of any increase in the duties which may be brought about as the result of the present agitation. Indeed, I might go further, and say that I doubt whether, if it were a condition precedent to the raising of the Tariff that the advantages to be secured from higher duties were to go to the workers, the manufacturing employers would enthusiastically support proposals for higher duties. I venture to say that if the honorable mem-

ber for Melbourne Ports and other Ministerial supporters who are assisting him in this much-advertised and theatrically conducted agitation, were to make these proposals to the employers in the various industries, the facilities which they now enjoy for addressing the workers would not be so readily afforded to them. The employers would not thank them for conducting the agitation. In spite of the marvellous progress and prosperity to which the Treasurer has pointed, this fiscal agitation is being conducted for the purpose of creating a false impression in the minds of the wage-earners, and with a view to inducing them to vote for an increase of taxation. They are asked to believe that the condition of affairs is not as good as it should be—and I do not pretend that it is, so far as they are concerned—and that by increasing the taxation on their stomachs and their backs, they will add to the prosperity of the country, and to their own material comfort and financial well-being. The whole thing is a huge electioneering farce, and if the workers were not such arrant fools, as many of them undoubtedly are, they would see through so transparent a device. Among the figures referred to with pride by the Treasurer of the Protectionist Government were those relating to Inter-State free-trade. The returns show that since the establishment of Inter-State free-trade, industry within the States and commercial intercourse between them has expanded to a marvellous degree. In the pre-Federation days of New South Wales, we were told by our protectionist friends that we should specially direct our Tariff restrictions against the neighbouring States of Queensland and Victoria, whose goods were being dumped into New South Wales to the injury of the local producers. I believe that the Minister of Trade and Customs, when he was in the State Parliament, was a great supporter of that policy, and assisted to actively promulgate it. When, however, Federation loomed on the political horizon, the politicians who had so strongly opposed the free admission of goods from the other States, suddenly turned round and pointed out that great advantages would ensue if the Tariff barriers were knocked down, and the products of neighbouring States were freely admitted.

Mr. WILKS.—The stock tax was a notable example of the restrictions imposed upon free intercourse between the States.

Mr. JOHNSON.—Exactly. The very same politicians who were in favour of measures of that kind entirely renounced all their previous arguments and convictions, and advocated Inter-State free-trade, which they claimed would have the effect of enhancing the prosperity of New South Wales. That was an argument that the free-traders had always used, but which the protectionists always scouted. The figures quoted by the Treasurer showed that the removal of Inter-State barriers has resulted in giving the producers of all the States a much more extended market.

Mr. POYNTON.—Perhaps now that the honorable member for Gippsland is here, the honorable member will repeat what he stated about the stock tax.

Mr. JOHNSON.—I should have not the slightest hesitation in doing so, were it not already known to him. The honorable member for Gippsland is daily receiving fresh light. I believe that by continued association with men of advanced economic ideas, he will come to see the error of his protectionist ways. I feel sure that in view of the evidence before us of the extent to which Victoria has been benefited by free-trade limited, the honorable member for Gippsland, the honorable member for Laanecoorie, and others, will begin to inquire whether greater advantages would not flow from free-trade unlimited. If free intercourse between small communities is good, it should be mutually beneficial when it takes place between larger communities. If it is a good thing for two towns to freely trade with each other, it must be beneficial for two provinces to do the same thing. If it is good for provinces it must be good for States, and the same principle is capable of application to the fullest extent, until it embraces all the nations of the universe. If it is a good thing for the States of the Commonwealth to trade freely with each other, I claim that the extension of the same principle to countries outside must inevitably result in the greatest possible benefit to all concerned. The undoubted evidence afforded during the past five and a half years of the prosperity and progress which result from the removal of restrictive barriers between States such as ours, should encourage us to extend the principle of free-trade beyond the shores of Australia, rather than agitate for the imposition of new duties to restrict and hamper trade.

Mr. WEBSTER.—The honorable member's leader has been silent upon that question for ten years.

Mr. JOHNSON.—That is incorrect; but even if it were true, it does not affect the principle.

Mr. WILKS.—The fact that the honorable member is now taking up a strong attitude upon the subject shows that he is a free man, and can speak as he likes.

Mr. WEBSTER.—He may speak as he likes, but he cannot vote as he likes.

Mr. JOHNSON.—The honorable member is again in error. His freedom to vote as he thinks is destroyed, but I am perfectly free to vote as I choose. Honorable members on this side of the Chamber are so liberal minded that there may be wide divergences of opinion amongst them on certain points without affecting their relations one to the other or their solidarity. Our leader is one of those generous, liberal-minded men, who is able to sympathize with and appreciate the perfect freedom of thought and independence of action, which is the great characteristic of his supporters—a characteristic which distinguishes them from members on the other side of the Chamber.

Mr. WEBSTER.—Why does the honorable member speak of something that is impossible?

Mr. JOHNSON.—I have no doubt that such a possibility is incomprehensible to the honorable member's limited understanding, even though he possesses such a plastic temperament, and such elasticity of mind and conscience, that he can adapt himself to all kinds of political circumstances. I happen to be very well acquainted with the honorable member and his political career, but I do not wish to be led away into a discussion which may result in less amicable feelings than those which now exist. As we are now in the last session of this Parliament, I think it is desirable to preserve the friendliest possible relations between honorable members in all parts of the House consistent, of course, with political differences of opinion.

Mr. WEBSTER.—Then the honorable member ought not to introduce the fiscal question.

Mr. JOHNSON.—The honorable member is imposing an impossible condition, because the fiscal question is raised by the Treasurer's Budget speech, which contains a proposal to increase the taxation upon

the backs of the people. I may be safely relied upon to resist such proposals by every means in my power.

Mr. WEBSTER.—Is the honorable member referring to the proposed spirit duties?

Mr. JOHNSON.—No. I am referring to the specific duties mentioned in the Budget speech. Reverting to the subject of Inter-State free-trade, I may say that it is very gratifying to me, as a representative of New South Wales, and of perhaps the most truly free-trade constituency in that State, to find that it is the best customer for the products of all the other States.

Mr. TUDOR.—That is due to the fact that New South Wales is far behind the other States in the matter of her manufactures.

Mr. JOHNSON.—The honorable member is entirely wrong, for the figures show that New South Wales is also the largest exporter to the other States, a fact which supplies the most complete answer to the interjection of the honorable member for Yarra.

Mr. TUDOR.—What does she export?

Mr. JOHNSON.—The honorable member can easily ascertain that information by reference to the *Year-Book of Australia*, although I am quite prepared to rely upon the figures which have been supplied by the Treasurer in his Budget. From these I gather that New South Wales annually takes goods from the other States to the value of £14,864,911. In other words, she purchases goods from them to the value of nearly £15,000,000, per annum, and she exports to them commodities to the value of £12,263,472. Further, New South Wales imports from the other States goods to the value of £5,484,880 in excess of Victoria, that is to say, she purchases the manufactures and products of the other States to the extent of nearly £5,500,000 more than does Victoria, and thus leads the way in showing the true Federal spirit.

Mr. TUDOR.—That is because we manufacture goods for our own requirements.

Mr. JOHNSON.—Victoria manufactures goods mainly for her own limited population, and yet aims at becoming an exporting country. She prided herself upon the high protective duties which she enjoyed prior to Federation, and now clamours for the restoration of those duties, mainly upon the plea that she wishes not only to supply her own home market, but to become a

large exporting country; but outside of Australia she would have to compete in an open market and must fail. The Treasurer himself, who, I understand, is a protectionist—

Mr. WILKS.—Is the honorable member certain that he is a protectionist?

Mr. JOHNSON.—I am not quite sure about it. If he was a protectionist previously, he cannot surely remain one now after having presented the figures which he did to the Committee. The right honorable gentleman has shown in his Budget that, despite all the advantages which Victoria enjoyed for upwards of a quarter of a century, in the shape of much higher duties than are now being collected, New South Wales, which has always been the free-trade State of the group, has, in the matter of her exports to the other States, been able to beat her by a very large margin. I have already shown that her imports from those States exceed those of Victoria by £5,500,000, and that her exports to them are £3,533,285 in excess of those of Victoria.

Mr. WEBSTER.—Is that result due to free-trade?

Mr. JOHNSON.—Yes; Inter-State free-trade. It is due to the removal of the fiscal barriers which formerly existed between the States, and which prevented the free interchange of commodities between them.

Mr. WEBSTER.—It is because of the protective duties which New South Wales at present enjoys.

Mr. JOHNSON.—No. If that were so Victoria should certainly show a lead, as she had a long start with much higher duties. Her population is not very far short of that of New South Wales, and she has had all the advantage—not of six and a half years' experience of a comparatively low Tariff, such as exists at the present time—

Mr. MAUGER.—I am glad to hear the honorable member admit that.

Mr. JOHNSON.—I mean a low Tariff from a protectionist stand-point. If the high protection which Victoria enjoyed for upwards of a quarter of a century had really been beneficial to her, she ought to show to decided advantage in the matter of her exports to the other States as compared with New South Wales, instead of which we find that her Inter-State export trade is over £3,500,000 behind that of New South Wales. In Victoria, too,

we hear a constant clamour for more protection. But in New South Wales we have no such clamour, and in this connexion it must be recollected that New South Wales has never demanded the Tariff which is in operation to-day. As a matter of fact, she would be glad to get rid of it, as was shown when the electors were invited to record their votes last election on the fiscal question.

Mr. WEBSTER.—In voting for the Bill, they voted for a protective Tariff.

Mr. JOHNSON.—The honorable member is attempting to mislead the Committee. They voted for the Bill, but they did not intentionally vote for a protective Tariff.

Mr. WEBSTER.—The adoption of a protective Tariff was involved in the Braddon blot.

Mr. JOHNSON.—That was a danger that I and others who opposed the acceptance of the Bill unavailingly pointed out. Did not Sir Edmund Barton, the present Prime Minister, and the Minister of Trade and Customs, when they were endeavouring to persuade the people of New South Wales to vote for the Constitution, assure them that it would not be a protective Tariff which would be imposed by this Parliament, but a Tariff which would suit alike free-traders—by which I presume they meant revenue Tariffists—and protectionists. When we who opposed the Bill pointed out that the acceptance of the Constitution would saddle New South Wales with increased taxation, we were answered by these gentlemen with the declaration that it would do nothing of the kind.

Mr. WEBSTER.—The honorable member himself has said that the Tariff has benefited New South Wales.

Mr. JOHNSON.—I have not said anything of the kind; but she has progressed in spite of the Tariff, not because of it. I say that even under existing conditions that State shows to better advantage than does Victoria or any of the other States. I mentioned Victoria in particular, because she is the next largest State—from the stand-point of population—to New South Wales. In the figures presented by the Treasurer, Victoria shows to great disadvantage as compared with New South Wales, both in regard to her imports and her exports, so far as the Inter-State trade is concerned.

Mr. WILKS.—She never shows up badly when there is a bit of loot on the board.

Mr. JOHNSON.—Some Victorian manufacturers do not show up too well. That the bad points associated with the desire to grab more than one's fair share always come to the surface, has been evidenced in connexion with many matters which have been before this House during the currency of the present Parliament.

Mr. WILKS. — I would not leave that theme now, because the honorable member has warmed up honorable members opposite.

Mr. JOHNSON.—It is a very good thing that I have been able to accomplish that. I hope that their consciences will be warmed to an appreciation of the fact that for many years they have been pursuing a wrong course, and that, prosperous as the Treasurer has shown the country to be, that prosperity has not been brought about by restrictive Tariff legislation, but in spite of it. It has not been due to any legislation enacted by this Parliament, or by the States Parliaments, but is the result of the natural productiveness of Australia, its boundless resources, its good seasons, the immense advantages which it offers to capital and labour for the purposes of exploitation, and to the industry, energy, pluck, and perseverance of the people who are settled here. Having regard to the natural advantages which we enjoy, a very great deal of extremely pernicious legislation would be required to seriously set back this country for any protracted period. The fact of the matter is that our progress is due to a number of other agencies which are wholly unconnected with legislation of any kind. Whilst we enjoy good seasons, and are possessed of a land which contains millions and millions of untold wealth, only awaiting the hand of labour to pluck it from the bosom of the earth, we must continue to prosper. The principal needs of this country are, first, the destruction of land monopoly, and secondly, the opening up of our territory to a sturdy population of yeomanry—to persons who will settle upon a free soil, and develop all our primary resources, without State coddling or spoon feeding, thus creating a solid foundation for prosperity for all time. I do not see any proposals in the Treasurer's Budget which are likely to bring about that result. Certainly I give some honorable members of the Labour Party credit for realizing that the two needs to which I have just referred are primary essentials to our prosperity. In so far as they realize that, I

am heartily in accord with them. It is only when they come to deal with the problem of how we may best bring about the conditions which are desirable, that I find myself very reluctantly compelled to part company with them, and to oppose their proposals, because they seem to me to be entirely wrong. Of course, I may be wrong myself. None of us can say absolutely that any honorable member is right in his opinions.

Mr. CARPENTER. — The honorable member is getting on.

Mr. JOHNSON. — At any rate, from my point of view, the socialistic proposals of honorable members opposite are wrong, and for that reason I must oppose them. At the same time there are many things which they advocate with which I am very much in sympathy. Broadly speaking, I am more in sympathy with a good many honorable members sitting upon the opposite side of the Chamber—and especially with those who occupy seats in the Labour corner—than I am with some of those with whom I find myself associated. Of course, I am speaking in a political, and not in a personal sense. The trouble is that the Labour Party advocate measures utterly destructive of freedom, and impose conditions which make it impossible for men of democratic tendencies to become permanently associated with them, which is a matter of very great regret to me. I now pass to another phase of this question which presents itself to my mind. The Treasurer's figures, eminently satisfactory as they are so far as they go, do not necessarily indicate that the people of the country, as a whole, are prosperous. The volume of trade and the receipts from taxation are not the most reliable data upon which to found a correct estimate of the condition of the people as a whole. Especially is this the case in regard to taxation, because when we point to our Customs receipts, or to receipts from other sources of taxation as an evidence of general prosperity, we are very likely to be misled. This fact will be patent to anybody who has studied the figures which Treasurers in other countries are able to produce, and which are not indicative of the general condition of those countries. It often happens that in countries showing the best returns in respect of taxation the people themselves are living upon the verge of starvation.

Mr. WILKS.—As in China.

Mr. JOHNSON.—We may take the position of the people in Russia, China, and almost any country where great poverty prevails—

Mr. WEBSTER.—Does the honorable member assert that poverty exists in China?

Mr. JOHNSON.—If the honorable member has read anything about that country he will know that, except amongst certain classes, great poverty prevails there. Are we not accustomed to hear the protectionist members of this House, including the honorable member himself, asserting time after time that we should have high Customs duties to prevent the competition of goods made by Chinese pauper labour? Is it not common for them to refer also to the pauper labour of the Chinese within the Commonwealth? That being so, is it not fair to assume that if Chinese are prepared to work for pauper wages here, it is because those wages represent a great advance upon what they would be able to earn in their native land?

Mr. WILKS.—Many of the Chinese here are merchant princes.

Mr. JOHNSON.—As compared with their fellow-countrymen in China, doubtless many of them are. Statistics relating to revenue and expenditure, and trade, commerce and finance, do not necessarily afford a fair indication of the condition of the people. It may well happen that, notwithstanding that such statistics show a great increase in the Customs revenue, and in production, manufactures, commerce, and other directions, a very large proportion of the population are not enjoying the benefit of the progress thus disclosed. We have unemployed agitations in Victoria and elsewhere.

Mr. WILKS.—But the agitation is keener in Victoria than in any other State.

Mr. MAUGER.—Rubbish.

Mr. JOHNSON.—We have not in New South Wales such keen agitation on the part of the unemployed as prevails in Victoria, although I do not say that New South Wales has not an undue proportion of men who find it difficult to make ends meet. The problem of dealing with the unemployed is one to which politicians, having any claim to be considered statesmen, should address themselves. I commend this to the Treasurer, who is exceedingly optimistic.

Sir JOHN FORREST.—Perhaps I have been able to judge the position better than the

honorable member. Foolish optimism would not last for ever.

Mr. JOHNSON.—I do not say that it is foolish. Optimism is a very happy trait of character.

Sir JOHN FORREST.—It is scarcely correct to say that I am recklessly optimistic. I have not embarked on non-paying enterprises, and I have held office for twenty years.

Mr. JOHNSON.—The right honorable member has been living in a State which owes it prosperity to the discovery of rich gold deposits within its borders. As a result of that discovery its population has rapidly grown, and it has obtained the cream of the workers of other States, and more particularly of Victoria.

Mr. WEBSTER.—That discounts an argument that the honorable member has already addressed to the House in regard to the falling away of the population of Victoria.

Mr. JOHNSON.—On the contrary, the fact that so many Victorians have gone to Western Australia shows that the highly protective Tariff imposed by the State Parliament did not raise wages sufficiently high to enable the State to retain its population. The effect of that high Tariff was to drive out of the protected industries of Victoria a number of men who have been replaced by women and children, and many of those men went to Western Australia.

Mr. MAUGER.—The men who went away were miners.

Mr. JOHNSON.—The men who ought to have been developing Victoria were forced, owing to the legislation of this State, to go where they could work under different conditions.

Mr. MAUGER.—The honorable member has not studied the question.

Mr. JOHNSON.—I claim to have studied it perhaps a little more thoroughly than has the honorable member.

Mr. MAUGER.—But not in relation to the position of Victoria.

Mr. JOHNSON.—I am afraid that I cannot compliment the honorable member on having made more than a superficial study of this question. The high Tariff imposed by Victoria did not enable her to retain her population. There was an exodus from the eastern States, and particularly from Victoria, to Western Australia, which has reaped the advantage of the influx of population so obtained. The right honorable gentleman, as Treasurer of Western Australia, also reaped the ad-

vantage of the prosperity which followed in the wake of that increase of population, and the discovery of rich mineral deposits which led to profitable employment being obtainable there.

Mr. WEBSTER.—Does the honorable member mean to infer that none of the prosperity of Western Australia is due to the right honorable gentleman?

Mr. JOHNSON.—I should not like to say that; I know that the right honorable gentleman has done a great deal for that State. But he had to get the people there first. When I visited Western Australia last year, I saw one of the gigantic works carried out on his initiative, and which has enabled the people of the gold-fields more particularly to live under better conditions than previously obtained. I do not think the people of the other States will grudge Western Australia that prosperity, nor the right honorable gentleman the elation which it causes him. When interrupted, I was about to show that the Savings Banks returns furnish a far better guide to the condition of the people than is obtained by a study of statistics, such as have been furnished by the Treasurer, in relation to taxation, production, and trade. The Savings Banks are popular institutions to which recourse is had by men whose means are too small to enable them to take advantage of the ordinary banks of issue, and the returns relating to them afford us a somewhat better indication of the general conditions of the people than do statistics relating to trade and commerce.

Mr. POYNTON.—They are very unreliable.

Mr. JOHNSON.—I do not assert that they afford an absolutely correct guide.

Mr. POYNTON.—For instance, a man might own a house, and have nothing in the Savings Bank, whilst another having a few pounds to his credit might have no real estate.

Mr. JOHNSON.—Notwithstanding that fact, for which I make allowance, I hold that the Savings Banks returns offer us a better indication of the condition of the wage-earning classes than do the figures relating to trade and commerce. My study of the Savings Banks returns leads me to believe that they might well be more satisfactory than they are.

Mr. WEBSTER.—Are not the prison records also a guide in this regard?

Mr. JOHNSON.—I do not think they show as well as do the Savings Banks returns the condition of those who are the thrifty workers.

Mr. WEBSTER.—Are there not thrifty men in prison.

Mr. JOHNSON.—Those in our gaols are mostly men who have been industrious in exploiting the property of others. That is a kind of thriftiness which we ought to discourage. I have taken from the Budget some figures that have enabled me to compile a return showing the ratio between the population and the savings of the people, as indicated by the Savings Banks returns. The returns quoted by the Treasurer, and also the *Year-Book*, from which, I presume, they were originally taken, show that the total population of New South Wales is 1,491,763.

Mr. WEBSTER.—It is over 1,500,000.

Mr. JOHNSON.—I am taking the Budget figures. They are sufficient for my purpose; but if the actual population is that which the honorable member has stated, it emphasizes the point I wish to make. As against the population of 1,500,000, in round numbers, there are 361,383 depositors in the Savings Banks of New South Wales; so that out of the total population of 1,500,000, 1,130,780 are non-depositors in Savings Banks. According to the Budget, Victoria has a population of 1,218,571, while the number of depositors in its Savings Banks is given as 461,345, showing that there are 757,226 non-depositors in the Savings Banks here.

Mr. POYNTON.—What is the percentage?

Mr. JOHNSON.—I have not worked it out. Victoria shows a larger number of depositors in Savings Banks in proportion to its population than does New South Wales. But although in Victoria there are 99,962 more Savings Banks depositors than there are in New South Wales, the aggregate amount of their deposits is much less than the sum deposited in the savings banks of New South Wales.

Mr. WEBSTER.—That is because the maximum amount upon which interest is paid is higher in New South Wales.

Mr. JOHNSON.—The Victorian maximum is £250, and the New South Wales maximum, which was formerly £200, has now been increased to £300, so that it is higher.

Mr. WEBSTER.—That accounts for the difference.

Mr. JOHNSON.—It makes no difference, so far as these figures are concerned.

Although in Victoria there are 99,962 more savings bank depositors than there are in New South Wales, the amount of their deposits is less than the amount of the New South Wales deposits by £2,449,969. In New South Wales the number of depositors in savings banks is 361,383, and the amount deposited by them £13,797,284, while in Victoria the number of depositors is 461,345, and the amount deposited by them £11,347,215.

Mr. WEBSTER.—The honorable member forgets that they have Wren's tote in Melbourne.

Mr. JOHNSON.—The existence of the totalizator here may very largely account for the difference, and, if so, it shows what a great evil it is to the community to have established in its midst institutions affording facilities for gambling. The population of the Commonwealth is estimated at 4,052,475, of whom 1,152,506 are depositors in savings banks, the aggregate amount of their savings being £37,205,039. Therefore, there are 2,899,969 persons, or, in round figures, nearly 3,000,000 persons, who have no money in savings banks. I suppose that over 80 per cent. of our population belong to the working classes, and these figures therefore show that the prosperity of the industrial section of the population might well be much greater than it is. Of course, an allowance must be made for the fairly large number who are endeavouring to secure houses or other property for themselves, and have no margin for saving left after they have fulfilled their obligations in regard to mortgages, and so forth, in carrying their plans into effect. There are, no doubt, many persons so situated, who do not use either savings banks or banks of issue. But, allowing for them, and also for those in better positions in life than are occupied by the ordinary wage-earners, who use banks of issue, putting them at, perhaps, 1,000,000, there are still left more than 1,750,000 who have no savings either in banks or in other property.

Mr. STORRER.—Allowance must also be made for women and children.

Mr. JOHNSON.—In all calculations of this kind, allowance must be made for women and children, though it is to be remembered that many of the depositors in savings banks are women, and that many accounts are opened in these institutions on behalf of children. No doubt the figures indicate a tendency to the

accumulation of wealth in the hands of a few, and I think that that tendency is further indicated by the figures relating to the business of the other banks. I have tried to obtain, in regard to banks of issue, figures similar to those which I have given in regard to our savings banks, but, unfortunately, they are not available, those in charge of our private banking institutions being either unwilling or unable to give such figures. I have ascertained, however, that the amounts deposited in banks of issue aggregate £106,000,000, as compared with the £37,000,000 deposited in the savings banks, belonging for the most part to the members of the working classes, who form the largest section of the community. The savings bank deposits average about £37 for each depositor, which is not very much to boast of. The honorable member for Bland last night made some reference to this aspect of the question, and, without going into details, suggested that we cannot take the statements of the Treasurer as an absolutely reliable index to the condition of the masses of the people. There is a great deal to be said for his contention. He has made certain proposals designed according to his ideas to bring about an era of improved prosperity, with which I shall not deal on the present occasion. I recognise the—unfortunately misdirected—zeal and energy which he has displayed for bettering the condition of the masses of the people; but I am not in agreement with him as to the means to be adopted to this end. Coming now to a matter affecting the administration of the Public Service of the Commonwealth, I wish to point out that, although the Customs revenue has increased in New South Wales by about £200,305, a cheese-paring policy is being pursued in regard to the payment of increments due to Customs officials. It has come to my knowledge that there are several officers, admittedly deserving and capable, who are entitled to promotion and to higher salaries, but for some reason or another the Estimates have been kept down to a point which does not admit of higher salaries being paid. This seems to me not warranted, in view of the expansion of the revenue of the Department. If there is such a large surplus that the Treasurer feels justified in proposing to scatter money broadcast among the States, beyond what they are legitimately entitled to receive, I think that we ought to consider the position of the public ser-

Mr. Johnson.

vants attached to the various Departments of the Government. I bring this matter under the notice of the Treasurer now, and, later on, will bring it more directly under the notice of the Minister of Trade and Customs. The cheese-paring to which I allude is taking place, not only in regard to the Customs Department, but in regard to other Departments as well. In yesterday's *Argus* the following information was published under the heading "Federal Public Service: Increments for Ensuing Year":—

In conformity with the policy laid down last year, Federal Ministers do not purpose paying increments automatically to members of the Federal Public Service. In the subjoined statement the intentions of the Cabinet are plainly set out:—

	Annual Rate.	Amount Provided.
	£	£
External Affairs ...	196	139
Attorney-General ...	324	323
Home Affairs ...	620	447
Treasury ...	756	570
Customs—		
Central staffs ...	513	395
New South Wales ...	2,425	2,269
Victoria ...	920	821
Queensland ...	558	517
South Australia ...	595	467
Western Australia ...	563	563
Tasmania ...	180	180
Defence ...	1,071	950
Postmaster-General—		
Central ...	208	271
New South Wales ...	15,220	9,734
Victoria ...	11,292	7,704
Queensland ...	4,452	3,743
South Australia ...	4,468	3,260
Western Australia ...	4,418	3,401
Tasmania ...	1,864	1,641
Total ...	50,733	37,401

Unless a very special reason can be shown for depriving officers of their increments, these increments should be paid. I could understand that there might be reason for caution and economy if there were a danger of the Commonwealth being on the wrong side of the ledger; but, as the Treasurer is able to point exultingly to the existence of a large surplus on the transactions of last year, and to estimate a surplus on the transactions of the present financial year, I think that these increments should be paid. I commend this matter to the consideration of the Treasurer, in the hope that he will bring it under the notice of the Public Service Commissioner.

Sir JOHN FORREST.—Salaries cannot be increased except upon the recommendation of the Commissioner.

Mr. JOHNSON.—Perhaps not, but the Treasurer can ask the Public Service Commissioner to give his reasons for making these recommendations in the face of an expanding revenue. If our revenue were decreasing, I could understand that the Commissioner would do well to recommend the exercise of caution in regard to the payment of increments.

Sir JOHN FORREST.—I think that the Commissioner is increasing the salaries fairly well.

Mr. JOHNSON.—What I complain of is that there is a tendency to increase salaries in the one direction—to add to the incomes of those who are at the top of the tree and to ignore the interests of those who are in the lower grades of the service. I want to see the principle of granting increments more generally applied, and to secure the advantages of the system to those whose salaries are paid upon the lower scale. I am not at any time a warm advocate of the reduction of salaries, but if caution has to be exercised, and salaries have to be cut down below the amount which perhaps might be regarded as justly due to the officers, the most generous consideration should be given to those who are in the lower grades of the service. I commend this matter to the favorable consideration of the Treasurer, in the hope that he will bring it under the notice of the Public Service Commissioner. I do not wish to deal with this matter exhaustively at the present stage, because I shall have another opportunity to do so when the Estimates of the Customs Department are being considered. With reference to the Post and Telegraph Department, some most important proposals have been made. Although the Treasurer is able to point to last year as a most prosperous one, I think that there is every indication of a falling off in the Post and Telegraph revenue in the coming years, and that it behoves honorable members to give their serious attention to the proposals now being put forward. I notice that the Treasurer stated, as reported at page 1995 of *Hansard*—

There were extraordinary payments made during the year 1904-5, principally in Western Australia, for savings bank work by the States, amounting to £18,000. But for this, the total increase on account of the Post and Telegraph Department would have been about £209,000 instead of £191,631.

I should like to have some explanation of this item, because it seems to me that under

ordinary circumstances, the Commonwealth should have had the benefit of that payment.

Sir JOHN FORREST.—The States paid us for certain work which we did for them in connexion with the States Savings Banks. They are now doing the work for themselves.

Mr. JOHNSON.—I have referred to the disabilities under which some officers in the Customs Department labour in regard to increments. I have also had brought under my notice the fact that many of the officers in the Post and Telegraph Department labour under similar disadvantages. Complaints are continually being made with regard to the grading of officers in the Post and Telegraph Department, and the salaries allotted to them. There is no doubt that much dissatisfaction exists, and, although it is impossible for us to say positively whether or not it is justifiable, there must be some reason for the complaints that are repeatedly being brought under our notice. I have been informed upon more than one occasion, that it has become the practice in the Postal Department to employ clerical officers to do the work of general officers in the lower grade. I do not know how matters stand in other States, but it has been pointed out that in the General Post Office in Sydney clerical officers have been appointed to the mail branch to do work which should be performed by officers in the general division, and that when vacancies occur in clerical positions which these officers would be quite capable of filling they are overlooked. It has been explained that this injustice is due to the reluctance of the officers in charge of the branch to part with men who are thoroughly efficient at their work, and to thus run the risk of having them replaced by others less competent. That seems to me to be very unfair to the officers affected. If the representations made to me are correct, the very efficiency of the officers is proving an effective bar to their promotion. This is another of the matters which ought to be brought under the notice of the Public Service Commissioner, with a view to the removal of any anomalies that may exist. I wish also to refer to the employment of railway station masters as postmasters, without the payment of any special remuneration for the work performed by them outside of their ordinary duties.

The ACTING CHAIRMAN (Mr. BATCHELOR).—I would suggest to the honorable member that he could more appropriately deal with details such as he is now discussing when the Estimates of the Department come under consideration.

Mr. JOHNSON.—I had not intended to elaborate the matter at this stage. I shall content myself by saying that it seems to me unfair to deny remuneration to railway station masters for work performed by them as postmasters. I shall also have occasion to refer at a later stage to the insufficiency of letter carriers in certain districts. I will now pass on to the question of telephone extension. While we are giving away so much of our surplus revenue to the States, and the money is in some cases being squandered, we might very well apply some of it to the cheapening of our telephone system, and the extension of telephone facilities to districts which now either have none at all, or are very incompletely served. With regard to the penny postage proposal, I am not altogether opposed to the establishment of a penny postage, but I think that the Government contemplate too wide an application of the principle at the present time. To my mind, every effort should be made to unify the postal charges throughout the Commonwealth, and perhaps we might extend the same principle to New Zealand. But when it is proposed to go beyond the Commonwealth, and extend the penny postage to parts beyond the seas, I think that, in view of the large loss of £200,000 which it is estimated will be incurred, we ought to think twice about adopting the Government scheme. A penny postal rate within the Commonwealth would be very beneficial to the whole of the people, because of the frequency with which letters are sent from one part of a State to another, and from one State to another. A penny postal rate, however, as applied to parts beyond the Commonwealth would not be of any appreciable advantage to the great mass of the people, because letters are not sent abroad with any great frequency by the same person, except, of course, in business circles. An exception, however, might be made in the case of New Zealand, in which Colony many of the people of the Commonwealth have near relatives. I do not think that the general public have experienced any special hardship in having to pay 2d. postage upon letters sent beyond the seas,

and I think that for the present we might very well adhere to that rate for correspondence despatched outside the Commonwealth.

Sir JOHN FORREST.—We have to pay some regard to the interests of the Empire.

Mr. JOHNSON.—I am as enthusiastic as is the Treasurer in desiring to promote the interests of the Empire, but I do not think that the interests of the Empire are adversely affected by the present postage rate. The amount that it is estimated we should lose by the adoption of penny postage is £200,000 per annum—a sum which is equal to our annual contribution to the maintenance of the British Squadron stationed in Australian waters. I think that we should regard this proposal very seriously. So far as the Commonwealth is concerned, I am quite prepared to support a scheme for the establishment of penny postage, but from the knowledge at present in my possession I am inclined to oppose at the present time the extension of that system beyond the limits of Australia, and possibly of New Zealand. I do not think that we are justified in incurring such a heavy loss unless it can be shown that there is some distinct advantage to be gained from the scheme—an advantage which, so far, has not been disclosed. I notice that, in the memorandum of the Postmaster-General, reference is made to the success of the penny postage system in other countries. He specifically mentions the United States of America, Canada, Egypt, New Zealand, and France in this connexion. But he must recollect that there is a very wide difference between the population of older countries and that of Australia—a fact which is worthy of special notice, because upon the volume of the business transacted must largely depend the success or failure of the experiment. The only country to which he refers whose population approximates nearly to our own is that of Canada, and it must be remembered that her population has been on the up-grade ever since the establishment of the system. Further it should not be forgotten that, although the results of penny postage in that country show to advantage in comparison with the results of the rate which was formerly charged, the revenue returns from her Post and Telegraph Department—notwithstanding that she has a population of 6,000,000 as against our 4,000,000—do not show to anything like the same

advantage as do the returns of the Commonwealth. Again, whilst Canada's population is 2,000,000 in excess of that of Australia we must remember that her population is steadily increasing, whereas ours is more or less stationary. Consequently, Canada can afford to indulge in experiments which, in the light of our vital statistics, we should not be warranted in undertaking. I repeat that whilst I am prepared to support a proposal for the establishment of a uniform system of postage throughout Australia, and for the issue of Federal postage stamps, I do not feel inclined at the present moment to commit myself to supporting a proposal to extend that system beyond the limits of the Commonwealth. For the present, however, I will keep an open mind on the question. I observe that the Government propose to ask for an increased vote of £7,000 in connexion with the Tasmanian mail service. As the Treasurer has pointed out, this will entail an additional expenditure on the part of the Commonwealth of £5,600 as a guarantee to the Cable Company against any loss which may be incurred by reason of the reduction of the telegraph rate, which, under the right honorable gentleman's proposal, will be 1s. for sixteen words, instead of 1s. 8d. as hitherto. This increase of £7,000, in addition to the £5,600, will make a total of £12,600. I do not wish to raise any objection to the granting of increased mail facilities to Tasmania, or to a reduction in her post and telegraph rates. Indeed, I think that the policy which it is proposed to adopt in this connexion is one which ought to be pursued with a view to obtaining uniformity in all these matters throughout the States. I do not object to the increased expenditure proposed, especially in view of the fact that Tasmania has suffered a very serious diminution of revenue since she entered the Federation. But whilst I do not object to the contemplated reduction of rates in the case of Tasmania for the purpose of affording her very-much-to-be-desired facilities, I cannot understand why so much liberality is exhibited by the Department in some directions, and so much disregard of the public convenience in others, and particularly in the matter of telephonic communication. I experience the greatest possible difficulty in procuring anything like reasonable telephonic conveniences for my own constituents who happen to live out-

side a certain area, and I think that the time has arrived when the whole of our telephone arrangements ought to be revised, when the whole of the regulations ought to be redrafted, and when we should secure a cheaper and more extended system throughout Australia. In some centres—and I have particularly in my mind a place in my own district which is only about thirteen miles from Sydney—extortionate rates are charged for telephonic communication, notwithstanding that they are only just outside the metropolitan radius. It seems to me that where population is concentrated that radius ought to be extended so that people who now suffer disabilities by living outside it might enjoy the benefits conferred by being called upon to pay only metropolitan rates. I now come to the question of the return of surpluses or balances to the States. In this connexion I desire to say that the practice which has hitherto prevailed of returning to the States revenue in excess of the three-fourths of the Customs and Excise receipts to which they are entitled under the Constitution has been a bad one. It is a policy which should never have been inaugurated unless we were in a position to continue it, and it is one which, as the Treasurer has admitted in his Budget, cannot be continued. What will happen? By-and-by, when we are no longer able to return to the States anything in excess of their three-fourths of the Customs and Excise revenue, an outcry will be raised by them against the niggardliness of the Commonwealth. They will have come to regard it as a prescriptive right that they should receive something in addition to the three-fourths of the revenue to which they are entitled under the Constitution. The policy of handing over to the States surpluses of revenue, which have aggregated £5,233,000 is an entirely erroneous one. The Treasurer has admitted that it cannot continue, and he has pointed out that in the near future we are likely to incur increased obligations. I say that we ought to conserve our funds for contingencies of that kind. Whilst we have the opportunity we ought to make provision to meet these prospective increases, and, possibly, some unforeseen expenditure. Instead of doing that we have been handing over these balances to the States, with the result that some of them are able to point in their financial statements to

surpluses. I have always maintained that a surplus of revenue in the hands of a Treasurer is more indefensible than is a deficit. My reason for making that statement is that when there is a margin upon the wrong side of the ledger there is always a tendency to economize and to careful administration, but when a surplus exists there is always a direct incentive to extravagance, which is bad for all concerned. Further, it often happens that when an election is approaching a Treasurer who has in hand an immense sum which is not required for governmental purposes is enabled indirectly to bribe constituencies.

Mr. WILKS.—Does the honorable member think that the present Treasurer would do that?

Mr. JOHNSON.—The present Treasurer has the reputation of being an honorable gentleman, and so far as I have been associated with him he has well sustained it. When I speak of the possibility of surpluses being used in the direction I have indicated, I wish it to be distinctly understood that I make no personal reference to the right honorable gentleman. Nevertheless, we must have regard to the ordinary tendencies of human nature, and we know that human nature is very much the same in every individual. I repeat that surpluses offer a direct incentive to Governments—especially to corrupt Governments—to confer undue advantages upon constituencies which are represented by their own supporters. That danger ought to be guarded against. Moreover, the existence of a surplus is indicative of over-taxation, and so far from tapping new sources of taxation it should be our duty to ascertain in what direction we can reduce the burdens of the people, so as to make our revenue and expenditure approach to correspondence. I do not see any proposals in the Treasurer's Budget which show that the Government desire to reduce taxation. On the contrary, I find that the right honorable gentleman intimates that after a certain period of years an attempt will be made, in the face of an increasing revenue, to increase taxation. There is no justification for that. On the contrary, we should, wherever possible, reduce taxation. The fact that, in addition to the three-fourths of the Customs and Excise revenue to which they are entitled, the States have received, since the establishment of Federation, nearly £5,233,000

—money which has been squandered by being distributed broadcast among the States—shows that our taxation has been too heavy.

Mr. WILKS.—And we have not yet taken over all the services that we are entitled to control.

Mr. JOHNSON.—No regard seems to have been paid to that fact. If our taxation be not reduced to the extent of the surplus annually distributed amongst the States, the money might well be retained to meet contingent liabilities that will have a tendency year after year to increase. But we have been throwing away the annual surplus, and enabling the States in some cases to show an excess of revenue over expenditure, which otherwise would not have been possible. In any circumstances, such a policy is mischievous. Last year the Commonwealth expenditure was £4,494,841, being £111,432 less than was estimated; and to my mind the people of the Commonwealth were over-taxed to that extent. According to the Treasurer's statement, the Commonwealth was entitled to spend last year £5,324,766. As a matter of fact, however, only £4,494,841 was expended, leaving a balance of £829,926, which was handed over to the States as a voluntary present. The amount which has been paid away in that manner to the States during the last six and a half years is £5,233,591. That was an enormous sum for the Commonwealth to throw away when it was unnecessary to do so, and when it might have been utilized to much better advantage in other directions. It is estimated that the revenue for 1906-7 will show an increase of £90,157; but against that we have an estimated increase of expenditure totalling £525,374, or £435,217 in excess of the estimated increase of revenue. This discloses a very serious position, and one which, notwithstanding the optimism of the Treasurer, should receive the most careful attention, in order that it may be discovered whether something cannot be done to arrest the tendency to fling away money as recklessly as has been done. Although we have to provide for a loss in respect of the penny postage proposals, and also for improving our coastal defence, which is a matter of supreme importance that does not appear to receive the attention it demands, we have unnecessarily paid away huge sums to the States during the period to which I have re-

ferred. Not content with this, the Government propose to hand over to the States this year a sum of £311,228 in excess of the constitutional three-fourths of Customs and Excise revenue, to which alone they are entitled. I hope that, in view of the necessity to meet the large expenditure that is projected, this will not be done. I come now to the question of bounties, concerning which I shall have more to say when the Bounties Bill is under consideration. The payment of bounties for the encouragement of industries may be, in certain circumstances, justifiable, but the general adoption of the practice is pernicious and indefensible, though less objectionable than that of levying protective duties. There are only two points in favour of the bounty system. The first is that, when we apply it to the encouragement of industries, we know exactly what we are paying; whereas, when we impose protective duties for that purpose, we do not. In the second place, the payment of a bounty in respect of certain goods, unlike the imposition of a protective Tariff, does not increase the cost of these goods to the consumer. These are the only two recommendations in favour of bounties as against Tariffs that are levied to encourage local industries. If a bounty may be rightfully given to one individual at the expense of the whole community, to encourage the establishment and development of an industry, why should not the system be applied to every one? Why should only certain industries be selected for such treatment? I have never been able to understand on what principle the practice of singling out a few industries to receive a benefit at the expense of the general community, and to the exclusion of the rest, can be defended. Whilst I fully recognise that in certain circumstances—as, for instance, in the case of a great national industry, from which the whole community would derive, either directly or indirectly, a benefit—the payment of a bounty would be justifiable, I have never been able to satisfy myself that the application of the system in the manner proposed by the Government is justifiable. I am not in accord with the present bounty proposals of the Government. If we are to expend public money to encourage private industries—and especially if it is intended to encourage rural industries—the best course to pursue is to establish experimental

farms and agricultural and technical colleges. By means of such institutions we should be able to impart instruction in the latest scientific methods of production, and in regard to all matters pertaining to the soil. In that way we should do far more than we could accomplish by granting bounties to different individuals to enable them to conduct experiments with respect to industries which might or might not be successful, and which, even if they were, could not be continued, perhaps, unless further bounties were granted, or protective duties were imposed to take their place. There is no guarantee that the industries in respect of which bounties are to be paid will be able to continue without further assistance. When an industry survives the period in respect of which the payments are made, a demand is almost invariably made for an extension, or for the imposition of a protective duty, to prevent it from languishing or perishing. In voting for the payment of bounties for the encouragement of industries, unless we look far enough ahead, we may place ourselves in a false position in which, as free-traders, we will have ultimately to vote for the imposition of protective duties to enable those bounty-created industries to continue. I think that the money proposed to be paid away in the shape of bounties could be more profitably expended in establishing a Federal Department of Agriculture, to work in conjunction with the States. Such a Department could obtain the most up-to-date information with regard to the nature of our soils, the best fertilizers and implements to use, and the crops most suited to the soils and climatic conditions of different districts. Information of various kinds, which would improve the knowledge of those engaged in our primary industries, could in this way be obtained. Farming has been brought to the highest pitch of perfection in America and Germany, not by the granting of bounties to individual producers, but by the expenditure of public funds in the establishment of colleges of the kind I have indicated. There are many such colleges in Germany.

Mr. RONALD.—What is that system but the giving of a bounty?

Mr. JOHNSON.—It is a very different thing. It does not mean the giving of a bounty direct to the individual, such as is proposed by the Government. It has been pointed out that in some cases

industries were started merely for the purpose of securing bounties offered for their establishment, and that they died away as soon as the bounties ceased. It was stated the other day by an honorable member that some time ago a bonus of £5,000 was offered by the Victorian Government for the local production of 5,000 yards of worsted; that the 5,000 yards were so produced, and that as soon as the bounty had been paid the industry vanished. The giving of bounties in this haphazard fashion has a tendency to create mushroom industries, which, after a brief existence, are never heard of again. In preference to the granting of bounties, I should like to see an expenditure in the direction I have indicated. By that means, not merely one or two, or even half-a-dozen, individuals would be benefited; but the whole of those engaged in our rural industries, and, indirectly, the community at large, would be advantaged by the expenditure.

Mr. HENRY WILLIS. — The honorable member suggests the establishment of technical colleges?

Mr. JOHNSON.—Yes. I recognise that the Commonwealth should not come into competition with the States in this matter.

Mr. HENRY WILLIS.—Why should not the Commonwealth take over the agricultural Departments of the States, and establish a Federal Bureau of Agriculture?

Mr. JOHNSON.—In my opinion, we should try to come to an arrangement with the States under which there can be established a Commonwealth Department of Agriculture, to work in conjunction with the Departments of the States, the Commonwealth arranging for the financial support of the necessary institutions, and the States providing the land and buildings required for experimental farms and colleges of instruction. With such mutual co-operation, we should be able to provide facilities for improving the knowledge of those engaged in primary production, and enabling them to work under the very best conditions—facilities such as have been afforded in Germany and America, where farmers have been taught to obtain crops from land which, previously to the application of scientific processes of cultivation, was thought to be absolutely useless. In this way large tracts of country, which might otherwise have remained idle for many generations to come, have been brought into use. If it had been proposed to spend

money in that direction, it would have shown a more statesmanlike grasp of the needs of the community than has been shown by the proposals embodied in the Bounties Bill. I shall, however, have more to say on the subject of bounties when we discuss the Bill in Committee. I wish now to say a few words in regard to the Treasurer's proposals for the building of lighthouses. The right honorable gentleman wishes to provide for the transfer of the control of lighthouses to the Commonwealth at the earliest possible moment, and has indicated that a large expenditure in the building of new lighthouses should take place in the near future. New lighthouses would cost anything from £10,000 to £20,000 apiece, and in providing for the ten or a dozen additional lighthouses which the right honorable gentleman thinks will be required within a very short space of time, we must reckon on spending from £100,000 to £200,000. At the very least £100,000 must be provided for, because ten lighthouses at £10,000 each—and I doubt whether buildings containing the latest and most improved lighting appliances could be built for that sum—would cost £100,000. Notwithstanding that the honorable gentleman thinks such an expenditure necessary, and that there must be large expenditure in connexion with military and naval defence, he proposes to continue the practice of returning to the States more than three-fourths of the revenue obtained from duties of Customs and Excise.

Sir JOHN FORREST.—The Constitution compels us to return any unexpended balance.

Mr. JOHNSON.—But there is no need that there should be such a balance.

Sir JOHN FORREST. — The honorable member means that he thinks that the Commonwealth should spend it?

Mr. JOHNSON.—Yes; if the expenditure is necessary. If it is not necessary, then there is over-taxation. If, as the Treasurer thinks, the works to which he has referred could be carried out later on, why not spend any balance which we may have in commencing them now? It seems to me that our coastal and harbor defences are being almost entirely neglected by the authorities, and, instead of handing over any balance to the States, we might well expend the money on works necessary to meet the Commonwealth requirements. The Treasurer

anticipates that more lighthouses will be needed because of the probable increase in our shipping, but the Government of which he is a member, and the party to which he belongs, have been instrumental in passing legislation whose effect will be to diminish our commerce, and, therefore, our shipping. I refer to the restrictive provisions of the Commerce Act and the Australian Industries Preservation Bill, for example. The effect of such provisions must be to decrease the volume of our trade, and, consequently, the number of mail and freight steamers coming to Australia from abroad. If that happens, the probability is that in the future, instead of needing more lighthouses, we shall need fewer, because of the decrease of shipping in Australian waters. I should like to know why it is proposed to expend £8,000 in purchasing a trawler. This seems to me the initiation of the socialistic scheme proposed by certain honorable members for the acquisition by the Commonwealth of a fleet of steamers. Perhaps this is the Treasurer's way of entering upon that socialistic proposal. I should like to know from him if the trawler which is to be acquired will form the nucleus of a magnificent fleet of Commonwealth steamers?

Sir JOHN FORREST.—A trawler is to be acquired in order to explore our coastal seas, with a view to seeing where fish may best be obtained.

Mr. JOHNSON.—It is well that we should obtain information on this point, because sometimes an innocent item of expenditure means a great deal more than is apparent, and the proposal to expend £8,000 for a trawler may ultimately develop into the acquisition by the Commonwealth, first, of the fishing fleets on our coasts, and, later, of all means of communication by sea.

Sir JOHN FORREST.—That is not the intention.

Mr. JOHNSON.—It may not be the present intention, but; later on, the right honorable gentleman may be reminded that his Government initiated Commonwealth owning of steamers by the acquisition of this modest little trawler. Then £10,000 is to be expended in providing for wireless telegraphy. This seems to me a very serious innovation from the Ministerial point of view. It was pointed out by the Minister of Trade and Customs that one of the main reasons for the introduction of the Australian Industries Preservation Bill was the need for preserving our existing

industries. I would therefore point out to the Treasurer that the substitution of wireless telegraphy for telegraphy by means of wires would seriously injure a very large number of industries. In the first instance, it would injure the mining industry, by diminishing the demand for the metals of which wire is made. Next, it would injure the wire-making industry, because less wire would be required; and, lastly, it would injure all those industries providing occupation to timber getters, to carriers, to line-men, and to many others. Therefore, the Commonwealth Government may find itself being brought to book under the provisions of one of its own measures for having taken action interfering with and seriously injuring Australian industries. I merely allude to the fact in passing, to show the Treasurer that he is skating on very thin ice, and that there is no knowing where he may ultimately find himself, if he continues to adopt the latest scientific appliances for telegraphic communication. In connexion with the defence proposals, I should like to know what has been done in regard to the armament of the Fremantle forts?

Sir JOHN FORREST.—One fort is finished.

Mr. JOHNSON.—When the Estimates were under discussion last year, a very animated debate took place in regard to the armament of these forts, on which it was then proposed to mount 9.4 guns. Some of us contended that smaller guns would be good enough, because the peculiar situation of the fort makes long-range guns unnecessary, if not useless. The original intention was to mount 7.5 guns, and I myself think that 6-inch guns would be quite large enough.

Sir JOHN FORREST.—I understand that the question is not yet definitely settled.

Mr. JOHNSON.—Then I shall have an opportunity of discussing this matter more fully when the Defence Estimates are under consideration. On the question of defence generally, I may say that I do not object to every provision being made for maintaining our Military Forces at a proper standard, both as regards efficiency and equipment. But I think there is a tendency, not peculiar to the present Government only, to pay too much attention to our military defences and to neglect the matter of coastal defence. Although we have an unprotected coast line of 8,000 miles, it does not seem to have yet been realized that our first line of defence is the British Navy, that our next line should take the

form of coastal defences, and that the Military Forces, upon the maintenance of which all our energies are now concentrated, is the element upon which we should have to rely only in the last emergency. I think that we might devote some of the money that we are now handing over to the States, in excess of their three-fourths share of the Customs and Excise revenue, to providing coastal and harbor defences. My view of the matter is that we should enter upon the construction of torpedo boats and destroyers, with a view to rendering our more vulnerable harbors safer from attack by the cruisers of any nation with which we might, unfortunately, become embroiled. I see that it is proposed to vote £1,000 towards the expense that will be incurred in sending an Australian rifle team to take part in the contest for the Kolarupore Cup at the next Bisley meeting. I should like to know whether it is intended by the Government to send Home a team which will be of a national character, and will properly represent Australia, or whether the riflemen will be permitted to proceed to England as private citizens. If a team is to be sent Home to represent the Commonwealth, it seems to me that the amount of £1,000 will not be sufficient.

Sir JOHN FORREST.—We propose to subsidize private subscriptions £1 for £1 up to £1,000. That is better than nothing.

Mr. JOHNSON.—Perhaps it is better than nothing, but I maintain that if the team is going Home in a representative capacity, it should not be called upon to pay any portion of its expenses. In view of the fact that we have such a large amount of revenue to expend in other directions, we might very well bear the whole of the cost.

Sir JOHN FORREST.—The team is going Home under the auspices of the National Rifle Association, and are being assisted by the Government.

Mr. JOHNSON.—I still think that the Government might very well have borne the whole of the expense. However, if the National Rifle Association is satisfied, I need say no more. The Treasurer referred to the employment of Australians and New Zealanders upon H.M.S. *Challenger* and other vessels of the Australian Squadron. He said—

At the time that the agreement was under consideration, it was feared by some that Australians would not accept service in the Navy, but that statement has been controverted by the

fact that already 518 Australians and New Zealanders have been enlisted, and are now doing duty on H.M.S. *Challenger* and the three drill ships. The Government have had under consideration the recommendations of the Imperial Defence Committee as to the best means of protecting Australia from invasion or aggression.

He also said—

I have been informed that there are difficulties in the way of training men here for the higher ratings, because there are not in existence in Australia the technical schools necessary to impart the required knowledge; but these difficulties are likely to be overcome by sending men to England for instruction in the same way in which officers are being sent.

I should like to know what obstacle there is in the way of our establishing such schools of instruction here. We could secure the necessary instructors from England.

Sir JOHN FORREST.—We are told that we cannot.

Mr. JOHNSON.—Surely if sufficient inducement were offered we could obtain the services of the men we require.

Sir JOHN FORREST.—We are otherwise informed.

Mr. JOHNSON.—I think that some of our surplus revenue might be devoted to the establishment of technical schools for the instruction of naval officers. It is in the highest degree desirable that we should make provision for the training of naval officers and men, because in the very near future we shall have to man our own war vessels. It must be a matter of very great satisfaction to every one to know that the trade of the Commonwealth has increased to a very considerable extent. There does not, however, seem to have been a great increase in the volume of our imports. In 1903 our imports were valued at £38,835,682, whereas in 1905 they were valued at only £38,346,731, or a reduction of £488,951. I refer to this matter because recently we were hurriedly called upon to pass a measure which was intended to prevent dumping. We were then told that our markets were being flooded with imported goods and yet it is plainly evident from the figures submitted by the Treasurer that there has been an actual decrease in the imports as compared with 1903. In the face of these returns, what becomes of the allegations as to wholesale dumping which were made to justify the introduction of the Australian Industries Preservation Bill. I merely refer to this matter in passing in order to

show how reckless are some of the statements made by the Minister of Trade and Customs and honorable members opposite when they have any particular purpose to serve. When the Bill in question was before us we were unable to obtain information with regard to a single instance of dumping. Now the reason is clear, because the figures before us afford a complete answer to all the allegations that were made by the Minister of Trade and Customs, and those who were supporting him. It is interesting to note that two-thirds of the imports into the Commonwealth come from British Possessions. From this it is abundantly clear that the restrictive provisions contained in the Australian Industries Preservation Bill, in the Customs Act and the Commerce Act are directed, not so much against foreign competitors, as against those of our own flesh and blood in other parts of the Empire. That was the view taken by honorable members on this side of the Chamber when the Australian Industries Preservation Bill was under discussion, and the figures now before us afford the fullest justification for the statements made by them. I notice that it is proposed to vote £500 for the purpose of assisting the people of the New Hebrides. This appears to me to be little short of an insult to the people of our own race who have settled in those islands. I do not intend to enlarge upon this subject, because I have already spoken at length upon it. But I desire to point out that something more than is now proposed is due to those who are endeavouring to establish British influence in the islands. Some time ago inducements were held out to settlers from Australia to establish their homes in the New Hebrides, but almost immediately afterwards we raised Tariff walls which absolutely shut out these men from the only market available for the produce which they are compelled to grow in order to tide them over the period—ranging from seven to ten years—during which their cocoanut trees were becoming sufficiently matured to yield them some return. They were obliged to cultivate products such as maize, and immediately they did so they found themselves excluded from our markets. Because by our legislation we have ruined some of them, we now offer the settlers a miserable sop of £500—an amount which, when distributed amongst them, will represent only a very paltry sum

to each individual. It is little short of an insult to make a proposal of that kind, instead of submitting a statesmanlike proposition to remove the barriers which prevent the admission of their products to Australia, and to recognise them as citizens of the Commonwealth. I notice that in the Treasurer's Budget no mention is made of a progressive land tax. It would be interesting to learn what attitude the Government intend to take up in regard to that matter. Sooner or later they will have to declare themselves, and in view of the fact that the question of the settlement of population upon our soil is a vital one, and that no mention whatever is made of any proposal to grapple with that problem—

Sir JOHN FORREST.—A good deal has been said about it.

Mr. JOHNSON.—A good deal of non-committal talk has been indulged in—talk which is of no value to anybody. But the leader of the Labour Party and his followers have certainly made some attempt to grapple with it. Their proposal is bound to end in a fiasco, and certainly it is one which does not commend itself to my sense of justice. At the same time, I must credit them with having made a proposal, even though a crude and unsuitable one. The Treasurer himself will admit that the crying need of Australia to-day is population—more especially a rural population. I could submit certain proposals to the right honorable gentleman if he would only act upon them. It is a problem which does not present any difficulties to me.

Sir JOHN FORREST.—I should like to hear the honorable member's proposals.

Mr. JOHNSON.—I should be very pleased to provide a solution of the problem for the Treasurer if he would only give effect to my suggestions. If he is really desirous of having some practical scheme formulated which will bring about the desired result, I shall be only too happy to have a conference with him upon the subject.

Mr. MALONEY.—The honorable member would propose the adoption of the single tax.

Mr. JOHNSON.—Yes.

Mr. CARPENTER.—I thought it would be something which is impracticable.

Mr. JOHNSON.—My proposals would be practicable, and based upon the principle of justice—a principle which cannot be claimed to underlie the progressive land tax proposals of the party with which the honorable member for Fremantle is associated. I

have spoken at greater length than I had intended, although I do not think that I have occupied the attention of honorable members for an undue period, in view of the importance of the Budget statement, and the multiplicity of subjects it embraces. Whilst we must all find cause for gratification in the healthy condition of trade, industry, and finance, we must admit that there is room for improvement in many directions, and that the practice of returning to the States the balances in excess of the three-fourths of the Customs and Excise revenue to which they are entitled under the Constitution should not be continued. These balances, during the past six and a half years, have aggregated £5,233,000. The Treasurer himself has shown that that money might be profitably used upon imperative Commonwealth needs. I would suggest that in future, instead of these balances being returned to the States, they should be spent in perfecting those coastal and harbor defences in the advantages of which the States would participate, both individually and collectively. I have just been reminded that I have omitted to say anything in reference to the conversion of the States debts, and the several schemes which have been propounded for dealing with them. I am sorry that I neglected to deal with this question in the earlier portion of my speech; but I do not think that I shall now trespass upon the patience of honorable members further than to say that, in my opinion, some serious attempt ought to be made to finally settle this question during the currency of the present Parliament. If we indorsed the Treasurer's proposals, I fear that our decision might be absolutely reversed by a succeeding Parliament.

Mr. WATSON.—I hope so.

Mr. JOHNSON.—In that connexion I may say that the criticism which was offered last night by the honorable member for Bland commends itself in many respects to my judgment.

Sir JOHN FORREST.—What did he say?

Mr. JOHNSON.—The Treasurer was present, and heard what the honorable member had to say. I shall not enter upon the matter now, because, at a later stage, when concrete proposals are under consideration, I shall have an opportunity of fully expressing my views upon the question.

Mr. KING O'MALLEY (Darwin) [5.10].—I wish to congratulate the Treasurer upon his second Budget speech in this

Parliament, and upon his thirteenth financial statement in Australia. It is quite true that there is very little room for the Commonwealth Treasurer to display any genius as a financier. He is hedged, hobbled, and bound by the Constitution, including the Braddon blot. He may handle and examine three-fourths of the Customs and Excise revenue of the Commonwealth, but he must not touch it. Whilst he may talk much about it he can do very little with it. Under sections 87 and 89 of the Constitution the unexpended balances must be handed back to the States every month, so that the Commonwealth Treasurer has no power to be generous. He cannot dangle before the electors great possibilities in the way of conferring certain favours upon constituencies. But, taking it all in all, there is no doubt that the present Treasurer made the very best possible use of his opportunities. He presented a Budget which was packed with statistical plums gathered from the fruitful orchards of the whole Empire. He placed them before us, not only for the benefit of honorable members, but for the benefit of the Empire. I should like to see the right honorable gentleman made the first Treasurer of the Federated British Empire, so that he would have an opportunity to give play to his hopeful ideas. The practice of always looking upon the black side of everything is, to my mind, a reprehensible one. There is sufficient gloom in the world without the Treasurer of the Commonwealth increasing it. I have given a good deal of attention to the proposals submitted by the honorable member for Mernda in regard to the taking over of the States debts. I have also looked east, west, north, and south upon the propositions made by the Treasurer himself, and I must confess that, unless both of these gentlemen are philanthropists, or are engaged in dispensing Commonwealth charity, I can see no earthly reason—viewing the matter from a cold-blooded business stand-point—why the people of Australia should take over one shilling of those debts, except as the States request them to do so—except as they mature, and as the people themselves can benefit by their conversion. What is the reason for the wonderful sympathy exhibited by honorable members with the bondholders, shareholders, and debentureholders of Europe? Did the latter invest their money in Australian securities because of any special love which they had for this

country? If they could have obtained a better security from the United States, from Canada, from the Argentine Republic, or from Chili, Paraguay, Uruguay, or China, would they not have accepted it? The Australian States went into the money market and borrowed in the open exchange. Honorable members whose hearts go out to the bond-holders in Europe who have the best lawyers and the best investors in the world to advise them, fail to remember the struggling masses in the tropics of Queensland, in the back-blocks of New South Wales, and deep down in the mines of Western Australia and Tasmania, who produce the wealth with which to pay interest upon these bonds. Unless we are to be actuated purely by philanthropic motives, we should carefully and conscientiously consider the question before we determine to bind the Commonwealth under a legal lien to take over a liability of £236,680,139, with no guarantee that the States, as soon as they are thus relieved, will not again rush into the market and double their existing indebtedness. I was glad to hear the deputy leader of the Opposition point out that as soon as the States were relieved of their responsibility in this way they might be disposed to raise further loans. Let us consider for a moment what would be the tactics of a clever candidate for election to one of the Parliaments of the States. He would naturally dangle before the people some alluring proposal; he might promise to support the construction of a railway to some out-of-the-way place, or some extensive public work that would not be reproductive; and if he were returned with a majority he would at once go into the London market and float a loan on behalf of his State. Other States might follow that example, with the result that in ten or twenty years they would have a further indebtedness of perhaps £200,000,000. Would the Commonwealth be prepared to again rush in and take over further liabilities thus incurred? There ought to be reason in all things. I have looked into this question, and find that the States of the Commonwealth have issued debentures, Treasury bills, bonds, and stocks of various kinds, representing £49,267,400 at 3 per cent. On turning to the *Times*, I find that the average price of this 3 per cent. stock is as follows:—New South Wales—maturing twenty-nine years hence—£88 10s.; Queensland—maturing in some cases fifteen

years hence, and in others at a still later period—£87 10s.; South Australian, £87; Tasmanian, £85; Victorian, £87 10s.; and Western Australian—maturing between 1915 and 1935—£88 10s. The Melbourne newspapers show that these stocks can be bought here at £90, and these figures give an average price of £88. We have been told that we must arrive at a sound business-like proposition, and, having regard to that fact, it seems to me that the Commonwealth should take over these stocks only at the price at which a private investor would purchase them.

Sir JOHN FORREST.—The States have to pay.

Mr. KING O'MALLEY.—I desire to be absolutely fair. On the one hand, we have the investor, with his eyes open to business, and on the other we have the people who pay. I understand that it is the desire of honorable members that this question should be fully discussed, and, that being so, I wish to put before the House what little knowledge I possess with reference to it. I am sure that we desire a full interchange of views, so that we may extract the plums of wisdom from the proposals that are submitted to us. A prominent accountant to-day checked with me the figures that I am now about to put before the House. I find that if the Commonwealth were to buy these 3 per cent. stocks at the price at which they are to-day quoted in London and Australia, it would save the people no less than £5,912,088. In other words, we should save the miners and the farmers—in short, the people who must pay the interest on these debts—this immense sum, not by swindling or begging, but by a fair business transaction. I have not yet considered what would be the position in regard to the other stocks; but I would point out that if the sum of £5,912,088 so saved were invested at 3 per cent., the Commonwealth would gain £177,362 per annum for all time. Canada goes into the market and purchases her own stock. If the Commonwealth takes over the debts of the States, or guarantees to take them over as fast as they mature, it will be at the mercy of speculators, brokers, and money mongers, and we shall mortgage the heritage of the people of Australia, not for £236,680,730, but for £8,488,660 per annum. That is the amount which must be paid away annually in respect of interest, whether we have

bad seasons or good seasons, droughts, grasshoppers, or the codlin moth. I do not desire to prosper on the misfortune of my country; but many of the men who are prepared to lend money to Australia have no hesitation in making us pay very heavily for it, especially when better terms are offered to South Africa. In this connexion. I would remind honorable members of the position in which Mr. Irvine was placed when, shortly before retiring from office as Premier of Victoria, he had to float a conversion loan. The money-lenders with whom Victoria had then to treat were certainly not philanthropists. They had no hesitation in telling Mr. Irvine that he would have to pay, and he had to do so. Notwithstanding these facts, the Treasurer and the honorable member for Mernda are prepared to acquiesce in a proposal that the Commonwealth should guarantee to take over the debts of the States as they approach maturity. As soon as we have given that guarantee, how shall we be able to negotiate? When we suffer from a drought, and the sheep die on the plains, the Labour Party may be blamed—

Mr. WEBSTER.—It has been blamed for such things.

Mr. MALONEY.—And will be so blamed again.

Mr. KING O'MALLEY.—I admit that we ought to assume the indebtedness of the States in respect of the interest payable on the transferred properties. So far as that question is concerned, we are not dealing honestly with the States. It is true that the Treasurer has handed back to them a sum of £5,233,591 in excess of the three-fourths of Customs and Excise revenue to which they are entitled. But had we taken over these properties, which have an estimated value of from £10,000,000 to £11,000,000, six years ago, we should have had to pay to the States by way of interest £385,000 per annum, so that, allowing for that liability, the Treasurer has really returned to the States only £2,923,591 in excess of the three-fourths of Customs and Excise revenue to which they are entitled. What are these properties? They consist of telegraph offices, including telegraph and telephone lines, and instruments, and stores, Customs-houses, drill halls, forts and other buildings, gun boats, guns, ammunition, and supplies generally estimated to be worth between £10,000,000

and £11,000,000. On the sums expended in the purchase or erection of these properties the States have been paying interest for the past six years, and are still doing so, although the Commonwealth has been in possession of them, and has used whatever income they have produced. Estimating the amount of interest paid at $3\frac{1}{2}$ per cent.—the annual payment amounts to £385,000, although the average rate of interest, as was shown by the honorable member for Mernda last night is more than that, being about £3 12s. 2d., so that the payments have been still larger. Therefore, during the six years the States have paid in interest on properties held by the Commonwealth £2,310,000, while they have received back £5,233,591, so that the actual sum they have received is only the difference between these amounts or a sum of £2,923,591. Where then is the wonderful generosity of the Treasurer? It is all very well to be generous with another's property; but where is the evidence of the wondrous, boundless, Continental benevolence of which we have heard. The Commonwealth should pay for the properties which have been transferred to it by the States. But the States have never begged us to take over their debts. Why should we act as accountants and caretakers for them? It seems to me absolutely preposterous that the Commonwealth should take over the debts of the States unless it is in a position to float loans at par. London is the money centre of the earth, and it may happen that Australia will require £4,000,000, or £5,000,000, or £10,000,000 when times are bad in England, and interest high, and loans are being applied for by Canada, South Africa, and India. If the Commonwealth were not saddled with the whole of the debts of the States, the money required could probably be borrowed at 3 per cent. in Australia from our own people, and when stocks were depressed in London we could authorize our High Commissioner there to go into the market for the protection of our interests, as is done in connexion with the public debts of Canada, the United States of America, and other countries where businesslike methods prevail. Our bondholders in Europe must not be led to expect different treatment from the people of Australia than that given to debenture and stockholders generally. I am absolutely

opposed to the Commonwealth taking over any portion of the debts of the States, except as they mature, and it can make terms with those who have put money into Australian stocks and bonds. I admit that it is very unpopular not to be with the crowd who clamour for the taking over of the debts; but the great thing is to feel that one is in the right, and I feel that on this question I am absolutely right. I do not see why the Commonwealth should make a gift of £5,912,088 to those to whom we have so long been paying interest on £49,267,400 worth of 3 per cent. bonds in England and in Australia. To my utter amazement, I have discovered that, according to *Coghlan*, only £16,000,000 of the amount borrowed by Australia has come to this country.

Mr. BAMFORD.—That is in hard cash.

Mr. KING O'MALLEY.—Yes.

Mr. BAMFORD.—We got shoddy for the rest.

Mr. KING O'MALLEY.—The rest has been paid away in interest. When we float a loan in England, the money does not come to Australia, though the effect is to enable companies having offices in London to sell their Australian properties at advanced prices, and to enable speculative shipments of goods to be sold here. What Australia gets for her loans is chiefly the shoddy that comes oversea. I have had some calculations made in regard to the payments made by the States in connexion with their debts. The aggregate amount annually paid in interest is £8,488,669, which in sixty years would amount to £509,320,000, while the debt would still remain. In twenty-one years we should pay in compound interest the full amount of our debts—£236,680,739—and in forty-three years that amount three times over, or £710,042,317, while the debts would still remain. I give these figures to show that the great financiers of the past have placed the people of Australia under an ironclad mortgage, and that they are now being ground under the heel of the European money-mongers. In sixty years the interest on our debts, if allowed to accumulate at 2 per cent., will amount to £1,381,106,680, while we shall still owe the original £236,680,739. In other words, our obligation in the way of interest, in addition to the obligation under the existing debts will be more than the properties of Australasia, including

New Zealand, are valued at, and those in 1903 were worth £1,204,042,000. Therefore, if this country discontinued the payment of interest on its debts, semi-annually, at the end of sixty years it would owe more than the present value of all the property and improvements in Australasia. The six States of Australasia have, floating in the Commonwealth, 3 per cent. debentures, Treasury notes, or bonds to the value of £15,744,381, and, in London, to the value of £33,523,019. If we wish to be sensible, reasonable, and just to the struggling masses who have to earn the money necessary to pay interest on this debt, we shall not place the Commonwealth guarantee on the back of any debenture, bond, or other stock certificate, binding them for all time, and preventing them from taking advantage of a cheap money market here or elsewhere. Look at what the Victorian Premier is doing to-day. He is Richard Seddon the second. A few years ago the financiers of Europe thought that they could charge any price they liked for their money. Money is of no use except you can get rid of it. It is of no value in one's pocket. In order to get value for it, it must be spent. To-day Mr. Bent is stepping into the markets of Victoria and is prepared to liquidate the English obligations of the State with money obtained from local financiers. He is thus keeping the interest in Australia. There is a vast difference between paying interest on loans to Australians who will spend their money with the merchants and shopkeepers and the producers of the country, and handing it over to the financiers of Europe.

Mr. WILKS.—Even the honorable member's country rushes to Europe.

Mr. KING O'MALLEY.—I admit that my country has been rushing to Europe for the last thirty or forty years; this is my country—Australia. I have compiled some figures with a view to indicating the earning power of £200 in sixty years. My own impression is that no country ought to pay more than 2 per cent. interest upon its loans. In sixty years, £200 at 1 per cent., becomes worth £362; at 2 per cent., £656; at 3 per cent., £1,178; at 4 per cent., £2,102; at 5 per cent., £3,735; at 6 per cent., £6,597; at 7 per cent., £11,589; at 8 per cent., £20,251; at 9 per cent., £35,206; and at 10 per cent., £60,896. These figures show why poverty prevails throughout the world—why the

vast multitude of people who pay interest are in poverty. I have been through the crusher, and I know something about it. I often used to wonder why it was that when I was paying interest I was growing poorer, whilst those who had lent me money were growing richer. My ideas upon the question of Australian finance are as much entitled to receive attention as are those of other honorable members who are not scientific financiers. I must confess that up to the present, I have not heard of any exceptionally scientific financiers in Australia. It is very easy for any one to rush in and borrow money, but it must not be forgotten that there is always a day of reckoning. When that day arrives, you begin to see the folly of borrowing. I have made a special investigation of the expenses connected with the flotation of loans. I find that we have to pay about $1\frac{1}{2}$ per cent. for underwriting the loans. We also have to pay $2\frac{1}{2}$ per cent. for brokerage. Then again, we have to make an allowance for discounts and other expenses, which, added to the brokerage and underwriting charges, bring up the total cost to about 8 per cent. I venture to say that of the £236,000,000 which represents the total indebtedness of the States, £20,000,000 was paid for discount, brokerage, and underwriting. Therefore, we are being called upon to pay interest, not only upon the legitimate debt, but also upon the incidental expenses.

Mr. WILKS.—What about the charges made by the banks for paying the interest to bond-holders?

Mr. KING O'MALLEY.—They are not included in my calculations, and I venture to say that I am not very far out in stating that our stocks have been watered to the extent of about £20,000,000. The fact that we have to pay upon this vast sum of money interest at the rate of 3.61 per cent., or £3 12s. 2d., is of sufficient magnitude to induce us to consider whether we should not take advantage of every opportunity to lighten the burden of the taxpayer. We should follow the example of our brethren in Canada. They go into the market and back up their own stocks by buying them. The Commonwealth could do the same thing, if it were not saddled with the whole of the indebtedness of the States. If times were bad in one country, they might be good in another. We could go to America, Japan, or France, if money were cheap in their markets, and borrow upon the security of Commonwealth bonds, and buy up the States stocks in

London. Last year I brought forward a scheme which was looked upon as Utopian. I am now going to make further reference to it. I suggested that the Commonwealth should borrow its first £500,000 for the purpose of erecting a Commonwealth building of steel in the heart of London. This would be one of the soundest investments that could be made by the Commonwealth, and I believe that honorable members, after sleeping upon my proposition for a few years, will come to the conclusion that it is sound. Ten years ago, I introduced into the South Australian Parliament, a motion designed to prevent men from leaving their wives and families destitute. I had a terrible battle, extending over three years, before I succeeded in carrying the motion; even when I did carry it, it was, in spite of the opposition of the right honorable and learned member for Adelaide, and others. Now Mr. Mackinnon has introduced it into the Victorian Parliament, and Mr. Bent, a progressive Premier, has made it a Government measure. I feel proud of that fact, especially as the proposal was ridiculed at the period to which I refer. The fact of the matter is that projects which were regarded as fads ten years ago are to-day concrete proposals. My suggestion has reference to the representation of the Commonwealth in London. Take the various States of America as an example. They have buildings in the cities of Philadelphia and New York. In those buildings they exhibit samples of all their produce. Similarly the Commonwealth must establish an office in London, and the sooner it does so the better. It must appoint a High Commissioner, and the sooner it does that the better. I claim that for £500,000 we could purchase the necessary ground, and erect the building, not far from the Bank of England. The structure should be ten or twelve stories high. The basement should be reserved for Australian wines, spirits, &c. The next floor might be let as offices for insurance companies and various other mercantile institutions. Upon the next floor we might establish a restaurant, in which only Australian produce should be sold. The top story might very well be utilized as a show-room by the six States of Australia, and the New Zealand Government would willingly establish its offices there. As each of the States intends to maintain a representative in London, every one of those representatives might have an

office in the building, and the Commonwealth might also have its own offices, and its own bank there. London is a great city. It is the centre of the earth, and a structure such as I suggest, erected there, would be the pride of the Commonwealth. The High Commissioner will perform different functions from those discharged by the representatives of the States. All the rotten financing which is now done through the banks—I call it “debauchery” financing—would be dispensed with, and the work which is now performed by those institutions would be done by the High Commissioner. The latter should have with him what is known as a “credit” man, whose business it would be to hunt up the investors in Australian stocks. I do not say that the gentlemen at the head of the banks in London are not above suspicion, but I do maintain that they have the interests of their clients at heart. It is not their business to look after the interests of Australia, but to conserve the interests of those who buy Australian bonds. At the present time, with the exception of South Australia, the warrants for the payment of interest by the various States of the Commonwealth pass through the banks, and not through the hands of the Agents-General. The latter do not know the name of a single investor in Australian stocks. But the banks know them. Is that satisfactory financing? I tell honorable members that if I had reared a boy who was fifteen years of age, and he possessed such ideas of finance, I would ask some doctor to suffocate him with opium. Under our existing system of financing, it is no wonder that Australian stock has been well watered and discounted. The banks, in looking after the interests of their clients—perhaps a trust company or an investment company—may advise them to hold back a while, in order to obtain a higher rate of interest. Under existing conditions they have merely to hold back a loan for a month or two to induce the Treasurer to increase the rate of interest. He may increase it by one-half, or one-eighth, or, perhaps, by only one-sixteenth, per cent., but we must recollect that the people of Australia have to pay that amount. If the office of the High Commissioner were established in our own buildings in London, he would be able to inscribe our own stock, so that any man possessed of a five-pound note would be able to purchase over the counter an Australian consol bearing interest at 3 per cent.

But I would go further than that. I would receive money upon deposit at the High Commissioner's office—money which could be utilized in Australia. All our experience is based upon the country in which we live. If we have lived in a small country our ideas are small and parochial, and *vice versa*. I know something about the price of real estate, and of the rents which it ought to produce, and I claim that we can borrow £500,000 for 3 per cent.—in other words, for £15,000 annually. I further maintain that we can derive 6½ per cent. interest upon our investment in a property such as I have outlined. As a matter of fact, I do not know of a single property held by the institution with which I have for years been associated—in any city where it has purchased wisely—which does not return interest at the rate of 6½ per cent. Our income, therefore, would be £32,500. Against that, I have set down £2,500 for upkeep and insurance, although I do not see any reason why the Commonwealth should not insure its own buildings. Surely it is as strong as any insurance company. I have also provided for a sinking fund of 2 per cent., because I do not believe in perpetuating the borrowing policy. The sinking fund would amount to £10,000, the interest at 3 per cent. would represent £15,000, and the upkeep and insurance £2,500. Thus there would be a total expenditure of £27,500, so that we should still have £5,000 to pay rates and taxes and cover any loss which might be incurred by reason of offices being vacant. I do not know what rates and taxes are imposed in London, but upon the basis of the amount which is paid in Melbourne, they would represent about £1,000 or £1,500 a year. Thus we should have our own building in the metropolis of the world, the various States' offices would be grouped at one centre, and Australia would receive an advertisement for all time. Then whenever a man visited London, and was asked to view the building of the Commonwealth there, it would mean something to him. When I came to Australia the institution with which I was connected had ample funds on deposit with the banks, but possessed no buildings in Australia. Subsequently it erected buildings in Melbourne and Sydney, and since then all doubts about its assets in Australia passed away. Upon the erection of those buildings the people recognised that the company had

substantial assets in Australia, and that would be our position in England if my suggestion were adopted. It is worthy of the consideration of honorable members. Hundreds of Australians are constantly traveling, and in the great building which I suggest should be erected in London we should have an Australasian club which would be the head-quarters of Australians in England, who would naturally take an interest in the affairs of the Commonwealth. Years ago, various banking institutions in Australasia used to receive deposits from English investors, but since 1893 the latter seem to have lost confidence in them. Millions which had been invested here by people in the old country were called in or lost, and the money has never returned to Australia. If the Commonwealth were to receive the money the position would be altogether different. The people would know that it was not going into the hands of speculators to be used for their own private interest; they would know that, although individuals might come and go, the Commonwealth would live for ever. It has been said during the debate that the legislation of the Labour Party might have a prejudicial effect on money-lenders. Have we reached such a stage that it is necessary for an honorable member, before speaking in this Chamber, to send a cablegram to London inquiring what are the views of the gamblers on the Stock Exchange? If we have, then we are living not in a democratic country, but in a despotism worse than that of Russia under the Czar, and with the Duma abolished. I shall now refer briefly to the position of the sinking funds established by the States in connexion with their various loans. As the result largely of the action of the right honorable member for Swan, when Treasurer of Western Australia, that State has a substantial sinking fund, but the sinking funds of the other States appear, *mos puito*-like, to have flown away. The exact position of these funds is shown in the Budget papers. I find that New South Wales, with an indebtedness of about £82,000,000, has a sinking fund of £439,033, that Victoria has a sinking fund amounting to £298,579, whilst Queensland's sinking fund amounts to £68. South Australia has a sinking fund of £144,601, whilst Western Australia, which has made absolute provision for the discharge of her comparatively small indebtedness, has a sinking fund of £1,112,652.

Mr. King O'Malley.

The total amount to the credit of the sinking funds is £2,209,104.

Sir JOHN FORREST.—We have a 3 per cent. sinking fund in respect of the Coolgardie waterworks loan.

Mr. KING O'MALLEY.—That is so. Tasmania has a sinking fund of £214,171. Do these figures disclose anything in the shape of true financing? The indebtedness of the States amounts to £236,000,000, and the only one that has made any substantial provision by way of a sinking fund is Western Australia. All honour to the right honorable the Treasurer, who, when Treasurer of Western Australia, had the good sense to take a different course from that pursued by the Treasurers of the other States. The following particulars illustrate my remarks concerning our indebtedness and trade:—

Public debts at 30th June, 1905, per head of population as at 31st December, 1905:—New South Wales, £55.185; Victoria, £46.625; Queensland, £80.079; South Australia, £76.079; Western Australia, £66.773; Tasmania, £52.301.—Total, £58.404.

Oversea trade of Commonwealth:—1903.—Imports, £37,811,471; exports, £48,170,164; total, £85,981,635. 1904.—Imports, £37,020,842; exports, £57,489,216; total, £94,510,058. 1905.—Imports, £38,346,731; exports, £56,841,035; total, £95,187,766.

Sir JOHN FORREST.—I did not begin the practice to which the honorable member referred just now. It was initiated in the Crown Colony days.

Sitting suspended from 6.28 to 7.30 p.m.

Mr. KING O'MALLEY.—I desire now to draw the attention of honorable members to the military expenditure of this country. I find that in 1901-2 our military expenditure was £807,897; in 1902-3, £712,290; in 1903-4, £742,522; in 1904-5, £734,339; and in 1905-6, £798,431; while the estimated expenditure for the current financial year, 1906-7, is £876,078, of which, no doubt, a good deal has already been spent. These sums total £4,671,557. It is a serious matter for 4,000,000 of people to have spent that large sum upon militarism in a period of six years. No doubt we have got for it a certain quantity of feathers and glory; but what the country requires is population. We desire to encourage the immigration of white men. The Commonwealth has been unable to give back to the States money for the promotion of closer settlement, because of this immense sum which it has wasted in inviting the nations of

the world to come and fight us. Militarism wastes a people's wealth; it depresses the great masses; it withdraws capital from reproductive works; and sinks it in desolate, non-productive monuments of human folly. Militarism paralyzes industry, wastes property, and mildews economic progress. I wish to enter my protest against this waste of the money of the people on a military circus. Does any man possessing reason and judgment believe that if a great nation like Japan wished to conquer this country it would hesitate to attack us because of the 4,000,000 people here? Would it hesitate if it were not afraid of the British nation? We are reaching, a period of history when the nations of the world, instead of building forts to keep other people out, are encouraging them to come in. They are endeavouring, in every way they can think of, to obtain healthy, vigorous immigrants, knowing that if the immigrants harmonize with their people, and if the nation is capable of absorbing and digesting them, they will each be worth from £200 to £300, as the late right Honorable Richard Seddon said at the Labour banquet, the last public function which he attended before his death. If the money which we have wasted on militarism had been spent in encouraging immigration and closer settlement, by the undertaking of water conservation in the interior, and other public works, we should have settled here a great army of Europeans, men of indomitable pluck. I find that the expenditure of £4,671,557 would have enabled us to settle on the land at least 10,000 able-bodied men, giving them 100 acres each. To each of these 10,000 able-bodied men might be allowed a family of five, making a population of 50,000 souls. That result might have been brought about if we had not wasted the money on glory, on arsenals, and forts, on gun-boats, and ammunition; on institutions that produce no flour, and bake no bread. We have spent it merely in supporting men who are utterly useless according to the laws of economics—nice enough gentlemen in themselves, but not needed here, because we have no fighting to do. If they were sent into New South Wales to shoot the rabbits which threaten to eat out the squatters there, they would be usefully employed. I am willing that a few thousand pounds should be spent

annually in maintaining rifle clubs, and, if we do not wish to maintain a navy of our own, I am agreeable to making a contribution towards the maintenance here of ships of the British Navy. Not only could we have given 10,000 able-bodied men 100 acres each, valuing the land at £4 per acre, but we could have given them, over and above, £671,557. These men and their families would produce wealth for the Commonwealth; they would have goods to transport by our railways; they would purchase the products of our factories; they would purchase the *Age*, the *Argus*, and the *Herald*, if settled in Victoria, and would pay through the Customs £110,000 per annum. Everybody in Australia would benefit by the expenditure, in the way I have suggested, of the £4,671,557 which we have wasted on militarism. Even if war did occur, we should not be in a position to defend ourselves, because our guns and gun-boats would be obsolete, and we should not be in a financial position to provide modern armaments. In this connexion, the following newspaper abstract is worthy of the attention of honorable members—

ENGLISH ARMY IS CALLED A BIG SHAM.

DISGUSTED PEER DECLARES THERE ARE NOT SIXTY UP-TO-DATE GUNS IN BRITAIN.

GOVERNMENT ADMITS IT.

SECRETARY FOR THE WAR OFFICE SAYS THE ISLAND HAS REALLY NO LAND DEFENCE.

London, May 14.—In the House of Lords today the Earl of Wemyss and March, Conservative, called attention to the question of home defence.

He asserted that the country was practically without an army, and that there were not sixty up-to-date guns in the country. The question, he said, would be solved if the Government had the courage to adopt the system of compulsory service at home and voluntary service abroad.

The Earl of Portsmouth, Parliamentary Secretary for the War Office, replying, said the Government had a mobilization scheme under which it was hoped it could mobilize its forces for defence as quickly as any Continental power. Further schemes had been prepared for the defence of British ports, which the speaker confidently anticipated would be placed in a position to resist any sudden attack.

In these schemes the Admiralty, the Earl of Portsmouth said, fully concurred. He reaffirmed the principle that the country must look to the navy and not to the army for its defence against invasion.

Great Britain has spent millions upon her army, and yet she has not now sixty guns fit to shoot with. All the others have become obsolete and useless. All these things pass away. Machine guns have only a few years of usefulness, and then they must be thrown on the scrapheap. But is not the position of old England a lesson for us, a peaceful commercial nation? Should we not discontinue our nonsensical attempts to maintain an army in Australia?

Mr. JOHNSON.—What would we do if hordes of Russians came here?

Mr. KING O'MALLEY.—The poor Czar has enough to do at home without bothering about us. Are we not a Christian people? Let me read what the Reverend Theodore Parker, Minister of the Twenty Eighth Congregational Society at Boston, U.S.A., said on this subject—

A man who has grown up to read the Older Testament of God revealed in the beauty of the universe, and to feel the goodness of God therein set forth, sees him not as force on'y, or in chief, but as love. He worships in love the God of goodness and of peace. Such is the prevalent character ascribed to God in the New Testament, except in the book of "Revelation." He is the "God of love and peace," "our Father," "kind to the unthankful and the unmerciful." In one word, God is love. He loves us all, Jew and Gentile, bond and free. All are His children, each of priceless value in His sight. He is no God of battles; no Lord of hosts; no man of war. He has no sword nor arrows; He does not water the earth nor melt the mountains in blood, but "He maketh His sun to rise on the evil and on the good, and sendeth rain on the just and the unjust." He has no garments dyed in blood; curses no man for refusing to fight. . . . War is in utter violation of Christianity. If war be right, then Christianity is wrong, false, a lie. But if Christianity be true, if reason, conscience, the religious sense, the highest faculties of man, are to be trusted, then war is the wrong, the falsehood, the lie.

We have men in this country who call themselves Christians, and who are constantly talking about fighting some one. Mr. Elihu Root, speaking recently at Rio de Janeiro, the capital of Brazil, declared that in a few years all the South American Republics would join the Hague Peace Conference, and would settle all their differences by arbitration. If nations engage in war they must ultimately resort to arbitration. After the great war between Russia and Japan, arbitration had to be resorted to. If a nation exhausts its wealth in providing arsenals, accoutrements, ammunition, gunboats, which soon become antiquated, and other war material that must

ultimately go on the scrap heap, it will have no resources left when the time for fighting arrives. If the money now wasted in military folly were devoted to settling people on the land, we should within twenty-five or thirty years have 8,000,000 or 10,000,000 people here, and would be able to reduce our *per capita* indebtedness. Our power would be increased to such an extent that no foreign nation would dream of attacking us.

Mr. JOHNSON.—We can best secure peace by being prepared for war.

Mr. KING O'MALLEY.—Our security lies in the fact that we belong to the Empire. If we have any money to spend we should not waste it upon an army. If any hostile nation wished to invade Australia, the forts at the entrances to our harbors would not stop them. The forts at Port Arthur did not finally exclude the Japanese. Some of the strongest of fortified cities in Europe, such as Vienna, Buda-Pesth, Paris, and Berlin, have fallen before invading armies. Napoleon marched into Berlin, and the Emperor William the First of Germany, marched into Paris, notwithstanding the millions that had been spent in fortifying that city. In Europe there are cities, the fortifications of which have cost more money than all the churches, the warehouses, and the homes of the people within their walls. I enter my strongest protest against wasteful expenditure upon so-called defences. I know that I am almost like a dog barking at the sun when I raise my voice against those people who have gone mad upon militarism. They are suffering from a species of nostalgia which renders them blind to all reason. They are making a fad of militarism to such an extent that some day the general with his spurs and his feathers and his glory knot on his shoulder will take possession of the country. The soldier does not weave his own glory knot, hammer out his own sword, make his own guns, or make his own boots. He is the most useless creature one can imagine. For many years the United States did not spend any money upon an army, and yet when the time came they were able to fight, because they had the necessary resources. England conquered Europe because she was able to supply the smaller nations with money, and they in their turn were able to provide the fighting men. Now to turn to another subject, I do not notice

any reference by the Treasurer to the subject of old-age pensions. One of the finest reports ever submitted to any people was that presented by the Royal Commission on Old-age Pensions. We have within the Commonwealth 66,000 or 67,000 people who are denied the advantage of an allowance sufficient to furnish them with the necessities of life in their old age. In Victoria, the right honorable member for Balaclava introduced the old-age pensions system, and his action in that regard will stand to his everlasting credit. The Minister of Trade and Customs did the same thing in New South Wales. But there is no provision for old-age pensions in Tasmania, South Australia, Queensland, or Western Australia. In those States they have citizens who have done valuable work in pioneering, and who have been capable and praiseworthy soldiers in the army of industry, and yet no attempt has been made to provide them with a little comfort in their old age.

Mr. TUDOR.—In connexion with the introduction of the penny postage system it is proposed to sacrifice money that could, with greater advantage, be devoted to the payment of old-age pensions.

Mr. KING O'MALLEY.—I do not condemn the proposal for the introduction of penny postage, because it is based on progress, and I am always behind those who show that they are ready to advance. Some people say that we are not ready for such a reform, but I ask: "When is the day?" To-day is my day, because I may be dead to-morrow. I am grieved that the Treasurer did not openly tackle the question of old-age pensions. I pointed out to him how simply he might arrange matters with the States. The Premiers of New South Wales and Victoria are willing to hand over their old-age pension systems to the Commonwealth, and to thus make available between £700,000 and £800,000 per annum.

Sir JOHN FORREST.—Will they give us the money that they now pay to old-age pensioners?

Mr. KING O'MALLEY.—They would permit the Treasurer to retain that sum out of their share of the Customs and Excise revenue.

Sir JOHN FORREST.—I never heard that stated before.

Mr. KING O'MALLEY.—When the right honorable member for East Sydney attended the Hobart Conference he put the

position before the Premiers of the States, and the representatives of Victoria, New South Wales, and Western Australia approved of the imposition of duties upon tea and kerosene with a view to providing funds for the payment of old-age pensions. I am content that such duties should be levied for that purpose.

Mr. JOHNSON.—I am not, because we should have to raise £4 for every £1 that we require.

Mr. KING O'MALLEY.—The honorable member is labouring under a delusion. The States could pass enabling Acts to permit the Commonwealth Treasurer to retain the money realized by the duties.

Mr. JOHNSON.—They could not go behind the Constitution.

Mr. KING O'MALLEY.—There is nothing to prevent the States from agreeing that certain revenue shall be ear-marked for the purpose of paying old-age pensions.

Mr. JOHNSON.—That would have to be done with the approval of the majority of the people of the States.

Mr. KING O'MALLEY.—But the Parliaments represent the people of the States.

Mr. JOHNSON.—That would not be sufficient for the purposes of the Constitution.

Mr. KING O'MALLEY.—I understand the Constitution perfectly well. I helped to make it by advocating its adoption in South Australia and Western Australia. I made a speech in Western Australia in favour of the Federal Constitution long before the Treasurer did.

Mr. THOMAS.—The honorable member is on a good wicket when he advocates the payment of old-age pensions, but he is wrong when he talks about imposing duties upon tea and kerosene.

Mr. KING O'MALLEY.—I should be willing to impose duties on those articles for the present, with a view to remitting them later on.

Mr. THOMAS.—It would be better to raise the money by means of a tax upon land values.

Mr. KING O'MALLEY.—I am in favour of a proposal of that kind. The Treasurer has said nothing with regard to a progressive or graduated land tax such as has been advocated by the democratic section of this House.

Sir JOHN FORREST.—I am not in accord with it.

Mr. KING O'MALLEY.—If the Treasurer had adopted the proposal of the democratic party, the whole position would

have been simplified, so far as the payment of old-age pensions is concerned. It is suggested that a tax should be imposed upon unimproved values, but that land up to the value of £5,000 should be exempted. Upon land the unimproved value of which is over £5,000, but not more than £10,000, the tax would be a halfpenny in the pound; upon estates the value of which is over £10,000, but does not exceed £15,000, it would be a penny; upon land the unimproved value of which is between £15,000 and £20,000, it would be a penny halfpenny; upon estates of from £20,000 to £25,000 of unimproved value it would be twopence; upon land of an unimproved value of from £25,000 to £30,000 it would be twopence halfpenny; and upon estates of an unimproved value of from £30,000 to £40,000 it would be threepence in the pound.

Mr. KELLY.—From what is the honorable member quoting?

Mr. KING O'MALLEY.—I am quoting from the *Argus* of 12th July. The tax upon land of the unimproved value of from £40,000 to £60,000 would be threepence halfpenny, and upon estates of more than £60,000 unimproved value it would be fourpence in the pound. Hundreds of people throughout the country are talking wildly of confiscation, and are urging that the Socialists desire to confiscate their property. I say that any person who holds £10,000 worth of unimproved land values ought to pay a little taxation. Taxation ought to be based upon equality of sacrifice. The following figures show the incidence of the suggested tax upon the basis which I have indicated:—An estate the unimproved value of which was under £5,000 would bear no taxation. An estate which was worth £10,000 would contribute only £10 18s. 4d. per annum.

Mr. KELLY.—Would the payment of that sum have the effect of bursting up an estate?

Mr. KING O'MALLEY.—We do not want to burst up the estates of little men, and we regard an individual who is possessed of only £10,000 worth of unimproved land values as coming within that category. An estate which was worth £15,000 would pay £31 5s. annually, one which was worth £20,000 would contribute £61 10s., one which was valued at £25,000 would be taxed to the extent of £104 3s. 4d., one which was worth £30,000 would pay £156 5s., one which

was valued at £35,000 would pay £218 15s., and one which was worth £40,000 would contribute £281 5s. An estate which was valued at £50,000 would have to pay £427 1s. 8d., one which was worth £60,000 would contribute £572 18s. 4d., one which was assessed at £70,000 would pay £739 11s. 8d., one which was worth £80,000 would return £906 5s., one which was valued at £90,000 would yield £1,072 18s. 4d., one which was worth £100,000 would pay £1,239 11s. 8d., one which was valued at £150,000 would yield £2,072 18s. 4d., and one which was valued at £200,000 would produce £2,906 5s. I quote these figures with a view to showing that if the Treasurer had submitted such a proposal, and had earmarked a portion of the revenue thus derived for the purpose of paying old-age pensions, and another portion for the purpose of establishing a sinking fund, he would have had my blessing, as well as my support. Now I wish to say a word or two upon banking. I hold that we have a magnificent opportunity to establish a Commonwealth national postal banking system, for the purpose of assisting the small producers, the small distributors, and the small consumers. The present banking system is all right for the big men. It is founded upon the existence of millionaires. It has materially assisted to concentrate wealth in the hands of the privileged few. Only a few years ago the average wealth of the Commonwealth was about £300 per head. Since then it has been very materially reduced. In this connexion I desire to place before honorable members a few statistics. The twenty-two banks which are doing business in Australasia have a paid-up capital of £18,490,500, exclusive of £2,500,000, which is guaranteed by the Government of New Zealand, to the Bank of New Zealand. These banks are on an exceedingly good wicket. They hold deposits amounting to £106,625,362. I admit that they have assets of £167,000,000. That, however, does not mean that they have £167,000,000 in gold. It simply means that they have that amount in bonds, mortgages, deeds, and securities of all descriptions. But I would point out that these securities come from the people. The liabilities of these banks to-day is £141,535,809. It will thus be seen that they have £126,000,000 of the people's money with which to do business as

against their own paid-up capital of £18,000,000. That is not bad. If private institutions can contract liabilities to the extent of £141,000,000 upon a paid-up capital of £18,490,500, they owe it to the people of Australia with whose money they are doing business. Now, let me examine the profits which they have made during the past seven years. I have not their balance-sheets for the past six months. I find that in 1905 these twenty-two banks made a net profit of £1,700,631, in 1904 of £1,705,068, in 1903 of £1,622,686, in 1902 of £1,579,499, in 1901 of £1,506,305, in 1900 of £1,304,441, and in 1899 of £908,080. Thus their total net profit during the seven years to which I have referred was £10,326,710.

Mr. DUGALD THOMSON.—What interest does that represent upon their capital?

Mr. KING O'MALLEY.—It is not a bad interest upon a capital of £18,000,000. It will average about 7 per cent.

Sir JOHN FORREST.—That is not extraordinary.

Mr. DUGALD THOMSON.—It is not 7 per cent.

Mr. KING O'MALLEY.—It is not very far short of it.

Mr. DUGALD THOMSON.—It is about 5½ per cent.

Mr. KING O'MALLEY.—It is more than that. The honorable member must recollect that I am speaking of their gross profits. This £10,326,710 has been paid by the producers of Australia during the past seven years for the use of money. It has been paid by them for the use of their own property, for, after all, if they had been able to obtain their money at the average rate of 3 per cent., they would have had the difference in their own pockets. As it is, that difference goes into the pockets of those who work not, for money-lending certainly does not involve labour. All that a money-lender has to do is to examine titles, bonds, mortgages, and other documents. The money he lends this morning may be lent again this afternoon. His duties simply involve the balancing or cancellation of debts. The Commonwealth, with its wealth and credit, should carry on a system of banking in connexion with the Postal Department. A man having a small business or a little farm, and who requires £50, £100, or £200 to tide him over a bad season, should

be able to go to the local post-office, and, on depositing his deeds, obtain what he wants at not more than 4 per cent. The interest on permanent bonds should not exceed 2 per cent. Money lying in a box or in a man's pocket has no value; it is only when exchanged for property, or bonds, or mortgages, that it acquires a value. I find that the banks of Australia have on deposit no less than £143,930,401. I do not mean to suggest that they have such a sum in their vaults. The gold in circulation in Australia amounts to £5,777,800; the silver in circulation is £1,070,000; and the bronze in circulation £95,800; making a total of £6,943,600. If we add to this £3,786,020, representing the bank notes in circulation, we have a total of £10,729,620. The gold reserves lying in the banks total £19,358,469, so that the total value of our gold reserve and bullion and notes in circulation is £29,788,089. If, as shown in the Budget papers, there is a sum of £143,000,000 on deposit in the various banks, and the reserves and money in circulation amount to £29,000,000, the expansion of credit and commercial paper must represent £114,000,000. If the banks can do business on paper—because a cheque, promissory note, or mortgage, is currency—why should not the Commonwealth be able to establish a national system of finance? There are not many difficulties in the way. The Commonwealth, through the medium of the Postal Department, could carry on a satisfactory system of banking. The post-offices could be utilized as branch banking offices, and the system could be extended without interference with the existing banking institutions. The banks say that their note issue rests on a gold basis, but what becomes of their gold when a crisis occurs? On such occasions gold is a fugitive from justice, it is like a thief stealing away in the night. Where was it during the crisis of 1893? If the late Sir George Dibbs, who was then Treasurer of New South Wales, had not made bank notes a legal tender, and so enabled the banking institutions in that State to distribute their gold over the rest of the States, not one of these institutions would have remained open. No system of currency should rest upon a commodity, so to speak, that is managed by stock gamblers, money-mongers, and various other men who have the management of the gold of the world. The Commonwealth is big

enough and strong enough to have a representative of its own property. Let me give an illustration showing the danger of the present position. We have a currency of £10,729,620; and if we had in the Commonwealth 200 men worth £150,000 each, they would represent £30,000,000, or more than the whole of the gold reserves and currency. Let us suppose that these men had £4,000,000 loaned on promissory notes, bonds, mortgages, and various other paper instruments. These 200 capitalists decide to call in 50 per cent. at a time when all the money in the Commonwealth was in active circulation—when the people were engaged in active commerce, whilst ships were waiting at the wharfs for our produce, and the crops of the farmers were waiting to be harvested. If it is exchanged three times a week, a circulation of £10,700,000 is quite sufficient for a population of 4,000,000. In those circumstances it would pay off debts amounting to over £32,000,000 every week, because the money which is given in exchange for one thing in the morning may cancel 100 debts before night. Let us assume that these men decided in the circumstances I have mentioned to call in 50 per cent. of the loans, with a view to holding the money for a higher market. The money so called in—£2,000,000—would be one-fifth of the entire circulating medium; so that one-fifth of the whole of the debts of the Commonwealth would have to remain unpaid, because all the money was required before to pay the debts. Hundreds of producers would be put through the Bankruptcy Court, whilst in other cases debts would be compromised, or property sold by public auction. This having been done, these 200 men would withdraw their money from their vaults, buy up the property of the debtors at one-half their cost, and thus enrich themselves at the expense of their unfortunate fellow countrymen. As the result of their action, the value of all property and labour would have been depreciated, and the ability of the people to liquidate their obligations would have disappeared. It is a serious matter to allow the currency of a nation to remain in the hands of private gentlemen. In barbarous countries barter is the method of exchange. The moment that a country becomes civilized, new methods of exchange must be adopted, and these methods have to be entrusted to some one. I wish to know why the directors of bank-

Mr. King O'Malley.

ing institutions in Australia should have the power to either contract or expand our circulating medium? By what special dispensation of Providence have these men been selected to usurp the fundamental prerogative of a Government? The fundamental prerogative of the Government is to create the medium of exchange, to circulate it, and to contract or expand its circulation as is desired. But to-day this power is in the hands of private bankers—gentlemen who, although right enough in their way, belong to the guineapig aristocracy. I have the greatest respect for them, but I say that they are exercising a function which rightly belongs to the Government. We have given them the power to contract the circulating medium, and to gather the wealth of the people into the hands of a few. I hold that the Treasurer should have come down with a Commonwealth postal banking system of currency. In my opinion, the currency of this country ought not to rest on gold. Wherein is the efficacy of gold or silver? When a currency is based on gold, it is based upon a commodity which is controlled, owned, and managed by the financial stock gamblers of the world, who have the power to take it out of the country. Australia possesses so many million pounds in gold; but when money rises in value in another country, this gold leaves our country, because gold always follows the market. You always have gold when you do not want it, and you never have it when you want it. It was not here when we wanted it in 1893, for example. The system of banking creates a crisis about every twelve or fifteen years. We have to-day £19,000,000 in gold lying dead in the vaults of the banks. That coin is useless. It does not produce a dollar; it does not earn one penny. I understand that some gentlemen connected with banks desire to get the right to issue paper money. They know that paper money won the wars of Napoleon. When the Bank of England suspended specie payments, the wars of England were fought on paper alone. It was paper money which fought the United States war; it was paper money which paid off the great national debt of France to Germany. Let us for a moment examine another power which the bankers have. If we do so, we shall discover another reason why the Commonwealth should utilize its great credit. It can utilize it only by establishing a banking system. Mr. Currie,

in the course of a recent newspaper interview with regard to the offer of the Victorian Savings Bank to Mr. Bent of £2,000,000, said that in 1893 the Victorian Government guaranteed the deposits of the people, who now have confidence in the bank, because the Government is behind it. At this stage I should like to say that the Labour Party is not responsible for my remarks. King O'Malley is the architect of his own superstructure. I consult no one as to what I should say, or as to what I should not say. I am only putting before the people the result of my study of financial questions. I lived in the United States from 1860 to 1872, and know that the paper money of the country, the greenbacks, were considered the best money in circulation, and the public had the most perfect confidence in it. It was only in 1873, when they began to tinker with the gold resumption, that a panic was brought on, because the circulating medium was contracted. If the volume of paper money is regulated, and its circulation is based on the value of the properties, the products, and revenues of the country, it is a far better circulating medium, and medium of exchange, than either gold or silver.

Mr. BROWN.—What about international trade? How could it be carried on by means of a paper currency?

Mr. KING O'MALLEY.—I hope that my honorable friend does not think that the currency of a country affects in the slightest degree its trade with other countries. Australia does business with China, with Chili, with Japan, and with other foreign countries; but this is conducted under a system of international exchanging of debts known as the foreign exchange system. This enables the traders of commercial nations to liquidate their debts to each other, without having to send money from one country to another. These debts may represent goods exported or imported, money borrowed, loaned, or invested, interest, or profits, cost of transportation, commissions for service, and other charges in connexion with financial or commercial operations, and must be paid either in cash or by the exchange of commodities. The expense of transmitting gold or other currency, and the risk incurred by doing so, are also taken into consideration, with the result that what is called an international exchanging of debts is arranged, and this is done by means of commercial paper, accepted throughout the world. The

kind of money used by a country for its own circulation has nothing to do with its trade with other countries. We use the same monetary system as is used in Great Britain, and our coins are the same; but the rate of exchange between Australia and London is often higher than between the United States and London, or between France and London. Furthermore, practically the whole foreign trade of the Commonwealth is now carried on by means of bills of exchange, and when balances have to be met they are settled by the exchange of commodities. Among such commodities is gold, which is not exchanged in the form of sovereigns, but as bullion, being weighed and valued in the same way as potatoes, oats, beef, or other commodities. If there is a balance against Australia, we owing England £10,000,000, that sum remains at interest until we can sell beef, mutton, or wool, or exchange bills, or gold, or other commodities in settlement and cancellation of the debt.

Mr. BROWN.—Then what becomes of the objection to sending money out of the country?

Mr. KING O'MALLEY.—Money does not leave the country. In 1901 the United States exported £300,000,000 worth of products to Europe, and imported £180,000,000 worth. One would naturally imagine that the balance of £120,000,000 was also transmitted; but that was not so. Every man travelling from the United States to Europe carries a letter of credit, just as any one going from Australia to England would take with him a letter of credit. The result is that the bankers in Europe charge up to the people of the United States the money that they advance on these letters of credit. Therefore, instead of the United States getting £120,000,000 at the end of the year, they had to send £670,000 over to Europe. I wish to point out the wonderful profits that are made out of deposits in banks. I have had a little banking experience in the United States, and I know something about it. The honorable member for Parramatta pointed out last night that a great mistake had been made by the Commonwealth in not taking over the Post Office Savings Banks. I hold that it is not too late for us to establish a bank in connexion with the post-offices for the purpose of receiving deposits and carrying on discount and ordinary banking business.

Mr. WILKS.—Would the honorable member make it a bank of issue, and put greenbacks upon the money market?

Mr. KING O'MALLEY. — I do not want to be led off the track. After the great war with Germany, France paid all her debts with paper money, which was issued to take the place of the gold that had left the country. We are a debtor nation, and we should be careful not to place ourselves at the mercy of those who have a monopoly of the gold and silver in the money markets of the world. When a bank is established, and 1,000 customers come forward with deposits on current account, averaging £200 each, the bank at once has £200,000 placed at its disposal. No interest has to be paid in respect of this money, and therefore the bank makes a clear profit upon such amounts as it lends to other customers. Money is continually passing over the bank counter, and every afternoon, at three o'clock, the whole of the cash returns to the bank, and is available to be loaned out the next day. One man may reduce his credit to £50, or another to £5, whilst in some cases an overdraft may be granted upon security. Upon the other side, one pays in £50, another £100, and still another £10,000. At the end of every afternoon, however, matters are adjusted, and the same amount of money is available for the next day's transactions. Why should we not, in connexion with our post-offices, establish a banking system for the benefit of the poorer classes in the community? I have no objection to our present private banking system, because I can get all the money I require; but I desire to help the poorer classes. If the Commonwealth had a bank of issue and discount, under the management of a Comptroller-General, who would be entirely removed from political control, paper money could be issued for the payment of salaries and for the liquidation of other liabilities incurred by the Commonwealth. The Commonwealth notes could be made a legal tender.

Mr. JOSEPH COOK.—The honorable member is plagiarizing the scheme of the honorable member for Brisbane.

Mr. KING O'MALLEY. -- No, I am not. The honorable member for Brisbane bases his scheme upon a gold standard, whereas I am opposed to gold as a standard. If we had a bank of issue to-morrow, and based our currency upon a gold standard, the capitalists would combine to demand payment of their debts in paper

money, with a view to afterwards rushing the State bank and demanding gold for the State notes. The United States made a great mistake in basing their currency upon gold, because they placed themselves within the power of the gold-bugs and gold-jobbers. The poorest public financiers that the world ever knew were those who made money for themselves, and the best public financiers have been those who never could make a dollar for themselves. The greatest financier in Australia was the late Sir Henry Parkes, and the greatest financier that the United States ever knew was Daniel Webster, who died comparatively poor. Honest paper money, honestly managed by an honest comptroller of finance, based upon the property and products and revenues of the country, would make the best medium of exchange, because it could be made available to the people at a low rate of interest. Our banking system could be worked under arrangements which would permit of a man who had £100 for which he had no use, depositing it in the State bank, and receiving in return £100 worth of consols at 3 per cent. The money thus placed at the disposal of the bank could be brought into circulation for the benefit of the public. Great Britain had to fight a war when the gold cleared out of the country like a thief. She had to whip Napoleon with paper money. In the same way, the northern States of America had to whip the southern States with paper money. I would not permit the Treasurer to issue paper money, because probably he would avail himself of his powers too frequently, or under circumstances which would operate to the detriment of the Commonwealth. I would leave it to the Comptroller-General to issue paper money, based, not upon gold or silver, but upon the wealth and revenues of the country. With such currency, the public would be able to exchange their properties and products without having to depend upon the Rothschilds, Vanderbilts, or Rockefellers. What chance would this country have if J. D. Rockefeller came here and wanted to run the show? Let us for a moment consider the various utilities of paper, in which case a legal power expressed in it is deemed sufficient security for 95 per cent. of the financial transactions of the world in the ordinary every-day affairs of life. A piece of paper is used in connexion with giving titles for land, in making payments for land, and in making

loans, upon mortgages and otherwise, and, in fact, all transactions upon credit are carried out by means of paper. The value of these paper instruments lies in the fact that they give the holder a legal lien upon the property to which they relate. They have no value in themselves. All money, whether gold, silver, or paper, is created by the laws of the land, and has no value, except that given to it as a medium of exchange or its commodity value. The difference between a private obligation, such as a mortgage or promissory note and money, is that the two former are private legal liens—the mortgage on a specified piece of property, and the promissory note on any or all the property of the individual making it—while money is a public legal lien on all property for sale, whether owned by the Government or individuals. Between the Government and individuals, the law secures the enforcement of all contracts by mortgages and other paper instruments. If these paper instruments can be made safe and sound legal representatives of property between two individuals, there is no reason why they cannot be made safe and sound legal representatives of property between any number of individuals; and if between any number of individuals, for limited periods of time, is there any earthly reason why they cannot be made safe and sound legal representatives of property, when made payable on demand; and if made payable on demand, in something capable of producing an immediate income. They then are able to perform all the functions of actual money, and are money, for money can have no other utility except to exchange for property, or to loan for an income. Bank notes, I would point out, are regarded as money, although they are not legal tender for the payment of debts. But the banks are chartered by law, and by reason of that fact the notes which they issue are regarded as money, and pass as such. When I came to Australia some years ago I visited a bank for the purpose of getting £100, and I received the money in notes. Now the banks pay in gold, because they are charged 2 per cent. for the privilege of issuing the notes. I want to put another illustration. Let us suppose that an honorable member received £1,000 in sovereigns from a bank, and carried it into the country, where he entered another bank and said, "I am tired of carrying these sovereigns; give me £1,000 in bank notes in lieu of them." His demand having been complied with, we will further

suppose that he purchased a farm with those notes, and that the vendor immediately deposited them with the bank which lent them out. They would travel all over the country, they would probably be used to purchase other properties, to effect hundreds of mortgages, and generally to enable people to derive a certain amount of prosperity. Why? Because, to all intents and purposes, they would be money. After passing from hand to hand a thousand times, they might, at the end of ten years, find their way back to the bank. During the whole of that period they would have performed all the functions of money, whilst the sovereigns which lay idle in that institution would have discharged none of them. When they returned to the bank, if there were no gold to redeem them, would any of the transfers of property which had been made by reason of those bank notes be assailable in law? Certainly not! I repeat that they would have performed all the functions of money, whereas the gold would have performed none of those functions. I want honorable members to get themselves out of the hands of the gold bugs. The existing banking system has enabled a few individuals to gather into their hands the property of millions. Every day we read in the newspapers distressing accounts of poverty. In the *Herald* last night I read an article which was headed, "The Destitute. Their Bitter Cry. Why should there be Destitution?" Why should there be poverty? Indeed, if the wealth of the people had not been gathered into the banks, there could be no poverty. I merely desire to show that the value of all property, labour, and rents, falls in proportion to the increased value of the sovereign, by which it is measured. If the rent of any property be not sufficient to produce an amount equivalent to the value of the property itself in as short a time as will the money loaned at interest, the property will fall in price until the rent bears the same proportion to the value of the property that the rate of interest does to the principal. The value of property depreciates in proportion to the increase of the value of the sovereign that measures it. Whenever the value of money increases by a rise of interest, there is a corresponding decrease in the value of property. With the rise of interest on money, property falls in price, so that one sovereign in money balances two, three, four, or five times more property than it did before the rise of interest. Enough property must be added

to make the rent equal to the interest on money; no man will purchase property unless it yields as much as the money paid for it will yield by way of interest. Therefore, the price of property must fall when even the interest on money increases. All obligations for the payment of money are based on money, and hold the same position with respect to labour and property. All bonds, stocks, and debenture investments, fall similarly. For example, if interest rises from 4 to 9 per cent., a State bond bearing 4 per cent. will fall below its par value, but will continue to bear the same rate of interest that it did before the rise of interest on money; yet the bond can be exchanged for more property than before the rise of interest. Hence the liabilities of all debtors whose means of payment are in their property, or in their ability to labour, are increased in proportion to the increase of interest on money, or in other words, the rise of interest has decreased the market value of property and labour, so that two, three, four, or five times the quantity formerly required must be sold to procure money to cancel debts. The injustice done to debtors by increasing the value of the measure by which debts were contracted is evident. Money, the measure of value, constantly fluctuates. The sovereign is the measure of more or less property, according to the rate of interest. Let me illustrate what I mean by putting a supposititious case. Let us assume that two men are working for wages and saving their money, which they lend out at interest. I will suppose that they are located in a population of 5,000—in a small community in which nobody speculates. I will assume, further, that they save 4s. 2d. daily, and that they lend out their money at 7 per cent. If they worked 300 days a year, at the end of sixty-one years and four months each would have saved £2,480, so that their joint savings would be £4,960. At sixty years of age they would be worth £25,000, despite the fact that they had earned only £4,960. Let us assume that they now remained idle for twenty years loaning money. At the end of that time they would be worth £104,002. In other words, they would have earned by their labour £4,060, and would have gained £99,042 by interest. The present system of money lending does not afford a chance to a man in a small way of business, and means the gradual gathering of the wealth of the people into the hands of the

Mr. King O'Malley.

privileged few. I am continually being told that if the Government place on a piece of paper a promise to pay, that piece of paper has no value, but that a piece of paper so indorsed by a bank is valuable. When I inquire the reason for this, I am told that a promise to pay on the part of a bank is valuable, because it rests upon a Government bond. And the Treasurer tells us to-day that Government bonds are valuable to the people. Are not these bonds promises to pay? Is not a Government bond a promise to pay, even if it be only in respect of a limited number of years? Supposing that we were to "coin" the £236,000,000 representing our indebtedness, and to make it a promise to pay, would not the position be as good as it is to-day? The only difference would be that we should use our debts as a means of exchanging our produce and other property. I trust that the Treasurer will look into this matter. When I was in the States I never saw gold or silver. There we used "shin-plasters." I could go into a store, buy what I wanted, and pay my paper money. There was never any trouble about the system until the "greenbacks" were placed on a gold basis. Under the heading of "A Metal Base is a Cause of Industrial Crises," I find in *Rational Money* the statement that—

The variations of money, due to natural or artificial causes, constitute a prolific source of panic, originating or permitting and intensifying every industrial crisis. Wendell Phillips said—

Every one has heard of Wendell Phillips—

"The great lie called 'specie basis' has destroyed the commercial prosperity of the United States once every six years since the nation started." Looking over the history of England and America, we find that panics of the first magnitude occurred in England in 1761, 1783, 1793, 1797, 1816, 1825, 1837-8, 1847, 1857, 1866, 1875, and 1890-3, and in the United States in 1819, 1825, 1837, 1839, 1847, 1857, 1873, and 1893 (with a plentiful supply of lesser disasters in intermediate years), and every one of them was either directly caused by the movement of money, or grew to ruinous dimensions because the money volume failed to expand at the proper time to relieve the financial pressure, metallic money being far more apt to shrink away and hide itself in time of danger than to come to the rescue of commerce when credit money is shaken.

Only a proportion of the deposits in the banks—that represented by the savings of the workers—is available for permanent investment. The remainder, which constitutes the greater proportion of bank deposits, represents only an expansion of

credit. When a bank lends a customer £1,000 on his promissory note, it discounts that note, placing the money to the credit of the customer, but the bank's loans and deposits are increased by £1,000. No money is added to or taken away from the bank. It is a mistake for people to imagine that bank deposits actually mean that an equivalent sum is held by the bank. They simply mean credits in ledgers. Even when a customer draws cheques against his banking account, the money in the bank may not be reduced by one penny; his cheques may go to the credit of other customers of that institution, or find their way into other banks, where they are used as a set-off to similar transactions. If that credit be wisely made, it would be redeemed by the customer accumulating in the bank sufficient money to enable him to give his cheque and retire the promissory note. The credit thus given by the banker to the customer has practically added during its currency to the resources of the business community. A vast amount of business is accomplished by means of the credit system, and very little money is required to balance it. If a credit be unwisely made, the bank must lose, because, while its resources are reduced to the extent of the amount borrowed, its liabilities remain undisturbed. When we read in the newspapers that there is an increase in bank deposits, we should recognise that that may mean an expansion of credit rather than an actual monetary increase. In the same way, when we read of a reduction of deposits, we should not forget that that may mean a contraction of credit rather than an actual withdrawal of money. Ninety-five per cent. of all the business of the Commonwealth is done on credit, and in the majority of cases the remaining 5 per cent. represents only credit in another form. We credit the Commonwealth with our salaries for the month, and the Commonwealth credits some one else. The whole system of finance is one of credit. We shall soon become bushed if we lose sight of the place and potency of credit. In credit modern commerce lives, moves, and has its being. It is not merely the means by which we buy and sell and pay, which it is difficult to designate, but it is the means by which the representatives of property or value are exchanged. Credit lives on confidence, and confidence is only a reflection of existing economic conditions. When confidence prevails credit expands

easily. When confidence is shaken credit contracts in proportion to the gravity of the cause. When confidence is destroyed a financial panic follows, and thousands of honest small producers and traders are ruined. The funds which absorb floating investments come from various sources. In the first place they come from savings bank deposits, representing not an extension of commercial credit, but the actual savings of the working people. In the second place, they come from the profits of commercial banks which can be withdrawn and invested. Thirdly, they come from fire and life assurance companies, benevolent, charitable, religious, and educational institutions, and from estates, the trustees of which have decided to remove their trust moneys from the general risk incidental to business transactions, and to invest them in permanent securities that call for no management. Then, again, they come from the funds of retired business men who adopt a similar practice, and from the investment accounts of commercial banks maintained for the purchase of liquid securities which can be speedily converted into cash whenever it is desired to do so. Finally, they come from the unearned increments of estates. These are the sources from which the funds of the people come.

Mr. WEBSTER.—Where do they go?

Mr. KING O'MALLEY.—To enrich and strengthen the money power of the privileged few who run this country. I want the Labour Party to take courage. They should pay no attention to the nonsense that is talked about "shin-plasters," nor to the utterances of those who talk mildewed, double-distilled rot, on other phases of this great question. They ought to tackle this question, they ought not to be frightened to grapple with it. We have a great history, but we must take care to look into the history of other nations. The Bank of Venice was for 600 years the most powerful banking institution in all Europe.

Mr. WEBSTER.—What happened to it?

Mr. KING O'MALLEY.—Napoleon Bonaparte stole the proceeds of its transactions. Let us not forget that Rome fell, Carthage fell, and Greece fell. Whilst they are gone, we are here! Not a broken arch, not a prostrate column, not a crumbling capital, in all the drifting shoals of antiquity, but witness these truths. A hundred flourishing empires

first exalted, then humiliated, conquered and cast down, should teach men that the laws of nature and nature's God may not be violated with impunity. The stony lips of yon Egyptian sphinx which keeps its silent vigils over the sepulchral valley of the Nile, once the home of so many millions full of life and hope and energy—there buried, kindred, name and memory; engulfed and swallowed for ever in that awful winding sheet of sand, out of which those mighty pyramids arose, each one an imperishable monument to the tyranny of ancient rulers—repeat to all subsequent ages the folly of wasting the energies of millions to subserve the pleasures and passions of the privileged few.

Mr. SKENE (Grampians) [9.30].—I wish to congratulate the Treasurer and the officers of the Department upon the mass of useful information supplied in the Budget. The charge of too great optimism has been brought against the right honorable gentleman, but there does not appear to be much to sustain it. The chief objections which have been brought against his policy relate to his proposals to establish penny postage throughout the Commonwealth, and to acquire a trawler. The proposal for the establishment of penny postage throughout the Commonwealth does not greatly concern the State of Victoria, because we already have penny postage here, though, no doubt, it was established under the misapprehension that it would be paid for by the Commonwealth. There was a penny post in Victoria prior to 1893, but in that year a reaction took place, because it was found that the system entailed an annual loss of £70,000.

Mr. AUSTIN CHAPMAN.—Is Victoria prepared to again go back on the penny postage system?

Mr. SKENE.—I do not think that Victoria wishes to do so. The proposals of the Government in regard to penny postage, however, concern the other States, and especially New South Wales, more than they concern Victoria, and I, for my part, do not feel disposed to oppose them.

Mr. BROWN.—The introduction of penny postage is a step in the right direction.

Mr. SKENE.—It is a step in the right direction, though, considering the increase in Commonwealth expenditure, it must be recognised that we are beginning to sail a little close to the wind.

Mr. HUTCHISON.—The adoption of penny postage will make it difficult to pro-

vide for a Commonwealth old-age pension system.

Mr. SKENE.—Alexander the Great cried for more worlds to conquer, and the Treasurer seems to be sighing for bigger undertakings to manage. I think that it will be admitted that in the past he has very successfully handled large undertakings, and has had practically no failures. He spoke the other night as though he were disappointed that he cannot carry out more public works. He has, however, undertaken to deal with a big problem in proposing a scheme for the transfer to the Commonwealth of the debts of the States, and in providing a policy for the encouragement of immigration, and the settlement of people on the land. In his speech he said that—

The Government, and also the Parliament, I believe, have been very anxious to assist emigrants of the right class to come to Australia. The determination of the Ministry to encourage industries of all kinds, and so to provide remunerative employment for the people, must do good, and I believe that when the facts are known and understood in the old country and elsewhere, the effect of this policy will be beneficial. The Government have no desire to bring to Australia a number of people to compete in the labour market when it is sufficiently stocked. What we desire is to encourage the settlement of our lands, and to induce people to come here, either with strong arms and stout will, or with small capital, and to throw in their lot with us in the cultivation of the soil and the establishment of manufactures and industries.

This is a question which will tax all his great business ability, and will need to be carefully handled. We require two classes of immigrants. For the development of the Northern Territory, which we are bound to attempt as soon as we can, we shall have to introduce labourers, probably from the warmer climates of Europe. I do not know exactly what the Treasurer meant when he referred to immigrants having a small capital, because the term is relative. There are already in Australia a great number of persons possessing a small capital who wish to settle on the land. I know that in Victoria, no sooner is a property put upon the market, or otherwise made available for settlement, than it is over-applied for. Therefore, our first duty is to provide land for our own people. The honorable member for Bland said the other night that there is no land for the people to settle on. But there is any quantity of private land, which could be obtained at a fair value, on which suitable persons could be settled. Hardly a day passes but such land is bought by syndicates and resold at

a profit, and I think that the Government might well buy good land and sell it to persons with small capital coming from the old country.

Mr. WEBSTER.—Does the honorable member mean the Governments of the States?

Mr. SKENE.—Not being a lawyer, I may not be able to properly read the technical meaning of the provisions of the Constitution, and am therefore not absolutely sure of my ground; but I think that the Governments of the States and the Federal Government might work together in this matter. I think that what I propose should be done on a big scale, so as to arrest attention. The Commonwealth Government, in conjunction with the Governments of the States, might perhaps acquire, say, 1,000,000 acres of the very best land in New South Wales and elsewhere, leaving it in the hands of the present holders at a moderate rental, which would cover interest, until applied for by persons coming from the old country with sufficient capital to develop it. I would not, of course, interfere in any way with the settlement of our own people on the land; but I do not wish people to be brought here from the old country, to find when they get here that there is no land available for them. Now is the time to acquire land, because every year it is becoming dearer, so that, the longer its purchase is delayed, the smaller will be the profit in the transaction which I suggest. But as private syndicates are making £1 to £2 an acre by land transactions, I think that the Government might well step in and prevent future settlers from having to pay the high prices which will ultimately be charged under the present system. A friend of mine who is a prominent member of the State House, and with whom I travelled in New Zealand eighteen months ago, told me that he had been informed by the late Mr. Seddon that one of his troubles in connexion with the settlement of people on the land was the timidity of those whose duty it was to purchase for the Government. Similar timidity has been shown here. I could name several estates which the Government might have secured, but failed to do so. I offered my own property to the Government of Victoria, but the offer was not accepted, and I sold most of it a little later at more than £1 an acre in excess of the price I originally offered it at.

Mr. WEBSTER.—But the honorable member, no doubt, offered it to the Government for cash, while he had to sell it on terms.

Mr. SKENE.—I sold it on three years' terms, which is almost as good as cash.

Mr. REID.—And no doubt received good interest on the unpaid balance.

Mr. SKENE.—I am getting good interest, and £1 os. 4d. more per acre than the price at which I offered the land to the Government. I think that the Government might well act in this way, and let the people of the old country know that there are thousands of acres available, to be taken up in limited areas, because, of course, the large capitalist could not be allowed to come in under the system I speak of. I have not had experience of farming in the old country, but I understand that an incoming farmer requires a capital of about £3,000 to take over a farm on lease. Of course, it has been kept in working order, and part of the money is required to buy the crops which the outgoing tenant has been compelled by his lease to put in. A similar sum would lay the foundation of a big fortune here. So far as I have been able to read, in no place in the wide world can farming be more profitably carried out than in Victoria, and parts of New South Wales, at the present values of land. A short time since, I was travelling by railway in the North-Western District with a gentleman representing the Massey-Harris Company, who had been here only five or six months, and he told me that nothing struck him so forcibly as the wealth of our farmers. I knew the country through which we were passing, and was aware that the information which he had obtained was correct. He said that in Canada they count wealth by dollars, whereas we count it by pounds, and that, whereas a farmer there possessed of \$10,000 would be esteemed wealthy, here a man would require to have, perhaps, \$50,000 to be thought extra well off. Many of the men who have made fortunes in wheat-growing commenced without capital and without a knowledge of farming, having previously been engaged in storekeeping, hawking, and other occupations. Not very long ago, one of my neighbours told me that he paid the survey fees of his land with part of the proceeds of a cheque which he made by shearing at an adjoining shed. Then he had to go on fencing for neighbours

and do other work to help him to pay his way, and at present he is worth £10,000.

Mr. POYNTON.—They did not pay the same prices for their land that are demanded now.

Mr. SKENE.—They did not; but men going on the land now possess a great advantage over the earlier settlers, because they have a knowledge of the crops which can be grown and the uses to which the land can best be turned. I question whether a man who could get land upon deferred payments in the old days, and who frequently had to travel twenty miles for water for domestic purposes, would be in any better position than those who buy land at present prices. Many of those who take up land now expect to pay for it within two or three years. In Scotland, when I was a young man the value of land was estimated at thirty years' purchase. That is to say, if a property would pay for itself within thirty years it was considered a good investment. Here, apparently, men are not satisfied unless they can pay off their purchase money within three years. Upon one occasion I rented a piece of land at 5s. per acre to a man, who came to me after having reaped his first crop, and told me that he was in a position to buy the land with the proceeds of his first harvest. If we placed before the farmers of the old country the advantages of coming here and investing £2,000 or £3,000 in land, good work would be done for the Commonwealth. I assume that it will be part of the duty of the High Commissioner to put matters in their proper light before the people of the old country. One has only to read Rider Haggard's sketches of rural life in England to realize that farmers could with advantage leave the old country and invest their capital here. In dealing with the Northern Territory, it seems to me that we shall have to be very careful in regard to the question of railways. I was very much impressed some years ago by a plan circulated by Mr. Alexander Wilson, of Sydney, and formerly of Coree station, in which he showed that a railway from Bourke, or some other point further north, across to Port Darwin, would traverse for the greater part of the distance splendid grazing country, from which many thousands of head of cattle are now sent down to Adelaide, where they arrive in good marketable condition, after having been eight months on the road. I was very much struck by the arguments adduced by

Mr. Alexander Wilson in support of the view he took, because I was aware that he knew what he was speaking about.

Mr. HUTCHISON. — South Australia is building a line as far as the Macdonnell Ranges on her own account.

Mr. SKENE.—Yes; but I understand that there is a great deal of desert country between the Macdonnell Ranges and Port Darwin. I do not wish to elaborate the subject; but I consider that we should be very cautious in dealing with a matter of this kind. In regard to the States debts question, we have had a plethora of valuable suggestions put before us by very able men. The honorable member for Mernda told us that the Treasurer had taken him into his confidence, and had invited his assistance in the matter. I could not help feeling rather sorry for the Treasurer, because his position brought to my mind an incident which occurred in the social world in Victoria some years ago, when a person who was invited to act as best man at a wedding, ended by carrying off the bride. Judging from the reception which the remarks of the honorable member for Mernda met with last night, it seems to me that the Treasurer has some prospect of losing his scheme. I hope, however, that the honorable member for Mernda and he will manage to work together, and evolve something which will prove acceptable to Parliament. I have not had an opportunity to closely study this question, but one thing seems to me to be very clear, namely, that if a stop is put to the borrowing of the States in the London market, they should never be permitted to re-enter that market. With regard to borrowing in the local money market, I confess that I am rather puzzled. I cannot very well explain the relative positions of Government debentures and those issued by the Melbourne Metropolitan Board of Works and the Melbourne City Council, excepting on the ground that the direct security of the State is regarded in a more favorable light by investors. I notice that Victorian Government debentures redeemable in 1913, were quoted on 4th August at £105 5s. The Metropolitan Board of Works debentures were quoted at £103. There is a considerable difference in the market quotations, for the two forms of debentures, although both are regarded as safe investments by the banks. The $3\frac{1}{2}$ per cent. bonds of the Victorian Government stand at £100 10s., whereas the City of Mel-

bourne bonds are quoted at £97 5s. I have pointed out that the Government bonds are regarded as better than the Metropolitan Board of Works bonds, and I presume that the Commonwealth bonds would be better than either. All that I am able to gather at present is that there is an apparent distinction made between State and municipal bonds, and that probably a sufficient preference would be given to Commonwealth over States bonds to justify the expectation of the honorable member for Mernda that we should be able to borrow money at something like 3 per cent. The honorable member for Parramatta stated last night that the functions of the Federal and States Parliaments should be kept clear and distinct—that we should stop trenching upon each other's domains. I have some doubt upon that point. I think that we are drawing away from each other, rather than coming closer together, as we should do. Probably one explanation is to be found in the fact that we have not followed upon the lines of the United States in arranging that our Senate should be elected by the States Parliaments. I was very much struck by a passage which I recently read in Mr. Lawrence Lowell's book on *Government and Parties in Continental Europe*. I want to apply the quotation to the question of the States railways, and to the settlement of the people on the land. It would appear from what Mr. Lowell says that the relations between the National Parliament of Switzerland and the Cantons are very much closer than anything we have contemplated here as between the Commonwealth Government and the States. Mr. Lowell says—

The Swiss Confederation resembles our own (the United States) in being a union of States possessing equal rights, but the distribution of power between those States and the central government is based on quite a different plan from that which prevails here. In this point Switzerland is much more closely akin to Germany than to America; for instead of assigning to the Federal and States Governments separate spheres of action, the Swiss, like the Germans, have combined legislative centralization with administrative decentralization, the Federal laws being carried out as a rule by the cantonal authorities. Except for foreign affairs, the Custom house, the postal and telegraph services, the alcohol monopoly, the polytechnic school, and the arsenals, the Federal government has scarcely any direct executive functions, but acts in the way of inspection and supervision.

If a system of that kind could be adopted here, many of the objections now raised to our taking over the railways would be re-

moved. In view of the great area of Australia, it would be impossible for us to work the railways under one management, but I think that we could do all the financing necessary in connexion with them, and leave the States to manage the railways under conditions to be agreed upon. In that way we may be able to arrive at a means to achieve that which some people regard as impossible. I do not know whether under the proposal of the Treasurer it would be possible for the Commonwealth to raise loans at lowest rates, and allow the States to distribute the money for the purpose of settling people upon the land. I do not think that there is anything in the Constitution to prevent that from being done. I ask the Treasurer whether he will look into the matter a little further, because I am satisfied that the question of the settlement and development of the lands of this country is one of the most important that we shall have to face in the near future.

Sir JOHN FORREST.—The matter is within the jurisdiction of the States, I think.

Mr. SKENE.—That is so in regard to the parcelling out of the land.

Sir JOHN FORREST.—Of course, loans can be raised for any purpose.

Mr. SKENE.—The States and the Commonwealth may be able to work together on the basis of the Commonwealth borrowing money at a low rate of interest, and allowing the States to use it for settlement purposes. While we finance the States, and act as a sort of clearing-house for them, the details could be left in their own hands. I was much struck last night by some figures quoted by the deputy leader of the Opposition as to the increased cost of government in Australia since Federation. He said that the expenditure had risen from £28,000,000 to £33,000,000.

Sir JOHN FORREST.—Expenditure on what?

Mr. SKENE.—The expenditure of all the States and of the Commonwealth on government. I think that those figures are rather alarming.

Sir JOHN FORREST.—They would require a good deal of analysing.

Mr. HARPER.—What did the honorable member include in the cost of government?

Mr. SKENE.—He was asked that question, and said that the figures included the whole cost.

Mr. HARPER.—Did he include railways and Post Office expenditure?

Mr. SKENE.—I think he included everything. The conclusion at which he appeared to arrive was that the States have been spending pretty extravagantly the money paid them by the Federal Government. The honorable member does not usually speak wildly, and without consideration, and such a criticism coming from him is important enough to warrant the close attention of the Treasurer, who should analyze the figures.

Sir JOHN FORREST.—That increased expenditure cannot be due to the Commonwealth Government.

Mr. SKENE.—I think that the point which the honorable member for Parramatta was making was that, while the people of this country were induced to enter Federation on the understanding that it would cheapen the cost of government, and conduce to economy, the opposite has been the effect.

Sir JOHN FORREST.—It must not be forgotten that the Commonwealth pays cash for many works which the States used to construct out of loan money.

Mr. SKENE.—Whatever explanation may be made, it does not touch the bald statement that £5,000,000 more is now paid on government on Australia than was paid before Federation. Certainly the assurance given to the people has not been realized, and the cost of government has not been decreased.

Sir JOHN FORREST.—The increase is not due to us, anyhow.

Mr. SKENE.—I have put before the Treasurer such matters as occurred to me; and I desire to say, in conclusion, that the points laid before the Committee last night by the honorable member for Mernda were extremely valuable. The honorable member is entitled to our thanks for the very clear statement made by him. I am glad to know that the question of the States debts has been taken up thoroughly, and am pleased to learn from the Treasurer that some action will be taken. It is time that something definite was done. I think also that in time we shall be able to take over the railways and in other directions justify the hopes which the people had in establishing the Federal Parliament.

Mr. LONSDALE (New England) [10.9].—Referring to what the last speaker has said, I may state that the prophecy that the cost of Government would be reduced

by the establishment of Federation, has certainly not been realized so far as New South Wales is concerned. It can be conclusively proved that the effect of Federation has been to increase the taxation of that State to an enormous extent. The people of New South Wales are paying a great deal more in taxes than they did previously.

Mr. FRAZER.—But the State has received back a good deal of the money.

Mr. LONSDALE.—There can be no doubt that much of the money has been returned to the State and has been recklessly spent.

Mr. BROWN.—By the State.

Mr. LONSDALE.—Yes; I wish to be perfectly fair. The great bulk of the money raised through the Customs which has been returned to the States has been recklessly spent by the States Governments. Just as the Federal Parliament is under the control of its constituents, so are the States Governments under the control of the electors of the States, and it is for the people to insist that they shall be more wisely governed in this respect. Those public men who opposed Federation, told the electors that they would have to incur a large amount of extra taxation in consequence of the establishment of Federation, and that they could rest assured that the money returned to them would be utilized to lessen the taxation in other directions. But, unfortunately, the public did not take care to have a bond signed to insure a reduction of local expenditure. The consequence has been that taxes have been imposed and recklessly spent, and the people have suffered enormously. Some people entertain the idea that the more money a Government takes out of the pockets of the people, the richer they become. Many Victorians believe that, but in New South Wales our people subscribe to an entirely different doctrine. No free-trader believes in that sort of thing. The truth is, that the more we leave in the pockets of the people, the better off they are. Consequently the Government should be as economical as possible, and wherever they can do so, they should reduce taxation, rather than increase it. I quite admit that the Treasurer has placed before us a very clear statement. It is really the statement of an accountant, but there is nothing constructive in it. With regard to penny postage, I fear that the adoption of that system will have the effect of increasing the burdens of the

people in some directions, although it may lessen them in others. It will be severely felt by some of the States, and amongst them by Tasmania. According to the Treasurer's figures, the effect of the establishment of penny postage will be that New South Wales will lose £58,000 per annum; Victoria, £14,000; Queensland, £29,000; South Australia, £23,000; Western Australia, £19,000; and Tasmania, £14,000. I cannot say that I am thoroughly in favour of the scheme, but in New South Wales such an extraordinary position exists at the present time that I cannot see my way clear to vote against it. There a hybrid system is in vogue—a system under which a line is drawn round a fairly large town, just outside of which there may be a couple of settlements containing a considerable population. The residents in these settlements are required to pay 2d. postage upon their correspondence, whilst inside the area to which I have alluded the people are required to pay only 1d.

Mr. BROWN.—But under present conditions there can be no extension of penny postage to those towns.

Mr. LONSDALE.—I am quite aware of that. If it were not so, I should vote against the adoption of penny postage at the present juncture. But I do think that we ought to consider the needs of Tasmania in this connexion. There is no doubt that that State has suffered very severely as the result of joining the Federation. The direct taxation imposed upon her people has had to be immensely increased to enable the Government of the country to be carried on. It seems to me that the £14,000 which Tasmania will be called upon to sacrifice under the Treasurer's scheme should, if possible, be saved to her. I dare say that New South Wales can bear her burden, because it will have the effect of preventing money from being wasted in other directions. But a small State like Tasmania cannot overtake its expenditure in the same way. Queensland, too, has been hard hit by Federation. But Queensland is a progressive State, and her population is increasing at a much faster ratio than is that of Victoria. Indeed, the time is not far distant when she will rank with either New South Wales or Victoria, and therefore the burden which will be imposed upon her by the adoption of the Government proposals will not be so heavy in

the days to come. If we can secure penny postage within our own territory, I can see no reason why we should extend it to outside nations.

Sir JOHN FORREST.—Not to the mother country?

Mr. LONSDALE.—I am quite as solicitous for the welfare of the mother country as is the Treasurer, because to a large extent I am prepared to free her trade from the burdens which are imposed upon it at the present time, whereas the Treasurer is not. If we extend the system of penny postage to Great Britain, we shall not confer much advantage upon her. When the Treasurer talks so earnestly of the mother country, I sometimes think that he is speaking with his tongue in his cheek. Our own people would derive most of the advantages of the system of penny postage if it were extended to the mother country, in that they would get their correspondence carried cheaper than it would otherwise be carried. But I wish to point out that in the sparsely-populated portions of Australia there are little knots of settlers who urgently require improved means of communication. I know that a large number of these settlers are called upon to pay not only a fee of 2d. on each letter which they post, but also a certain proportion of the cost of the contract which brings their correspondence to them. It would be much more generous to do away with the latter practice than to give penny postage to wealthy persons in the cities, who already enjoy great advantages.

Sir JOHN FORREST.—There is penny postage in the cities now.

Mr. LONSDALE.—Yes; but it is proposed, in the interests of commercial men, to extend penny postage to other countries. I do not object to the residents of the cities getting all the advantages which they can, so long as some advantages are extended to the people in the interior.

Sir JOHN FORREST.—We are trying to do so.

Mr. LONSDALE.—If the Treasurer will promise that, instead of establishing penny postage to foreign countries, he will put aside a sum to cover the subsidies which the settlers in the interior are now called upon to pay, I shall be very grateful to him.

Sir JOHN FORREST.—It will not cost much to extend penny postage to foreign countries.

Mr. LONSDALE.—Our duty should be to look after the settlers in the interior rather than to enable commercial men to send their correspondence to foreign countries at a cost of 1d. instead of 2d. per letter. I appeal not only to the right honorable gentleman's good nature, but to his sense of justice, to extend to the settlers in the country those advantages which he desires to give to the people in the cities. At the present time, the Department is delivering letters in the cities not only once, but three or four times a day, but it will not take letters to the men in the interior once a week without charging them with a proportion of the cost of the mail contract. Surely, the Treasurer can see that my contention is only fair. Knowing what it is to live in a desert, as he has had to do sometimes, he ought to have a great deal of sympathy with the men whose cause I am pleading, and upon whom rests, to a large extent, the prosperity of this great Commonwealth. Some honorable members are very considerate to the men who live in the cities, and are always professing a desire to help those who are located in the neighbourhood of Seats of Government. But do not let us forget the requirements of those who live in the back-blocks. The Treasurer is very emphatic on the question of preferential trade, and of trade with the old country. He has pointed out how the Commonwealth trade with England, as compared with other countries, is falling off. I observe that the Postmaster-General is entering the Chamber. I regret that he was not here when I was speaking on postal questions.

Sir JOHN FORREST.—I shall tell my honorable colleague what the honorable member has said.

Mr. LONSDALE.—I think that I ought to repeat my remarks for the special benefit of the Postmaster-General.

Mr. AUSTIN CHAPMAN.—I always read the honorable member's speeches.

Mr. LONSDALE.—That statement may be true, but I very much doubt that it is.

Sir JOHN FORREST.—I shall tell my colleague, any way.

Mr. LONSDALE.—I do not think the Treasurer would tell the honorable gentleman as I would. I have been pleading the cause of the settlers in the back-blocks, and urging that, instead of extending penny postage to foreign countries, it

should be confined to the Commonwealth, and that the settlers in the interior should no longer be called upon to defray a proportion of the cost of their mail contracts. That would be taking a worthy step in the direction of helping unfortunate settlers. I was about to address myself to the subject of preferential trade, but I understand that the Treasurer has told the leader of the Opposition that he is willing to report progress at half-past 10 o'clock.

Sir JOHN FORREST.—When the honorable member has finished.

Mr. LONSDALE. — I cannot possibly finish my speech for some time. I do not wish to begin the discussion of another subject now, and to have to repeat my remarks to-morrow.

Sir JOHN FORREST.—Does the honorable member wish to speak on another occasion?

Mr. LONSDALE.—Yes.

Sir JOHN FORREST.—I understood that the honorable member was going to speak for only half-an-hour.

Mr. LONSDALE. — No. The deputy leader of the Opposition asked me to speak, and he said that he would see the right honorable gentleman and get him to report progress at half-past 10 o'clock.

Sir JOHN FORREST.—I did not understand that, but still I shall carry out my promise.

Mr. LONSDALE. — I shall be very much obliged to the right honorable gentleman if he will.

Progress reported.

METEOROLOGY BILL.

Mr. SPEAKER reported a message from the Senate stating that it had agreed to the amendment made by the House of Representatives in this Bill.

PUBLIC SERVICE BILL.

Motion (by Mr. BROWN) proposed—

That leave be given to bring in a Bill for an Act to amend the Commonwealth Public Service Act 1902.

Mr. JOSEPH COOK (Parramatta) [10.30].—I do not know what the honorable member contemplates in his Bill.

Sir JOHN FORREST.—He can only take the Bill on a Thursday.

Mr. JOSEPH COOK.—Is it not remarkable that the Government consent to a private member bringing in a Bill to amend the Public Service Act?

Sir JOHN FORREST.—This is really only a motion to get the Bill printed.

Mr. JOSEPH COOK.—A proposal of this kind is essentially Government business. One wonders where our governmental responsibility has gone to when Ministers permit a private member to bring in a Bill to amend an Act relating to the Public Service. Surely the Government ought to take such a measure under their own control, and not allow a private member, however estimable he may be, to introduce it on a Government right.

Sir JOHN FORREST.—We have not yet seen the Bill.

Mr. WILKS. — Then the Government ought to resist the measure.

Mr. ISAACS.—Surely a private member has the right to introduce legislation?

Mr. BAMFORD.—No doubt the Public Service Act requires amendment, and if the Government will not introduce the legislation, somebody must.

Mr. JOSEPH COOK.—I would give a private member the right to do everything that is proper, but I am pointing out that the introduction of this Bill by the honorable member for Canobolas is improper. The introduction of measures of this kind is one of the most vital functions of the Federal Government. We have passed an Act guaranteeing the independence of the Public Service Commissioner, and I should like to know whether the Government have any idea of what the proposals in this Bill are. I should have thought that the least an honorable member in charge of such a measure should do, would be to acquaint the Government with his intentions. For all I know, the honorable member for Canobolas may have done so; but it is an unheard of thing, in my recollection, to permit a private member to submit a motion of this character in Government time.

Mr. ISAACS (Indi—Attorney-General) [10.31].—It is only an act of courtesy to allow an honorable member leave to introduce a Bill on any subject.

Mr. JOSEPH COOK.—On any subject?

Mr. WILKS.—Would the Attorney-General allow a private member to introduce a Bill to amend the Judiciary Act?

Mr. ISAACS.—Any honorable member has the right to ask for leave to introduce a Bill. When the Bill is brought before the House it will be competent for the Government, or honorable members, to raise any objection. The Government would

then be in a position to know whether or not the Bill ought to be proceeded with; but it is only common courtesy to permit any honorable member—indeed, it is an honorable member's right—to ask for leave to introduce a Bill on any public matter.

Mr. JOSEPH COOK.—But this is an unusual method of getting leave.

Mr. ISAACS.—The honorable member means as to the time. But the House has given leave, and I point out that any honorable member may submit a motion on any subject, no matter how public it may be.

Mr. WILKS.—A motion is all right.

Mr. ISAACS.—I can see no distinction between a motion and the present instance of giving leave to a private member to introduce a Bill. When the Bill is before us, it will be a matter for consideration as to how it should be dealt with.

Mr. SPEAKER.—There is nothing at all unusual in bringing on this motion now. The motion has been on the notice-paper for some time, and is on the notice-paper to-day; and it would have had to be dealt with in some way before we rose. There is no necessity to ask for leave to move it, nor has leave been asked.

Question resolved in the affirmative.

Motion (by Mr. BROWN), proposed—

That the Bill be now read a first time.

Mr. JOSEPH COOK (Parramatta) [10.32].—Mr. Speaker—

Mr. SPEAKER.—There can be no debate on a motion for the first reading of a Bill.

Question resolved in the affirmative.

Bill read a first time.

Motion (by Mr. BROWN), proposed—

That the second reading be made an order of the day for Thursday, 16th August.

Mr. JOSEPH COOK (Parramatta) [10.33].—If this business is properly before the House now, the Government must have postponed their own business for the purpose of permitting the Bill to be introduced. My complaint at the present time is that the Government should have set aside their own business.

Sir JOHN FORREST.—Not at all. We were adjourning, having reported progress on the Budget half-an-hour before the time, in order to please the honorable member.

Mr. JOSEPH COOK.—The Government business must have been postponed, or this Bill could not have been introduced.

Mr. HUME COOK.—The Speaker has just pointed out that the motion of the honorable member for Canobolas would have had to come on, in any case.

Mr. JOSEPH COOK.—After the Government business, certainly. The motion of the honorable member for Canobolas stands after the Government business on the notice-paper.

Mr. ISAACS.—The motion of the honorable member for Canobolas would have had to be formally called on, and would have been called on.

Mr. JOSEPH COOK.—There is no doubt that an honorable member may do anything he pleases on private members' day, but a private member may not take Government nights for the purpose of introducing business which, in my judgment, ought to be under the control and direction of the Government. But we have surrendered responsible government during the whole of the currency of this Parliament, and this is only another instance.

Question resolved in the affirmative.

ADJOURNMENT.

BUDGET DEBATE: ORDER OF BUSINESS.

Mr. ISAACS (Indi—Attorney-General) [10.35].—I move—

That the House do now adjourn.

Without desiring in the smallest degree to limit the fair dimensions of debate on the Budget, I ask the kind consideration of honorable members to the desirability of ending, if possible, the general debate to-morrow.

Mr. WILKS.—There are twenty honorable members to speak.

Mr. ISAACS.—I do not want to deprive any honorable member of any right, but, considering the large amount of work we have to do, and the comparatively short time at our disposal, I suggest that the general debate ought to be finished to-morrow.

Mr. JOSEPH COOK (Parramatta) [10.37].—To what business does the Attorney-General allude? I see no business on the notice-paper after the Budget, except the Bounties Bill.

Mr. AUSTIN CHAPMAN.—There will be the Tariff presently.

Mr. JOSEPH COOK.—The Attorney-General makes a very fair proposal to the House, contingent on there being a con-

gested business-paper, and little time in which to get through that business. When an appeal of this kind is made on the second night of a Budget debate, it can only be because of some overpoweringly important proposals which are already on the business-paper waiting to be dealt with. If there are such proposals in contemplation, we ought to be so informed. I have told the Government more than once that if they will announce their intentions for the session we might very well agree to wipe off the business, and get to the country as early as possible. But we wish to know, for instance, what is to be done with regard to the Government's new-fangled proposals of an electoral character? We are asked to facilitate the discussion on the Budget, but I see no very great reason to curtail the debate if it is to be merely for the purpose of introducing such proposals. If, on the other hand, there are urgent Tariff proposals to be brought forward, with a view to relieve the alleged strangled and decaying industries of Victoria, they shall receive the very earnest consideration of every honorable member on this side. If the Government will say that the Tariff proposals are ready, and that they are prepared to plunge into a Tariff debate, I think I can undertake, on behalf of the Opposition, that the debate on the Budget may conclude to-morrow. There are, however, important matters in the Budget which require consideration in the absence of any business of more urgency. I say, therefore, that the Attorney-General makes the appeal rightly if he has urgent business to bring before the House, but in a session like this, when we are supposed to be wiping off the work of Parliament, new-fangled proposals which found no place on the programme at the beginning ought not to be brought forward. I speak apart altogether from the merits of those proposals. I am referring merely to the time at which they should be introduced. If, therefore, the Attorney-General will state that he does not desire to introduce proposals other than those of urgency—that he desires to deal with the Tariff, or other proposals of that kind—there will not be much trouble in meeting him.

Mr. ISAACS.—Of course, the Tariff is included.

Question resolved in the affirmative.

House adjourned at 10.42 p.m.

Senate.

Thursday, 9 August, 1906.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

LEAVE OF ABSENCE.

Motion (by Senator HIGGS) agreed to—
That Senator Dawson be granted one month's leave of absence on the ground of ill-health.

PAPUA BILL.

Motion (by Senator STEWART) agreed to—

That leave be given to introduce a Bill for an Act to amend the Papua Act 1905.

POST AND TELEGRAPH RATES ACT.

Senator STEWART (Queensland) [2.32].—With the leave of the Senate, I wish to withdraw the motion standing in my name, and asking for leave to introduce a Bill to amend the Post and Telegraph Rates Act.

The PRESIDENT.—That is not necessary. If the honorable senator does not move the motion, it will lapse.

Senator STEWART.—The Government has introduced a Bill to do that which I desired to effect.

The PRESIDENT.—The honorable senator need not move the motion.

DISTRIBUTION OF REVENUE AND EXPENDITURE.

Debate resumed from 2nd August (*vide* page 2200), on motion by Senator O'KEEFE—

1. That, in the opinion of this Senate, the true Federal spirit will not be created among the people of Australia until the present unfederal system of dealing with Commonwealth revenue and expenditure is abolished.

2. In pursuance of such purpose, all revenue and all expenditure should be shared by all the people of Australia on the basis of population; and under clause 93 of the Constitution the bookkeeping system should terminate at the end of five years from the passing of the Uniform Tariff.

Senator PULSFORD (New South Wales) [2.35].—The bookkeeping system under which the finances have been managed, is one which more or less successfully thwarts the section of the Con-

stitution which, above all others, is most strongly worded, and which reads as follows:—

On the imposition of uniform duties of Customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free.

I believe that there is no other section of the Constitution worded with that strength, and certainly there is no section of it which is so slow in coming into full effect. I fancy that very few persons are aware of what is at the bottom of the bookkeeping system, or how greatly it interferes with the business life of Australia, and how much it retards the development which otherwise would take place. Trade between the States is supposed to be free; but it is not free, because Customs entries have to be passed, and a great deal of work has to be done in connexion with them. A few weeks ago, I asked the Collector of Customs in New South Wales how many entries for inter-State business were passed through the Sydney Customs House last year. He told me that the total number was 90,628, exclusive of Victorian transfers, the number of which I do not know. I think it is pretty safe to say that, throughout Australia last year, at the very least, 300,000 entries were passed for goods relating to inter-State trade. Naturally, that is a great tax on the trade. It takes up a good deal of time, and involves a great deal of work. It must be remembered that it is essential that all these entries should be prepared with very much the same degree of accuracy as is required with regard to the entries of oversea goods, otherwise those who make the entries are liable to prosecution. The requirement of accuracy is essential, because on the accurate wording of the entries depends the proper adjustment of the revenue between the States. When Federation came about, and this system first began, the financial position in Australia was a very strange one. In the earlier years of Federation there was a great deal of trouble. I think that in 1901 and 1902 there was a deficit in each State; in some States it ran up to £300,000 and £400,000; and the total deficit, I believe, was considerably over £1,000,000. The position meant that those in charge of the finances of the States were more or less in doubt as to what effect the Federation would have upon their finances. All of

them felt the necessity of obtaining through the Commonwealth as large an amount of revenue as they possibly could, and all of them, I think, were more or less suspicious each of the others, and feared that the arrangement of a joint purse might not be to their advantage. I am glad to notice that Mr. Harper, with many of whose conclusions and statements I have not been able to agree, thinks that the bookkeeping system ought to be abolished at an early date. In his memorandum on the subject he says—

These provisions, although probably necessary to re-assure the Parliaments of the States, and possibly the best that could be devised in the then circumstances, are evidently crude and unsatisfactory. They are known as "the bookkeeping" and "the Braddon" clauses, and so far as the bookkeeping clauses are concerned, they entail enormous trouble and expense to the public, and to the Administrations of the various States, as well as to the Commonwealth.

Senator PLAYFORD.—It does not entail any expense to the Administrations of the States. The States have nothing to do with it, for we do the whole work.

Senator PULSFORD.—The Commonwealth does the work, and it takes care to charge to the States the expenditure, so that ultimately they have to pay for the work, whether the Commonwealth makes the payment in the first instance or not.

Senator STANFORTH SMITH.—How many Custom-house clerks would be dispensed with if the bookkeeping system were abolished?

Senator PLAYFORD.—Not one!

Senator PULSFORD.—The Minister is quite out in his reckoning.

Senator PLAYFORD.—We would get the information for statistical purposes even if we did away with the bookkeeping system.

Senator PULSFORD.—If the honorable senator will reflect for a moment he will find that when the system was completely ended it would be possible to abolish the border Custom-houses.

Senator PLAYFORD.—They are abolished now.

Senator PULSFORD.—No. The savings that would take place through the abolition of the bookkeeping system would, I think, run into a few thousand pounds. The honorable senator, who talks about 300,000 entries being dispensed with, and it still being necessary to keep up the same number of clerks, ought to reflect for a moment.

Senator PLAYFORD.—We would not dispense with them. We should have to keep the accounts.

Senator PULSFORD.—Surely the Minister cannot quite understand the position.

Senator PLAYFORD.—I understand sufficient to know that we cannot do away with the entries.

Senator PULSFORD.—There is another point to which I desire to refer, and that is the returning to the States of three-fourths of the net revenue from Customs and Excise duties. Frequently we hear a discussion on the subject of the return of this proportion, and it is assumed that because the Commonwealth returns something over the proportion it is unduly generous. I wish to point out very emphatically that the Constitution does not empower the Commonwealth to limit its return to the three-fourths. The wording of section 87 has nothing to do with the amount returned. It says that not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure, and that the balance shall be paid to the several States. The Commonwealth must not in any circumstances spend more than one-fourth, therefore it must return to the States not less than three-fourths. That seems to be overlooked by a good many persons, who imagine that three-fourths is the sum which the Commonwealth ought to return, and that as long as the States get three-fourths they may very well be satisfied.

Senator GUTHRIE.—The Commonwealth Treasurer overlooks that, and is taking credit to himself because he has not spent more money.

Senator PULSFORD.—Yes.

Senator PLAYFORD.—We could have spent more.

Senator PULSFORD.—The Treasurer appears to think that if the Government do not spend the whole of the one-fourth they are entitled to take credit. Mr. Harper in his paper on the Budget is very emphatic. He says—

The fact that the Commonwealth has thus restricted its outlay and passed to the States nearly one million per annum in excess of what the Constitution requires, should set at rest, once and for all, the erroneous allegations which have been made. Unfortunately, this considerate action on the part of the Commonwealth Parliament has apparently led, on the part of the States, to demands, not only for the return to them of the three-fourths fixed by the Braddon clause, but to their claiming as much more as they can possibly get, with the result that prac-

tically Federal finance, which ought to be independent and free, is criticised and found fault with in the interests of what are considered to be States obligations, and these expectations and claims tend to complicate the settlement on equitable terms of the future financial relations of the States and the Commonwealth respectively.

I beg to dissent from that view. The Commonwealth is bound to be as economical as it can be, and to return every penny of its surplus to the States; but under no circumstances must it spend more than one-fourth of the Customs and Excise revenue. Some little time ago, within three or four months of the constitutional time for the permanent bookkeeping system to end, I felt that the subject should be looked into. I did look into it, and came to the conclusion that the circumstances were such that it would be possible this year to terminate the bookkeeping system. When I say that I came to the conclusion, I mean with some consideration for the special treatment required by Western Australia. I found that my own State would be called upon to make an immediate sacrifice; but, on close study, I found that the sacrifice was largely more or less imaginary.

Senator GUTHRIE.—It was no sacrifice at all, then?

Senator PULSFORD.—That is so. On examining the figures, I found that the trend of the returns for the years 1902-6 was very encouraging. A distribution on a population basis in the year 1902-3 would have taken £400,000 from New South Wales, and given £199,000 to Victoria, which equalled a change in the position of those States of £599,000; while the estimates for the year 1905-6 reduced this total to £144,000. That reduction, with general buoyant revenues in the States, seems to me to make the adjustment fairly easy. The other States also showed close approximations to this result. The figures which I have given did not include those for Western Australia. That State showed a less glaring difference. In 1901-2, a *per capita* distribution would have taken from Western Australia £658,000, but a *per capita* distribution in 1905-6 would have taken only £428,000; showing in that direction also some approach to a fair level. I have said that Western Australia should have some special treatment. I have looked into the matter of the population of Western Australia from this point of view, and I wish

to give the Senate a few figures which bear out what I say. They are somewhat remarkable. We all know that the male population of Western Australia is larger than its female population, but how much larger it is few people know. I have made a calculation of the proportion of males above fifteen and under sixty-five per 100,000 of the population at the census of 1901. The figures are—New South Wales, 32,000; Victoria, 30,000; Queensland, 35,000; South Australia, 31,000; Western Australia, 46,000; Tasmania, 31,000—average for the Commonwealth, 32,000. These figures show that Western Australia is 44 per cent. above the average, and 48 per cent. above the average of South Australia and Tasmania. But a more marked difference still is found by taking the proportion of males above twenty-one and under fifty, which I think may be accepted as the period when money can be earned most freely. The proportion of males above twenty-one and under fifty per 100,000 of the population at the census of 1901 was in New South Wales, 22,000; Victoria, 21,000; Queensland, 25,000; South Australia, 21,000; Western Australia, 38,000; Tasmania, 21,000—average, 23,000; showing that in Western Australia the average is 65 per cent. above that in the Commonwealth generally, while it is no less than 80 per cent. above the average in South Australia and Tasmania. Of course, I am not able to give the figures for the present time. There is no doubt that the excess in the West is not so high now as it was in the census year. Taking the figures for the census year, and bearing in mind that there is some change since then, honorable senators will realize that the position in Western Australia is such that she can imperatively call upon us for special treatment. Then I notice that had the male population between twenty-one and fifty years of age actually in Western Australia at the census been surrounded by a population on the average of the population existing in Australia generally, her aggregate population of 184,000 would have been 303,000. Those figures, I think, make it fairly clear that the claim which Western Australia puts forward, and which I recognise—which I think we all recognise—for special treatment, is based upon sound and indisputable grounds. After a close examination of the bookkeeping matter, I noticed the much larger

postal revenue that exists in Victoria and New South Wales, and I came to the conclusion—it struck me at once—that we could not abolish the book-keeping system without uniformity of postage; and that practically the adoption of a penny postage rate was involved in the abolition of book-keeping. It is true that we might impose twopenny postage instead of the present rate in Victoria, but in view of the fact that the trend throughout the Empire is towards the penny standard, I think it will be recognised that public policy and the wishes of the people generally will tend towards the adoption for the whole Commonwealth of the rate which now exists in the State of Victoria. Therefore, I found that to abolish the system of book-keeping we should have to establish penny postage. The smaller States, it appears to me, cannot afford penny postage without the abolition of the book-keeping system. With the abolition of that system they can afford it. Since I published an estimate some few weeks ago, honorable senators are aware that the financial proposals of the Government for the year have been put forward. Included in them is a calculation with reference to the proposal for the adoption of penny postage. The following are the figures of the estimated loss which will arise in the various States:—New South Wales, £51,000; Victoria, £12,000; Queensland, £22,000; South Australia, £20,000; Western Australia, £16,500; Tasmania, £13,000; total, £135,000 for nine months. My own estimate, published some six weeks ago, was £160,000 loss for the twelve months; so that there is not a great difference between my estimate and that of the Government. I put down the losses of the several States as follows:—New South Wales, £75,000; Victoria, £15,000; Queensland, £20,000; South Australia, £20,000; Western Australia, £15,000; Tasmania, £15,000. I notice that Mr. Harper, in his memorandum, fails to recognise the necessity for the abolition of the book-keeping system if penny postage is adopted, although he is not opposed to penny postage. He evidently does not see the point.

Senator PLAYFORD.—I fail to see the connexion between the two.

Senator PULSFORD.—I am very much astonished. How could we have uniformity in trade without a uniform tariff?

Senator PLAYFORD.—We have uniformity in trade now.

Senator PULSFORD.—We have, through the adoption of a uniform Tariff. We can only have uniformity in postage rates by the adoption of one rate for the whole Commonwealth; and Senator Playford must surely see that it is not at all likely that if we abolished the bookkeeping system the other States would be willing to carry Victorian letters when the people of that State paid, within their State, half the rate that was being paid in the other States. It would not be fair. It is fair under the bookkeeping system, but it would not be fair under a *per capita* arrangement.

Senator PEARCE.—The penny rate prevails only in Victoria now.

Senator PULSFORD.—That is so; it is purely a Victorian matter. What I proposed was that we should give Western Australia a fixed sum which, with the *per capita* allowance, would equal the sum she gets at present. I found that Western Australia would require a fixed sum of £446,000.

Senator O'KEEFE.—Would the honorable senator propose to continue the payment of that sum for an indefinite period?

Senator PULSFORD.—I would propose to make it reducible by one-tenth every year, or, what I think would be better still, to re-examine the accounts every two or three years, and vary the amounts as occasion required. Dividing the whole of the surplus *per capita*—that is the whole of the surplus after the special payment had been made—amongst the six States, the result would be that New South Wales would have £229,000 less with penny postage; Victoria £76,000 less; Queensland £59,000 more, and penny postage; South Australia, £81,000 more, with penny postage; and Tasmania £26,000 more, with penny postage.

Senator MULCAHY.—That is allowing £446,000 the first year?

Senator PULSFORD.—Yes. Western Australia would have the same sum as before, adding the *per capita* amount and the fixed sum, and £26,000 would be her share of the loss under penny postage.

Senator PLAYFORD.—That means that New South Wales would have to pay for the smaller States?

Senator O'KEEFE.—If the representatives of New South Wales do not object, I do not see why the Minister of Defence should.

Senator PULSFORD.—I find that the final returns for 1905-6 vary those calculations. For one thing, the returns show that Western Australia would not need so large a fixed sum. Honorable senators, especially those from the West, are aware that the revenue of that State has fallen somewhat during the last few years, so that the fixed sum would not need to be so high as I have reckoned.

Senator PEARCE.—In calculating the loss, has the honorable senator taken into consideration that it is largely due to the reduction under the special Tariff provision?

Senator PULSFORD.—I do not consider the special Tariff in any way in making these calculations.

Senator PEARCE.—But in calculating as to the postage rate, the special Tariff must be reckoned with?

Senator O'KEEFE.—Do I understand that these calculations are quite outside the special Tariff?

Senator PULSFORD.—The calculations are quite outside the special Tariff; but, at the same time, we cannot lose sight of the fact that the loss of that special Tariff makes greater the claim to special treatment to which I refer. The Estimates for 1906-7, which have been issued within the last ten days, make a considerable difference in the position. Those Estimates include calculations based on a penny postage; and there has been issued a special table based on a distribution of the surplus that it is estimated will be found to exist at the end of the present year, amongst the various States, excluding Western Australia. The table shows that should the estimated revenue for this year be received, and should it be distributed *per capita*, New South Wales would lose £296,000, Victoria would gain £6,000, Queensland would gain £113,000, South Australia would gain £110,000, and Tasmania would gain £66,000.

Senator PLAYFORD.—That is altogether excluding Western Australia?

Senator PULSFORD.—Certainly. The difference made in the position of New South Wales is remarkable. To ask New South Wales to surrender practically £300,000, to divide amongst the other States is a "big order"; but the matter requires looking into. In my opinion, it is safer to rely on the actual figures of 1905-6, rather than on the Estimates for 1906-7. The Estimates show an expected

increase from Customs and Excise of £211,000, of which sum no less than £170,000 is credited to New South Wales, leaving only £41,000 as the expected increase in the whole of the other five States. That very remarkable fact is the explanation of the question which I put to the Minister yesterday, as to the basis on which the Customs and Excise calculations for the current year are based. It seems to me very remarkable that the Treasurer, in an expected increase of £211,000, should look for £170,000 from the one State of New South Wales.

Senator O'KEEFE.—Does the Treasurer give any reason why he expects that discrepancy?

Senator PULSFORD.—No; there has been no public statement made. When I looked closely into the matter of expenditure, I found to my surprise that New South Wales is contributing *per capita* towards the defences of Australia, less than any one of the other five States. I suppose honorable senators are rather surprised at that statement. On the Estimates for 1905-6, I made the calculation that, dividing the whole of the expenditure on defences for that year per 100,000 of the population, the New South Wales charge would equal £18,108, the Victorian charge would equal £21,594, the Queensland charge £22,678, that of South Australia £18,994, Western Australia £18,634, and Tasmania £18,542.

Senator PLAYFORD.—What does the honorable senator include—new works, such as forts?

Senator PULSFORD.—I take the total defence expenditure as given on page 31 of the accounts for the year 1905-6. The total is £804,000, and honorable senators will see that there is something wrong from the fact that, although New South Wales is so much the larger State, the charge against her is only £7,000 more than against Victoria.

Senator PLAYFORD.—I thought the honorable senator made out just now that the charge against New South Wales was less than that against Victoria?

Senator PULSFORD.—I make this calculation as per 100,000 of the people; I place all on the one level, so that anybody who cares to look at the figures may see the difference at a glance. The highest payment per 100,000 of the people was made by Queensland, namely, £22,678, while the lowest was made by New South

Wales, namely, £18,108. When I look at the Defence Estimates for the current year and examine the figures given on page 34, I find that the debit against New South Wales is £297,000, and that, if the distribution were on a *per capita* basis, New South Wales would be debited with £28,000 more. Victoria is debited with £278,000, but on a *per capita* basis, that State would be debited with only £261,000, or £17,000 less. Queensland is debited on the Estimates with £133,000, while her *per capita* share would be only £114,000, or £19,000 less. I shall not give the full figures for the other States, but merely say that South Australia is debited with £6,000 short, Western Australia with £2,000 short, and Tasmania with £2,000 over. We have here the partly-unnoticed effects of the gradual changing proportion of population. Honorable senators know, I suppose, that New South Wales is now entitled to an additional member in another place, and that, according to the very full figures which have been furnished, the percentage of the New South Wales population is gradually rising. But the defence arrangements being continued on the same basis as prior to Federation, the difference to which I have referred is gradually increasing. While in the years 1901-6, New South Wales paid short of her average about £60,000, that State, according to the Estimates now before Parliament, is to be charged, in this one year alone, £28,000 short. That is one factor which indicates that a movement in the direction of a *per capita* distribution is not so unfair to New South Wales as might appear on the surface. I desire to draw attention to what is going on in connexion with the transfer of goods from one State to another. This is a matter that is worth a little quiet study. Every year, in certain of the smaller States, the collection of Customs revenue on the spot is decreasing, and credits are increasing for goods transferred from other States. That means that those smaller States are becoming more and more dependent on the other States. In the year 1902-3, Queensland was credited, in this connexion, with £115,000, the next year with £159,000, the next year with £176,000, and last year with £214,000. I should like to refer to a newspaper cutting which I have here. It appears that two or three years ago, Sir George Turner, when he was

Senator Pulsford

Treasurer, was anxious to bring to an end the bookkeeping system, and thought he might make some arrangement for giving a lump sum to the States in lieu of monthly credits. Sir George Turner proposed to Mr. Kidston, the Premier of Queensland, that the latter should accept £125,000 a year, but Mr. Kidston pointed out that the amount which Queensland was receiving was largely growing, and that if he accepted £125,000 his State would very likely be a good deal out of pocket. When I say that the amount for Queensland last year on goods transferred from other States was £214,000, honorable senators will see that that State would have been £90,000 out of pocket had the arrangement suggested a few years ago by Sir George Turner been accepted by her. For the State of South Australia the annual credits for the last four years have been £21,000, £21,000, £28,000, and £37,000. For Western Australia the annual credits during the four years have been £38,000, £90,000, £129,000, and £136,000. In the State of Tasmania the annual credits have been £98,000, £107,000, £101,000, and last year £113,000. The credits to these States are, of course, balanced by debits to the States of New South Wales and Victoria.

Senator O'KEEFE.—Naturally they are the big distributing States.

Senator PULSFORD.—Whether for good or evil, as regards the whole of the Commonwealth, honorable senators will see that our fiscal policy tends to a lessening of the Customs revenue in the smaller States. The bases of the matter are altogether hidden in mystery, and I am not going to attempt to estimate what the various States lose by receiving goods which are manufactured in other States rather than by receiving goods from other countries from which they would obtain revenue in the shape of Customs duties.

Senator GUTHRIE.—Not merely manufactured, but also grown.

Senator PULSFORD.—Just so. I refer to goods locally produced in every way. I do not here raise the question of protection at all. What takes place may be good for the Commonwealth as a whole, but what we have to look at to-day in regard to our fiscal policy is its bearing on the question of a *per capita* distribution of revenue—whether it be wise or unwise that we should adopt a system which tends to deplete the revenue of the smaller States and

to unduly raise the revenue of the larger States. Does not what I have stated raise a very strong argument in favour of the *per capita* distribution? There is another factor which should be borne in mind. I observe that in the two States chiefly interested in the transfer of goods, Queensland and Tasmania, the aggregate actual receipts, Customs and Excise, and including also transfers to which I have referred, seem to be falling off, whilst generally in the Commonwealth that is not the position. Here are the aggregates of the last four years for Queensland: For 1902-3, £1,261,000; 1903-4, £1,132,000; 1904-5, £1,095,000; and last year, £1,183,000, showing an increase on the previous year. For this year the estimate indicates an expectation of receipts to the value only of £1,150,000, a drop of £111,000 on the amount which was received four years ago, notwithstanding a considerable increase of population, and, I think, also of prosperity in the interval. In the State of Tasmania, in 1902-3, the Customs receipts were £361,000, and those receipts gradually fell in the three following years to £342,000, £331,000, and £326,000, and for the year on which we have now entered the Treasurer expects about the same low rate from Tasmania as last year, namely, £327,000. I ask myself whether there is anything the matter with these States which indicates a general retrogression, and which would lead us to expect that their Customs receipts should fall in this way. I turn to the postage receipts, and I find that in Queensland and Tasmania the receipts from the sale of postage stamps has increased at least as fast as in the other States. That being so, I come to the conclusion that there should have been some increase in the Customs receipts of those States in fair ordinary circumstances, just as there has been in the case of the other States of the Commonwealth.

Senator PEARCE.—It shows that importation is giving place to local production.

Senator PULSFORD.—Then there is another matter which bears very strongly on the basis on which revenue should be distributed. Honorable senators will grant that if revenue is distributed in some fair relation to the wealth of the community that would not be an unfair distribution.

Senator PLAYFORD.—I should prefer to take a little from the wealthy and give it to the poor.

Senator PULSFORD.—Yet the honorable senator is supporting the continuance of a policy which has exactly the reverse effect, and it is the poorer States which the Government are treating in a meagre way. I direct attention to returns made public quite recently of production in New South Wales and Victoria. In 1904 the value of the production of primary and manufacturing industries combined in the State of Victoria totalled 31.7 millions sterling, and in New South Wales they totalled 39.4 millions. The value per head of population amounted to £26 4s. 3d. for Victoria, and £27 4s. 7d. for New South Wales. If New South Wales is making more money per head than Victoria, should we not expect to find some larger return in her revenue, and should we not be prepared to see her paying under a *per capita* arrangement some larger amount than she would pay under the existing system? Taking the returns for last year, which, so far as Victoria is concerned, were made public only yesterday, the value of the production of the primary and manufacturing industries in that State for 1905 is estimated at 34 millions sterling, whilst the value of the productions of the primary and manufacturing industries of New South Wales for last year is estimated at 46.7 millions sterling.

Senator O'KEEFE.—A large proportion of that increase is due to the increase in the wool production of New South Wales.

Senator PULSFORD. — Undoubtedly; but whatever be the source, it is there. Whether a man has a sovereign in his pocket the product of wool or the product of potatoes, it is equally there to spend. The value per head of production in Victoria last year is given as £27 19s. 6d., whilst for New South Wales it stands at £31 11s. 4d. In other words, in 1904, there was an excess of £1 os. 4d. per head in New South Wales, whilst for last year it was given as £3 11s. 10d. These figures may not be quite accurate, but I think it is fair to assume that there is a larger, and perhaps a materially larger, earning of wealth per head of population in New South Wales, and if that be so, will that State refuse to recognise the fact in matters of revenue and expenditure? I think not.

Senator O'KEEFE.—She will be actuated by the generous spirit of her senators.

Senator PULSFORD.—No, no. The honorable senator must not say that. I wish to be fair and just. I think it is the duty of every one of us to remember that we are members of the Commonwealth Parliament, and not to forget what is involved in the word "Commonwealth." Each one of us should seek to do what is right by other people. If a man picks up a sovereign belonging to some one else, he wishes to restore it at once, and if I find myself in possession of any information which calls for a re-arrangement of different charges, it is my bounden duty to make public that information. Referring to Coghlan's figures, showing the value of property and income per inhabitant, published in his book for 1903-4, when things were generally less prosperous than they are now, I find that he puts the value of property and amount of income in New South Wales at higher than in the other States. That again, to some extent, explains what appears to be a somewhat material discrepancy in the return as to the greater amount provided by that State. I have another set of figures, which I should like to give honorable senators if they will bear with me. I quote from page 47 of the Treasurer's statement for the year 1905-6. I wish to direct attention to the percentages of the receipts and expenditure in the various States. It is a remarkable thing that, whilst in New South Wales and Victoria the percentage of receipts is in excess of the percentage of expenditure, in Queensland, South Australia, and Tasmania the percentage of expenditure is greater than the percentage of receipts. For New South Wales the accounts show receipts 36.55, as against expenditure, 34.97; an excess of receipts amounting to 1.58. For Victoria, receipts 27.90, expenditure 26.65; an excess of receipts amounting to 1.25. For Queensland receipts 13.13, expenditure 15.39; an excess of expenditure amounting to 2.26. In South Australia, the percentage of receipts is 8.37, and of expenditure 9.47, showing an excess of 1.10 in expenditure. In Western Australia, the percentage of receipts is 10.25, and of expenditure 9.22, showing an excess of 1.03 in receipts. In Tasmania, the percentage of receipts is 3.80, and of expenditure 4.30, showing an excess of 0.50 in expenditure. In the

smaller States, except Western Australia, the expenditure is larger, relatively, than the receipts.

Senator O'KEEFE.—Do those figures include both new and transferred expenditure?

Senator PULSFORD.—The figures include all the expenditure under the Commonwealth. I have also some figures which represent calculations of my own, based upon figures given on page 36 of the *Accounts of Expenditure for 1905-6*. These figures are, I think, remarkable. The estimated expenditure per head is as follows:—New South Wales, £1 1s. 3d.; Victoria, £1 0s. 3d.; Queensland, £1 6s. 9d.; South Australia, £1 3s. 11d.; and Tasmania, £1 2s. 3d.; showing that the expenditure per head is very much larger in the smaller States than in the larger States. After deducting the expenditure, there was left on those accounts the following balance of revenue:—New South Wales, £1 13s. 3d.; Victoria, £1 11s. 6d.; Queensland, £1 7s. 9d.; South Australia, £1 6s.; and Tasmania, £1 7s. 2d.

Senator PLAYFORD.—The smaller States are very close together.

Senator PULSFORD.—Yes; and the larger States are close together, but both are on a different level. The larger States have a higher amount, the smaller States have a lower amount. These figures I put forward, as I think it must be self-evident to honorable senators, as further evidence of the fairness of a general *per capita* method of distribution.

Senator WALKER.—What is the expenditure for Western Australia?

Senator PULSFORD.—I have not the figures for Western Australia, which comes under a different sort of heading.

Senator PLAYFORD.—Western Australia upsets the honorable senator's calculations.

Senator PULSFORD.—No. We all know that Western Australia is in a different position. I have already given more figures than I care to use, and I do not wish to unnecessarily load my statement. In his accounts, Sir John Forrest proposes to pay a fixed sum. He proposes that the bookkeeping system shall be terminated, not at the end of this year, but in 1910.

Senator PLAYFORD.—At the end of the Braddon period.

Senator PULSFORD.—The Treasurer proposes to terminate the bookkeeping system and the Braddon section together, and he proposes to terminate the former by adopting a calculation based upon the receipts of years yet to come—that is, the five years ending 1910. It is obvious that all sorts of things might happen in the interval. There will be, I suppose, a continuation of this movement between the States. I think that honorable senators would hesitate very much before they decided to accept a fixed sum based upon the payments for years, which would be far ahead, and during which all sorts of things might happen, when certain States might have a large accession of revenue, and other States might suffer considerably. The idea that is behind this proposal for the payment of a fixed sum is, I think, a mistaken one. I do not like the scheme, because I do not think it is fair. If we adopt a fixed sum for any given time, every State will be suspicious, and will examine the payment it receives in comparison with the fixed sums paid to other States. No doubt, if its population should increase more rapidly than that of other States, it will say, "Our fixed sum is not fair." The system would give rise to a great deal of the element of uncertainty which now pertains to the payments, and which makes the States dissatisfied with Federal finance.

Senator STYLES.—A series of bad seasons would upset all the calculations.

Senator PULSFORD.—Undoubtedly.

Senator PLAYFORD.—It is the strongest argument in favour of the bookkeeping system.

Senator PULSFORD.—I prefer the bookkeeping system as against a fixed sum perhaps, but not as against a *per capita* system. Fixed sums perpetuate strife and uncertainty. That I think would be the case, and I ask honorable senators to reflect. It is desirable that we should keep in our mind the strong distinction between accounts that represent business and accounts that represent pure government. It is here, I think, that Mr. Harper has gone wrong. His proposals with regard to business seem to me most extraordinary, but I do not wish to go into the question of States debts, as it does not enter into the consideration of this motion. Mr. Harper's scheme is a good one so far as he proposes to terminate the bookkeeping system at once. He advocates that it shall ter-

minate upon a calculation based upon the receipts for some years which have elapsed, but the plan is surrounded by, and depends upon, such remarkable proposals that I think they are really out of court, and cannot be considered. The injustice that would be perpetrated by his proposals with regard to some States make them too ludicrous almost to talk about. He suggests the taking over of all the debts quite apart from the assets. I find that Queensland has one mile of railway to every 172 of her people, while New South Wales has only one mile of railway to every 420 of her people. How can we amalgamate the debts when we do not amalgamate the assets? I do not desire to detain the Senate much longer, but I wish to quote two extracts from a letter from Mr. John Henry, of Tasmania, who was a member of the Federal Convention. Writing to me on the subject of my paper published a few weeks ago, he says—

I am strongly in sympathy with your aim in endeavouring to end this most unfederal arrangement, on the expiry of the five years' period. I am surprised that the traders of Australia should have suffered the infliction for so long, without a hot protest against it. It is a mockery to say that we have free-trade within the Commonwealth, while those worrying Interstate certificates are required with every pair of gloves or shoes passing from one State to another.

In the same letter he says—

The gross injustice that is increasing so rapidly, of one State securing such a large share of the trade of another State in manufactured goods, thereby seriously reducing the Customs revenue of the importing State and enriching the manufacturers of the exporting State—this rendered possible through the protective policy of the Federal Parliament. If you look into the figures of imports from Victoria into Tasmania, you will see how we are suffering through this, and must suffer more year by year while this bookkeeping arrangement lasts.

In view of what has been disclosed by the accounts bearing upon the adjustment of revenue, and of the varying degrees of expansion in the different States, the proposal for the payment of a lump sum, I submit, is not fair to the smaller States. We have, I think, great need of simplicity in the Federal accounts. There is abroad a great feeling of uncertainty, and, to my mind, the adoption of a *per capita* system of payment would commend itself. I feel that justice would be done to all the States, including New South Wales, by the adoption of the method.

Senator WALKER.—Excepting Western Australia?

Senator PULSFORD.—With that exception, of course.

Senator PLAYFORD.—The Constitution would not allow us to make an exception of Western Australia.

Senator PULSFORD.—It empowers this Parliament to arrange for a payment. I move—

That all the words after the word "That," line 1, be left out with a view to insert in lieu thereof the following words:—"It is desirable that the present system of dealing with revenue and expenditure known as the bookkeeping system, should terminate, as permitted by the Constitution, five years after the date when uniform duties were imposed, with, however, due allowance for a limited period to the special circumstances of Western Australia.

2. That this Senate recognises that the abolition of the bookkeeping system involves uniformity of postage throughout the Commonwealth."

I shall not proceed with the last sentence in my amendment as printed, in view of the intimation of the President, courteously conveyed to me, that it is a little out of order.

Senator O'KEEFE.—Does the honorable senator intend to add to his amendment words to carry out his suggestion as to special treatment to Western Australia?

Senator PULSFORD.—No. It is not necessary for me to do so. It is quite sufficient for me to prove the necessity for it, as I think I have done, and to ask the Senate to do what is essential towards Western Australia.

Senator O'KEEFE.—The honorable senator's idea is to have a sliding scale for ten years?

Senator PULSFORD.—Something of that sort. I thank honorable senators for their patience in listening to me in dealing with a matter which has been exceedingly dry. But it is one in which is wrapped up a subject of very great importance. We are, perhaps, in this Parliament, dealing too much with matters of minor consequence, which, when looked at fifty years hence, will appear very small in comparison with this subject, which is of very great importance indeed. Federation was accomplished largely with the view of bringing about free and uninterrupted trade and intercourse between the people of Australia; and it is with the object of securing that absolute freedom that I have

made my statement, and submitted the amendment which I have the honour to move.

Senator PEARCE (Western Australia) [3.48].—I think that Senator O'Keefe, who has brought forward the motion now under discussion, is to be congratulated on having introduced a subject which is of special interest to the Commonwealth. There is no doubt that, having a bad case, he has made the very best of it. We can also congratulate Senator Pulsford upon the exceedingly informative and educational speech which he has made this afternoon.

Senator MILLEN.—We congratulate ourselves on having heard it.

Senator PEARCE.—We can congratulate ourselves; Senator Pulsford deserves our thanks for the time and trouble which he has devoted to working out the figures which he has quoted, and for giving us the results of his investigations. I agree with him that we are, perhaps, devoting too much attention to some questions which are of very small consequence; and I certainly agree with him that many urgent questions are receiving but little attention from Parliament, and from the Government. Representing as I do the State which is looked upon by all parties—even by the mover of the motion—as one the conditions of which are exceptional, and as a disturbing factor in Federal finance, I naturally take a somewhat different view from the speakers who have preceded me. In the first place, I object to a *per capita* system of distribution of a general character, which would include the State of Western Australia, because of the manifest unfairness of such a proposal. In the second place, I object to the amendment of Senator Pulsford, for the reason that it places Western Australia in the position of a poor relation, to whom a grant in aid must be made, although the money would be contributed by the taxpayers of Western Australia. The honorable senator admitted that the only constitutional way in which his view could be met would be by making a grant to Western Australia, that money having previously been contributed by the taxpayers of the State. Another objection, which has been emphasized by the speeches to which we have listened, is the want of information to enable us to arrive at a determination just and equitable, not only to Western Australia, but to the other States. The latter seems to me to be the strongest objection. In

my own State, prior to Federation, we had a Federal party and an anti-Federal party. In the State Parliament the anti-Federal party predominated. They appointed a Commission to investigate the position in which Western Australia would be placed as the result of Federation. That Commission took all the evidence which it was possible to get—evidence from the State Treasury officials, from statisticians, and other authorities. I remember that one of the conclusions of the Commission was that Federation would mean a loss to the revenue of Western Australia in the first year of £300,000. We all know how that prediction has been falsified. Not only has not Federation meant a loss to the revenue of Western Australia, but it has resulted in a very large gain. We see, therefore, the danger of proceeding upon information which is not full and complete.

Senator MULCAHY.—Did the Commission take into account the special Tariff?

Senator PEARCE.—They did not know what the Tariff was going to be. The disturbing factor in their calculations was the lack of information as to the duties that would be imposed by the Federal Parliament.

Senator DOBSON. — Did they not base their calculation on a *per capita* system, instead of on the bookkeeping system?

Senator PEARCE. — No; upon the bookkeeping system, which at that time had been provided for in the Constitution. The Commission sat after the Constitution had been drawn up, and before it was submitted to the people. Therefore, they knew about the bookkeeping system and the special Tariff.

Senator MULCAHY.—They did not know what kind of Tariff would be proposed.

Senator PEARCE.—No, they did not. Senator O'Keefe, in his speech, made allowance for the position of Western Australia, but the motion proposed by him makes no such allowance. Let me tell the Senate what the result would be if this motion were to be adopted and put into operation by Parliament. Taking the figures for the years 1905-6, as given in the Budget papers recently laid before Parliament by the Treasurer, I find that if this proposal had been in actual operation in that year, Western Australia would have lost £335,808. When we remember that the State of Western Australia has to face a deficit in her State finances of £119,000,

we can realize that an additional loss of £330,000 would strike a very heavy blow at her stability.

Senator TRENWITH.—It would force on a land tax.

Senator PEARCE.—It would do more—it would force her into bankruptcy. The Western Australian Treasurer to-day is doing what the Tasmanian Treasurer should have done long ago. He has brought in a stiff land tax to meet the deficit in the State finances.

Senator MULCAHY.—We have a land tax in Tasmania.

Senator PEARCE.—It is a mere bagatelle compared with the tax proposed in Western Australia, which amounts to 2d. in the £1 on the unimproved value. That is higher than any other such tax in existence in Australia.

Senator O'KEEFE.—It has not been levied yet.

Senator PEARCE.—The people's representatives in the Lower House are prepared to levy it.

Senator MULCAHY.—In Tasmania the land tax has been levied for four years.

Senator PEARCE.—That is an insignificant tax of only $\frac{1}{2}$ d. in the £1.

Senator MULCAHY.—Going up to 1d. in the £1.

Senator PEARCE.—In the great bulk of cases, it operates only to the extent of $\frac{1}{2}$ d. in the £1. The honorable senator who interjects was a member of a Ministry in Tasmania that lost its position by endeavouring to set the finances straight by imposing sufficient taxation; and it seems to me that, before Tasmania comes to Western Australia, and asks her to consent to lose £300,000—of which Tasmania would get her share—she should make an endeavour to get at some of the taxation which is still in the pockets of her people.

Senator O'KEEFE.—Tasmania does not ask Western Australia for £300,000.

Senator PEARCE.—The motion of the honorable senator does. His proposal is that that sum shall be cut up amongst the States, and Tasmania will get her share.

Senator O'KEEFE.—Did I not suggest that a special allowance should be made for Western Australia?

Senator PEARCE. — The honorable senator may have done that in his speech, but his motion does not say so. We have to discuss the terms of the motion, not the

charitable intentions of the honorable senator who moves it. Senator Pulsford has gone fully into the question of what would be the result if Western Australia were excluded from the *per capita* system, and the Budget papers show that, even if Western Australia were excluded, one State, New South Wales, would lose £184,520. In looking through the valuable and informative tables circulated with the Budget, I have been much struck by the fact that we really have not sufficient information to enable us to come to a sound conclusion on this matter. We have no information as to what would probably be the effect within the next few years. It seems to me that the wisest course would be to continue the bookkeeping system for another five years, at any rate. Then the "Braddon blot" will have to be dealt with, and we shall have five years' additional information to guide us.

Senator TRENWITH.—Why call it a "blot"? It is a great injustice to the late Sir Edward Braddon to do so.

Senator PEARCE.—I am simply using a term which I dare say the honorable senator had something to do with originating.

Senator TRENWITH.—No; it was coined in New South Wales by Mr. Reid.

Senator PEARCE.—Senator Pulsford's figures point to the conclusion that there have been factors at work in the various States that have not yet reached finality. We cannot even say that we have reached finality in reference to the distributing centres of our trade. Whether Sydney and Melbourne will eventually continue to be the great distributing centres for the Commonwealth we do not know. The figures seem to show that a process of change is going on. In a young country like Australia there are constantly disturbing factors. The discovery of new gold-fields may entirely alter the balance of trade and of population. Therefore the Commonwealth will be wise to go slowly in this important matter.

Senator PULSFORD.—That is an argument against a fixed sum being paid.

Senator PEARCE.—It is an argument in favour of the bookkeeping system being continued until we get fuller information.

Senator TRENWITH.—It is an argument against a rule of thumb system.

Senator PEARCE.—For that reason, I am opposed to a sliding scale, which has all the defects I have indicated. We have nothing on which we can

justly base a sliding scale for terminating the bookkeeping period for Western Australia, or, for that matter, for any other State. In this connexion, I desire to point out that, according to the Budget Papers, page 83, the loss and decline in revenue that would have accrued to Western Australia if the *per capita* system had been adopted from the first, has not been uniform. In the year 1901-2, if the *per capita* system had been in force, Western Australia would have lost £656,000, whereas in the next year she would have lost £579,834. In the next year, Western Australia would have lost £453,000, and in the following year £425,000. In the last year there would have been a difference of only about £28,000, whereas in the two previous years there would have been a drop of £100,000 and £80,000 respectively. It will be seen, therefore, that the drop has not been uniform, and that a sliding scale, based on the experience of the last five years, would be absolutely unreliable. Senator O'Keefe attempted to justify the motion on the ground that the Commonwealth Government in 1904-5 inaugurated a system of *per capita* distribution of expenditure. As the honorable senator rightly pointed out, Western Australia, as a newly-settled State, the developments of which have been largely confined to the last sixteen years, was in a backward condition, so far as concerns public works, and the Government had to ask Parliament for a larger sum for public works in the transferred Departments than was required in the other States. The result of a *per capita* distribution of expenditure is that Western Australia gets much more than what may be regarded as her share. But while that is so, if honorable senators will turn to the figures, they will admit that it would be scarcely right, in order to rectify a wrong, by which Western Australia has, during the last five years, gained less than £100,000, to inflict another wrong, by which that State would lose over £1,000,000 in that period. If the *per capita* system of expenditure is wrong, and so inequitable in the opinion of Parliament that it should be abolished, by all means let us end it, and go back to the other system by which each State is debited with the expenditure on new works and with "other" expenditure. Such a system would certainly be more just to Western Australia than to seek to rectify a balance of £100,000 by taking

from the taxpayers of that State over £1,000,000 in five years.

Senator TRENWITH.—But that loss would not be experienced in years to come.

Senator FEARCE.—The loss would be experienced in less than five years to come, because this year there would be a loss of £400,000, followed next year by a further loss of £300,000, so that in the three years we should reach the £1,000,000.

Senator O'KEEFE.—My proposal is that the *per capita* system should commence now, or within a few months. The honorable senator is arguing about the £1,000,000 which Western Australia would have lost in the past five years—a loss which I admit.

Senator PEARCE.—And there would be a similar loss in the next five years.

Senator O'KEEFE.—Not according to the figures.

Senator PEARCE.—My figures show that there would be such a loss in the next five years if the *per capita* system in regard to expenditure were continued; that is to say, Western Australia would lose £1,000,000 on the revenue side, for the sake of a gain of £100,000 on the expenditure side.

Senator O'KEEFE.—The honorable senator is contending that the discrepancy in the consuming power of the people will continue for the next five years.

Senator PEARCE.—I am contending that we are not in a position to say what would happen—that the experience of the past five years furnishes no safe basis on which to estimate what the disproportion will be in the future.

Senator O'KEEFE.—There is a gradual and steady coming down to the figures of the other States.

Senator PEARCE.—I am afraid the honorable senator has not been listening, or he would know that the decline in the five years has not been gradual. In one year the drop amounted to £100,000, in another year to £80,000, and in a third year to only £27,000.

Senator O'KEEFE.—But there was a drop every year.

Senator PEARCE.—Yes; but not a gradual or equal drop; and, therefore, I say that the experience of the past few years is an unsafe basis. In any case, while some States may have reason to complain, Tasmania has none. Up to the present time—taking into account the amount on the present Esti-

mates—Tasmania has received £769 more than she would have been entitled to if the expenditure had been on a *per capita* basis. Tasmania, at any rate, has not suffered; and if Western Australia has gained, it has not been at the expense of Tasmania, but at the expense of other States.

Senator PLAYFORD.—At the expense of Victoria and New South Wales.

Senator PEARCE.—Yes.

Senator TRENWITH.—Victoria and New South Wales have gained in added trade.

Senator PEARCE.—Certainly.

Senator TRENWITH.—And I think we all have a right to be satisfied, because we are doing very well.

Senator PLAYFORD.—Then leave well alone.

Senator O'KEEFE.—The figures which I gave as showing the amount actually expended and the amount debited, are Treasury figures.

Senator PEARCE.—If I may say so, I think the honorable senator has fallen into an error in this matter. The figures given in the Budget papers show that the figures quoted by the honorable senator were estimates of expenditure. What Tasmania has been debited with are not estimates of expenditure, but the amounts actually expended.

Senator O'KEEFE.—I asked the Treasury for a return as to the actual amounts expended, and debited to Tasmania.

Senator PEARCE.—Does the honorable senator say that the amounts certified to by the Auditor-General as having actually been expended, have not been expended?

Senator O'KEEFE.—There is a difference between my figures and those of the honorable senator.

Senator PEARCE.—The figures I am quoting are not estimates, but the actual expenditure in the States, and they do not bear out the figures laid before us by Senator O'Keefe. I think the Treasury officials must have misunderstood what the honorable senator was asking for. The honorable senator told us that Tasmania, in 1902, was debited with a total expenditure of £158,000, while the actual expenditure was only £149,000.

Senator O'KEEFE.—Hear, hear.

Senator PEARCE.—As a matter of fact, according to page 37 of the Budget papers, Tasmania, in that year, was debited with only £147,000.

Senator O'KEEFE.—There is a difference between the Budget papers of this year and the Budget papers of last year.

Senator PEARCE.—The honorable senator also told us that in 1902-3, Tasmania was credited with £154,000, while the amount expended was only £140,000. As a matter of fact, according to the Budget papers, the actual expenditure was £154,000.

Senator O'KEEFE.—I am not disputing those figures; but I say that my figures were taken from the documents of last year, and it is not my fault if there is a mistake.

Senator PEARCE.—As we all know, the estimates generally exceed the amounts expended. For instance, last year we passed a vote of some thousands of pounds in connexion with the Fremantle post office, but, as a matter of fact, that money has not been expended, and the vote has lapsed. I suppose that on the Estimates for this year that vote will reappear.

Senator PLAYFORD.—Hear, hear.

Senator PEARCE.—At the same time Western Australia was debited with £10,000 last year, while the actual expenditure was only £2,000.

Senator O'KEEFE.—Surely when I ask for the figures as to the actual expenditure, I should be able to get them from the Treasury officials. If there be a mistake, it is not mine.

Senator PEARCE.—I think a mistake has been made. So far from Tasmania having suffered, that State has received the amounts given in the Budget papers. Then Senator O'Keefe, in support of his motion, quoted the utterances of several speakers at the various Federal Conventions. But what possible value can the opinions of those speakers have as applied to the present financial position? We admit to-day that we have difficulty in making up our minds as to the future financial position of the Commonwealth; but how much more uninformed were the speakers quoted by the honorable senator?

Senator O'KEEFE.—The honorable senator would not apply that argument in the case of the transcontinental railway.

Senator PEARCE.—I do not see what the transcontinental railway has to do with the matter under discussion. We are now dealing with the question of a financial estimate based on experience; and in this connexion the speakers at the Conventions

were admittedly in the dark. On financial matters, all that the members of the Conventions could do was to estimate; and the bookkeeping section itself was an admission that they could not correctly forecast the future from a financial point of view. What is the value of the opinions of the members of the Convention in support of a proposal for the abolition of the bookkeeping system? Such opinions are absolutely valueless.

Senator O'KEEFE.—I think not, and I quoted them to show the opinions of leading financial men at that time.

Senator PEARCE.—Even if all the members of the Conventions had been Goshens, their opinions would have been absolutely valueless, because they had no data on which to come to a conclusion. To-day we have the data of five years' experience, but even that we find so inadequate as to cause men to arrive at different conclusions. There is much difference in the theories which are submitted as to the future; and this should teach us, at any rate, that the opinions quoted by Senator O'Keefe are absolutely of no value in the way of enabling us to arrive at a right decision. The honorable senator also complained of the serious financial position of Tasmania, and the loss suffered by that State under Federation; and in support of the position he took up, he pointed to the falling off in the Customs revenue for the last five years. The honorable senator showed a decrease in this revenue of some £100,000. But what is the lesson to be learned?

Senator MULCAHY.—The loss is more than £100,000.

Senator PEARCE.—Whatever the loss, it means that money to that amount is in the pockets of the people of Tasmania, and that it would not have been there had there been no Federation.

Senator MULCAHY.—The honorable senator is not allowing for diversion of trade.

Senator PEARCE.—There would have been over £100,000 more taken from the pockets of the people of Tasmania than was taken last year and put into the Treasury.

Senator MULCAHY.—That is very easily said, but it is not quite correct.

Senator PEARCE.—Senator Mulcahy should remember that so far as concerns the diversion of trade, there is a credit and a debit side. During the first two years of Federation there was a serious drought

in the Commonwealth, and during the whole of that time, when the potato, oat, barley, and wheat crops were a practical failure on the mainland, Tasmania had the whole of the Commonwealth, with the exception of Western Australia, as a free market. Indeed, there was a duty imposed in order to protect the producers of Tasmania against the competition of New Zealand. There are figures available to prove an enormous increase in the export of such products to the Commonwealth from Tasmania in those years.

Senator MULCAHY.—That was really only for one year.

Senator PEARCE.—I speak with knowledge when I say that the increase in the export of potatoes from Tasmania to the Commonwealth has continued, and that last year it was more than double what it was in any year prior to Federation.

Senator MULCAHY.—Of course.

Senator PEARCE.—“Of course!” While the manufacturers of Tasmania may have suffered from the competition of Victoria and New South Wales, in other respects the island State has gained.

Senator O’KEEFE.—She has not gained as much as she should have gained, because of the Western Australian special Tariff.

Senator PEARCE.—Whilst there has been a gain in trade, the revenue collected by the State Treasurer has been reduced, because goods on which formerly duty had to be paid now enter the State free.

Senator PLAYFORD.—The people of Tasmania are not now taxed on the tea and kerosene they consume.

Senator PEARCE.—They are not taxed now in respect of a number of imports on which they formerly had to pay taxation. Is that an injustice to the State? What is the State? I take it that the State is the people of Tasmania, and it is impossible to describe as an injustice to the people of that State the fact that they are now taxed to the extent of £100,000 less than they were five years ago. What is the injustice from the State Treasurer’s point of view? His finances have been disturbed by the diversion of trade, and the abolition of Inter-State duties. But the money still remains with the people of the State. Honorable senators from Tasmania do not contend that the State is any less prosperous than it was. They have given no proof that there is less money

in the State, or that her people are any poorer. The fact is that the money is still there, and is still taxable, and if the State Treasurer has a grievance, it is not against the Commonwealth. Does he grieve because the Commonwealth will not put on large revenue duties which are not required in four of the other States?

Senator MULCAHY.—We have a right to expect some consideration from the other States.

Senator O’KEEFE.—Senator Pearce always avoids that point.

Senator PEARCE.—New South Wales has a large surplus revenue, and will honorable senators from Tasmania contend that the Commonwealth Treasurer should impose a duty on tea and kerosene in order to make up this deficit in the State finances of Tasmania, when such duties are not required by the State that already has a surplus revenue?

Senator O’KEEFE.—We will contend that Western Australia has kept up her Tariff barrier against us for five years.

Senator PEARCE.—In answer to that interjection, I say that the taxpayers of Western Australia are the poorer, because we have had that Inter-State Tariff. I never defended, but, on the contrary, always denounced it, and I did what I could as an individual, and an elector of Western Australia, to abolish it. The interjection, therefore, has no point as addressed to me. I say that the Western Australian special Tariff has been a burden to the people of that State. Whilst it has been of advantage to the Treasurer of the State, it has taken the money out of the pockets of the people of that State, and has been disadvantageous to them.

Senator O’KEEFE.—But the honorable senator will admit that it has operated prejudicially against the other States.

Senator PEARCE.—No; I will not, because it is a very much lower Tariff than the Commonwealth Tariff. In the case of many items, the Commonwealth Tariff imposes duties 100 per cent. higher than the Western Australian special Tariff. But I will admit that by means of that Tariff, Western Australia has exacted revenue from the Inter-State trade. It has been a good thing from the point of view of the State Treasurer, but not from the point of view of the people of that State. Exactly the reverse position is shown in Tasmania. My contention is

that Tasmania can herself remedy the grievance of which her representatives complain. The money is retained by the people of the State, and is still available for taxation; and if the people of Tasmania desired to adjust their finances they might have done so at any time by the introduction of a system of State taxation.

Senator DOBSON.—The honorable senator should recollect that, owing to the enormous shortage in our Customs revenue, we have had to impose extra direct taxation in Tasmania. We have had to practice the most rigid economy; we have cut down our subsidies, and honorable senators will remember that we did not even pay our soldiers.

Senator PEARCE. — I am aware that elections have been fought in Tasmania on the question of taxation, but I have not yet been able to discover in what way State taxation has been imposed.

Senator O'KEEFE.—We have a heavy direct tax on many of the poorer people in the shape of the ability tax.

Senator PEARCE. — So far as I can gather from *Coghlan*, the land values tax in Tasmania, instead of bringing in a greater revenue, brings in less revenue now than it did two years ago.

Senator MULCAHY. — No; it produces twice the revenue.

Senator WALKER.—Adams' sweeps bring in more revenue.

Senator PEARCE.—I was going to say that the principal item of additional revenue derived by the State has been from Adams' sweeps.

Senator MULCAHY.—The honorable senator does not know very much about Tasmanian finance.

Senator PEARCE.—I may not; but it appears to me that no determined effort has been made by the people of Tasmania to readjust the finances of the State by means of an equitable system of land taxation. Until some such effort is made, they have no right to complain that the Commonwealth has disarranged their finances. It must be admitted that the money is in the pockets of the people of Tasmania, and can be reached by taxation.

Senator DOBSON.—The Premier of Tasmania wrote to me, on the 7th instant:—

We shall be called upon to resort to further taxation to balance the ledger.

Senator PEARCE.—I think it would be a good thing if the people of Tasmania were called upon to pay further taxation, in order to balance the ledger. It might possibly have the effect of increasing the population of the State by throwing open some land for settlement.

Senator MULCAHY.—What about the unearned increment in Western Australia?

Senator PEARCE.—We have been trying to get at it.

Senator MULCAHY.—Why was it not got at years ago?

Senator PEARCE.—Because we had a surplus revenue, and did not require to get at it. Since the revenue of Western Australia has fallen, the State Government have introduced a land tax.

Senator MULCAHY.—Where is their income tax?

Senator PEARCE.—They have a dividend tax, which realizes more than the Tasmanian income tax.

Senator STANFORTH SMITH.—More than the Tasmanian income tax and land tax combined.

Senator MULCAHY.—The fact remains that in Western Australia there is no income tax.

Senator PEARCE. — It has been suggested that a probably more equitable system for the distribution of revenue and expenditure would be one based on the adult population of the various States. I thought there might be something in that, because of the large adult population of Western Australia. I went to some trouble to discover the number of adults in the different States. Of course the latest definite figures with respect to population that we can get are those provided by the census of 1901. Since that time our population has been very largely increased. I found it necessary, therefore, to take the percentage of adults in the figures for 1901, and apply the same percentage to the population figures for 1905, with a slight modification in the case of Western Australia, because during the last three or four years our percentage of adults has decreased. I found that the system proposed would make very little difference when compared with the system of distribution on a *per capita* basis. The following would be, roughly, the results of the application of the system suggested:—

STATEMENT of effect if Revenue and Expenditure distributed in 1906 on *per capita* basis of Adult Population :—

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.
	Adults. 760,716	Adults. 653,020	Adults. 265,960	Adults. 188,518	Adults. 150,500	Adults. 88,571
Revenue per head, £5 12s. 9½d.	£4,290,120	£3,683,172	£1,499,903	£1,063,162	£848,757	£499,502
Expenditure per head, £2 2s. 7¾d.	£1,622,067	£1,392,304	£567,100	£401,882	£320,951	£189,767
	£2,668,053	£2,290,868	£932,803	£661,280	£527,806	£309,735
Amount paid State, 1906	£2,742,770	£2,097,119	£857,048	£359,411	£872,992	£256,391
	Debit. £74,717	Gain. £193,749	Gain. £75,755	Gain. £101,869	Debit. £345,186	Gain. £53,343

ON POPULATION BASIS.

Debit ...	Loss. £52,591	Gain. £100,402	Gain. £95,215	Gain. £122,636	Debit. £459,458	Gain. £57,450
Difference ...	Loss. £22,126	Loss. £93,347	More. £19,460	More. £20,767	More. £114,272	More. £4,107

It will be seen that New South Wales would lose £74,717, Victoria would gain £193,749, Queensland would gain £75,755, South Australia would gain £101,869, Western Australia would lose £345,869, and Tasmania would gain £53,343; so that in the case of Western Australia the loss would be £114,223 less than the loss under the distribution on the population basis, and New South Wales would lose £22,126 less than under the population basis. But the system would still leave very material inequalities. Senator Pulsford has dealt very trenchantly with some of Mr. Harper's proposals, but I should like to direct the attention of the Senate to one of them, which, I think, sufficiently shows the immature character of that honorable member's study of the question. On page 10 of the paper he has circulated, in dealing with the supplementary provisions of his

scheme, he makes a proposal in sub-clause 3 of clause 35 to the following effect:—

(3) On the other hand, the position of West Australia differentiates it from all the other States, inasmuch as its proportion of Customs revenue provided in accordance with the Brad-don clause leaves a large balance over and above the amount payable by it for interest, and it is worthy of consideration whether it would not be advisable to arrange with that State that in the event of Parliament passing a Bill for the construction of the West Australia railway from Port Augusta, money to the extent of £5,000,000 for its construction will be found by the Commonwealth on account of West Australia, and that for a period of, say, fifteen or twenty years, the Commonwealth will provide the interest and sinking funds upon the £5,000,000 so invested, and, at the end of that time, when presumably conditions in West Australia will have assimilated largely to those of the other States, the State Government will thenceforward pay the interest and sinking fund as if the debt had been incurred by them in the first instance. If that arrangement were made, it would supersede the proposal for repayment to the State referred to in paragraph 13.

He says that Western Australia is differentiated from the other States because of abnormal revenue conditions. That is to say that, at the present time, our revenue-producing capacity is at its highest, giving a greater return per head of population than any other State of the Commonwealth. In fifteen or twenty years time he believes that our revenue conditions will have approximated to those of the eastern States, and the revenue productivity of Western Australia will have decreased. During the term at which it is highest, Mr. Harper suggests that the Commonwealth should pay interest and sinking fund for that State, but when it reaches its lowest ebb he suggests that Western Australia should be asked to pay interest and sinking fund for herself. One has only to consider that for a moment to see what a ridiculous proposal it is. During the time when Western Australia is best able to bear a burden, owing to her revenue-producing capacity being high, she is to be assisted, and when she is least able to bear the burden, when her revenue conditions have approximated to those of the eastern States, it is to be imposed upon her.

Senator MULCAHY.—It will not follow that the revenue of the State will be decreased because the *per capita* payment is lower. The population may be largely increased.

Senator PEARCE.—But the honorable senator must be aware that as population increases expenditure also increases. I think that the paragraph I have quoted is sufficient to show that Mr. Harper's scheme is very crude, and that he has not grasped the financial conditions of Western Australia. To my mind this paragraph largely discounts the value of the honorable member's other conclusions. For the reasons I have given, it is my intention to vote against the amendment. I think we should allow the bookkeeping period to continue for another five years, in order that we might be supplied with further data on which to base conclusions as to the future treatment of the finances of the Commonwealth. I, of course, also intend to vote against the motion, because it proposes what would be manifestly inequitable to the State which I represent.

Debate (on motion by Senator MULCAHY) adjourned.

CADET SYSTEM.

Senator DOBSON (Tasmania) [4.30].—I move—

That the Senate, while recognising that the Government has done good work in establishing a uniform scheme for the training of cadets, regrets that only about one-tenth of our youth can now take advantage of such scheme, and is of opinion that Ministers should amend the Defence Act and provide for a universal system of gymnastics, military drill, and rifle practice, to be applied to all boys and youths in the Commonwealth up to the age of 18 years, such scheme being urgently required—

- (a) To prevent the physical deterioration of our youth.
- (b) To teach them loyalty and patriotism, and give them such lessons in discipline and obedience as will develop and improve the moral side of their nature; and
- (c) To teach them how to defend their country, and thus probably obviate the necessity of applying a scheme of universal military training to the manhood of the Commonwealth, or greatly lessen the tax such a scheme would entail upon the revenues of the Commonwealth, and the time of its citizens if such a scheme should hereafter prove to be necessary.

I regret to have to trouble the Senate again with this subject, but it is one of the greatest importance. Until we have a system of defence which has a national foundation, and is as safe as it can be made, I shall deem it my duty, on all occasions, to appeal to the Senate. I admit that the Minister of Defence has, perhaps, the most intricate and difficult Department to administer. Like his predecessors, he has already had great difficulty in determining how to meet the different views which have been expressed on naval and military defence—universal training and cadet training. I do not wonder that sometimes he is puzzled as to what course to take. But I do not think that either he or any one else can contend that our system of defence has a national foundation. The great question before the people of the United Kingdom, and one of the great questions before the Australian people, is the question of universal training. The reason why I am so greatly disappointed with the Minister's very meagre cadet scheme is because the Prime Minister published in the daily newspapers his views on the subject of defence, boldly setting forth that he was in favour of a scheme of universal military service. I understood from Mr. Deakin and some of

his colleagues that every member of the Cabinet, possibly with one exception, held similar views. It is no wonder then that we are disappointed when we are given a scheme which applies to only the boys and youths of the Commonwealth, which is not compulsory, and which does not attempt to place the slightest control upon the boys when they have left school, except in regard to the senior cadets, who, of course, are a mere handful. In that way alone it is a very meagre scheme indeed. Lately, three systems of cadet training have been proposed. In the first place, a Committee of Defence, presided over by Colonel Williams, proposed to train 22,956 cadets at an annual cost of about £30,700. I think that these officers must have intended that some kind of compulsion should be used, because they state distinctly that it is essential to the organization of all the existing cadet schemes, which, as we know, were under the Education Department in some States and under the Military authorities in other States. They went on to say that the organization should provide for the training of all boys in school, and of all boys who had left school, up to, I think, seventeen or eighteen years of age.

Senator WALKER.—I draw your attention, sir, to the state of the Senate. (*Quorum formed.*)

Senator DOBSON.—The second scheme, which emanated from Lt.-Col. McCay, provided for the compulsory training of all boys during their attendance at school. It made no provision for boys who had left school, but in regard to those boys Lt.-Col. McCay said that it might be possible to form voluntary cadet corps. That is one of my objections to the whole of these schemes. We do not want to talk about what is possible. We do not wish to leave the boy the master of the situation, and to say whether there shall be a citizens' army or not. That appears to me to be a weak spot in Lt.-Col. McCay's scheme; but, on the whole, I think it is the best that has been admitted. He promised to make a beginning with 20,000 cadets at a cost of £22,000, but he went on to say that at the end of the fifth year he would have 60,000 boys being trained, at a cost of £43,500. Perhaps I had better read the passage to which I refer. It is as follows:—

To provide for a total of 60,000 boys under instruction at the end of five years, commencing

with 20,000, and increasing by 10,000 each year, and to provide rifles during these five years, without allowing for the rifles in Victoria, would involve an expenditure for the first five years of the system respectively of £22,000, £24,000, £34,500, £37,000, and £43,500.

The Minister of Defence has departed from that scheme, and adopted one of his own. I think it would have been much wiser, and far more satisfactory to those who take an intense interest in this subject, if he had followed the principle of Lt.-Col. McCay's scheme, and been able to show that at the end of five years there would be a reasonable number of boys undergoing military training. But we are cut down to about 23,000 cadets, at an annual cost of £20,000 or £22,000, and that appears to be the end of the matter.

Senator GUTHRIE.—And it would impose a big expenditure upon the parents.

Senator DOBSON.—Yes. I am quite aware that the Minister's scheme can be extended, but it is unbusiness-like. Suppose that the movement spread, and that more than 23,000 boys offered themselves, no provision would have been made for the training of the additional number, and consequently their ardour would be damped. On the other hand, under the voluntary system we have 10,000 cadets. If the Minister does not enrol the 23,000 cadets under his scheme, there will be no power to attract the boys, unless we tempt them to join by means of the uniform, and that again is another weak spot in the scheme. Under his scheme, Lt.-Col. McCay said that no uniform would be required for the boys, but under the Minister's scheme a complete uniform is required. A State-school master who conferred with Colonel Hoad seemed to place great reliance upon the uniform, and the Minister, I think, places too much dependence upon it. At all events, he intends to provide £7,500 a year for uniforms alone. The military men whom I have consulted say that a uniform, which would cost 15s., is not required, that it would be a waste of money to give it to boys of twelve, thirteen, and fourteen years of age, and that what they ought to get is a regulation cap, belt, and pouch, at a cost of 2s. or 3s. In my honorable friend's scheme I do not think that economy with efficiency has been sufficiently kept in view. I should say that in New Zealand there is a splendid cadet force. I admit that it is voluntary, but during the last few years it has increased enormously. I believe that the

Government allow each boy 2s. to provide a cap, belt, and pouch. But that is very different from requiring a boy to have a uniform which is to cost 15s., and which is to last for two years.

Senator HENDERSON.—£1 per head.

Senator DOBSON.—A boy is to buy the uniform out of the £1.

Senator HENDERSON.—The boys will have to pay £1 each for the uniform.

Senator DOBSON.—No; I understand from the Minister that the uniform is to cost 15s., and is to last for two years, practically costing 7s. 6d. a year. In New Zealand the authorities allow only 2s. per head for cap, belt, and pouch, but they make a *per capita* allowance of 2s. 6d. as against the £1 which my honorable friend proposes to give. Here is an allowance of 4s. 6d. per head as against 20s. If the Minister condemns the officers' scheme as being a little too costly, I think that his own scheme may very fairly be described in that way. I would suggest the adoption of a scheme under which, for the first two, if not three, years, nothing but a cap, belt, and pouch should be required, and afterwards the boys might be put into uniforms if they could be afforded. If, however, we could not afford that expenditure—and I understand that that is the sole reason for having such a very small scheme of defence—let us do away with the uniform. What we want are the boys and rifles and ammunition. If we cannot afford to provide a uniform, do not let us curtail the education of the boys, do not let us have a half and half sort of scheme when it is possible to have a thoroughly good scheme of a national character. Here is another argument which I ask my honorable friend most earnestly to consider. Unlike the officers, neither he nor Lt.-Col. McCav has made any provision for the boys who have left school. Had he before him any statistics when he settled upon his scheme? Did he bear in mind that the great bulk of our boys leave school at the age of thirteen or thirteen and a half?

Senator PLAYFORD.—Yes; in my scheme provision is made for senior cadets.

Senator DOBSON.—Yes; but only to the number of 3,000. According to a return from the Education Department, which I hold in my hand, the compulsory age of school attendance is as follows:—Victoria, from 6 to 13; New South Wales, from 5 to 14; South Australia, from 7 to

13; Queensland, from 6 to 12; Western Australia, from 6 to 14; and Tasmania, from 7 to 13. What real scheme have we when all boys in Queensland who leave school at the age of twelve years can snap their fingers at the Education and Military Departments?

Senator PLAYFORD.—They can leave, but they do not.

Senator DOBSON.—I think that my honorable friend is wrong.

Senator PLAYFORD.—Some of them leave, of course.

Senator DOBSON.—In all the States except two, boys can leave school at the age of thirteen years. In the great bulk of cases if a billet worth 2s. 6d. or 5s. a week could be got, the boy would leave the State school, especially if he were the son of a workman or mechanic. How can such a scheme be called a national scheme? How can it do away with the necessity of, perhaps, universal training amongst adults? In a return, the statistician for Tasmania gives the number of youths of the age of twelve years, and under the age of nineteen years, in each State, and states the total number at 295,359. Let us compare the number of youths in each State with the scheme of my honorable friend and notice how it works out. In New South Wales there are to be 8,520 cadets, senior and junior. There happen to be in that State between the ages of thirteen and nineteen 114,918 youths. So that the Minister's scheme provides for between one-thirteenth and one-fourteenth part of the youths of New South Wales. In Victoria his scheme provides for 7,020 cadets of both classes, whilst there are in this State 87,170 youths. He therefore provides for about one-twelfth of the number. In Queensland 3,110 cadets are provided for, and the number of youths is 36,270. The Minister therefore provides for about one-twelfth. In South Australia, 1,990 cadets are allotted, and the number of youths is 30,128. The scheme, therefore, provides for about one-fifteenth.

Senator PLAYFORD.—That is better than none at all.

Senator DOBSON.—In Western Australia 1,320 cadets are allotted, and there are 12,465 youths. The Minister provides for about one-ninth of the whole. In Tasmania there are to be 860 cadets, whilst there are 14,408 youths in the State.

There again the Minister's scheme provides for about one-fifteenth. These figures give us a real insight into what the Minister's scheme is. It is very meagre, and by no means provides for the expansion that we all require.

Senator PLAYFORD.—Parliament votes the money every year according to its own sweet will. Anything that I can say amounts to nothing.

Senator DOBSON.—I understand that the reason why Ministers have come to such a feeble decision with regard to universal training is that they believe that Parliament would not vote the necessary money. I am perfectly satisfied that Parliament would not vote the money for any large and elaborate system, and therefore I am putting aside for the moment the scheme to which I believe we shall have to come ultimately—a scheme of universal training, as in Switzerland, for all youths between 17 and 23 or 16 and 22. I tell my honorable friend plainly that the only possible way to escape from that is to extend the cadet system and to make it compulsory for the youths at our schools to be trained. Lt.-Col. McCay, when he was Minister, agreed to the extension of the cadet system, and I ask my honorable friend to do the same.

Senator PLAYFORD.—I could easily say it, but what is the use of saying it? It will all depend upon Parliament. I will extend the scheme next year if I can.

Senator DOBSON.—I understood that Ministers were to be leaders, not followers.

Senator PLAYFORD.—I will be leader in this matter next year.

Senator DOBSON.—The Minister does not even ask Parliament to grant the necessary money.

Senator PLAYFORD.—The time has not come. I have asked for the money that I want this year.

Senator DOBSON.—The Minister practically tells us that it is for Parliament to decide. It is not. It is for Ministers to take upon themselves the responsibility of laying down a policy. Instead of that, however, my honorable friend is waiting to see which way the cat jumps. That is not what we expect from a Minister of Defence. We shall never be able to get this matter into anything like order until the Minister at the head of the Department shows a determination to lead Parliament. I can quite understand that the Minister would not be able to lead Parliament in the

direction of great expenditure. He cannot compel Parliament to spend £50,000 if it will vote only £30,000. But my complaint is that he does not even put before us a scheme to accomplish what he professes to desire. He puts forward a plan which involves the spending of altogether too much money on uniforms.

Senator PLAYFORD.—The honorable senator may move to strike out the vote for uniforms if he likes.

Senator DOBSON.—I am glad that my honorable friend agrees to that. I have endeavoured to obtain all the information I could from all parts of the world on this subject, and I can assure the Minister that the feeling throughout the British Empire is coming round more and more in favour of some sort of scheme of universal training.

Senator PLAYFORD.—It is all conscription, compulsion, and everything that is foreign to the British people.

Senator DOBSON.—We do not want conscription, and we do not want compulsion, except in the same way as we have compulsory education. At present our system of compulsory education is incomplete.

Senator PLAYFORD.—I have nothing to do with education.

Senator DOBSON.—The Minister has everything to do with it. He can, if he likes, insist that our system of compulsory education shall be made complete by teaching the youths not only reading, writing, arithmetic, geography, and the other subjects in our educational curriculum, but also the virtues of patriotism and courage, and their civil duties.

Senator PLAYFORD.—The things which the honorable senator says should be taught are taught already. Patriotism, civil duties, and so on, are all taught in our schools. So are gymnastics. They even drill the girls.

Senator DOBSON.—But there is no compulsion in our schools, as there is in Japan, to drill our boys, and teach them patriotism and the duty of defending their country. Let me quote a few opinions on this subject. The first is that of Bishop Barlow. He said—

he trusted the Governments, both in the State and Commonwealth, would soon abandon that narrow, short-sighted, perilous policy of reducing to an unworthy and almost unworkable minimum the grants for the defence of our homes, and he trusted still more that public

Government allow each boy 2s. to provide a cap, belt, and pouch. But that is very different from requiring a boy to have a uniform which is to cost 15s., and which is to last for two years.

Senator HENDERSON.—£1 per head.

Senator DOBSON.—A boy is to buy the uniform out of the £1.

Senator HENDERSON.—The boys will have to pay £1 each for the uniform.

Senator DOBSON.—No; I understand from the Minister that the uniform is to cost 15s., and is to last for two years, practically costing 7s. 6d. a year. In New Zealand the authorities allow only 2s. per head for cap, belt, and pouch, but they make a *per capita* allowance of 2s. 6d. as against the £1 which my honorable friend proposes to give. Here is an allowance of 4s. 6d. per head as against 20s. If the Minister condemns the officers' scheme as being a little too costly, I think that his own scheme may very fairly be described in that way. I would suggest the adoption of a scheme under which, for the first two, if not three, years, nothing but a cap, belt, and pouch should be required, and afterwards the boys might be put in uniforms if they could be afforded. However, we could not afford that expenditure—and I understand that that is the sole reason for having such a very cheap scheme of defence—let us do away with the uniform. What we want are rifles and ammunition. If we cannot afford to provide a uniform, let us curtail the education of the boys, not let us have a half and half scheme when it is possible to have a thoroughly good scheme of another kind. Here is another argument to ask my honorable friend to consider. Unlike the scheme of the late Mr. McCay, who had no vision for the boys' education, had he before him the present Government's scheme, he would have settled upon his school system, and would have said, "I have decided upon this scheme, and I have decided that the great majority of the boys are to be marched to school at the age of 12, and are to be camped close to the school, and are to be detailed to attend and a half?"

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Sir John French's views were similar, and Sir Henry Hildyard confirmed it in these words—

"The more preliminary education a military kind that you can get a nation the better, and the earlier you can get it again the better."

I could quote hundreds of authorities to the same effect. What I ask the Minister to do is to amend his scheme, and make it a little more universal, so as to embrace every boy and youth in the Commonwealth.

Senator PLAYFORD.—We cannot by Commonwealth legislation compel the drilling of the boys in the State schools; that is cut of our province.

Senator BEST.—There would be no difficulty in making an arrangement with the States Governments to enable the drilling to take place.

Senator PLAYFORD.—The Federal Government are co-operating with the States Governments now, but we have not the enforce compulsory training.

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PLAYFORD.—Yes; outside the

or DOBSON.—No; in the States. It must not, however, be done by flouting the States, but in conjunction with the States. Do I understand the Minister to be of opinion that the States Governments would raise any objection? My own opinion is that no objection would be raised; but, as a matter of fact, the Minister of Defence has simply taken the easiest course. Why did the Minister not give us an opportunity to discuss the scheme? We take a great interest in this matter, and leagues have been formed in Sydney and Victoria with the object of bringing about universal training. The Minister of Defence had two or three schemes before him, but he set to work and created another of his own—which, by the way, I regard as the worst—and did not give us an opportunity to discuss it. I urge upon the Minister to listen to the opinions of honorable senators, and, after consultation with his officers, to improve the scheme. From an article in one of our own newspapers, under the heading, "The Training of a Nation," I take the following, which shows what is the opinion of *The Times*—

If we can trust much that we read in current literature, the British people are in sore need of physical training, and, indeed, of discipline of more than one kind. Thus, we may discover a great good in what, to a certain extent, is an

ever—a way which ought to be followed in which the physical training could be brought to all, at all events, know how to hold himself and how to walk, and if, in addition, he had by that age fired 100 rounds from a cadet rifle, divided between 50, 100, and 150 yards, he ought to have mastered the art of holding straight. Boys of that age are very teachable, they would take kindly to the drill, and keenly enjoy the shooting; what is drudgery to the recruit of 18 would be play to them. A considerable increase in the militia and volunteer permanent staff is necessary for peace training and even more requisite on mobilization, and these sergeants could, when not required with their units, be dispersed (and even live) within easy reach of the schools which they would drill. Lord Methuen was very strong on this point. He advised—

"Make it compulsory in schools that all boys should be drilled."

"Every boy at school should be able to shoot and drill, and that would help you a great deal."

opinion might soon be roused to demand that every incentive should be given to train and encourage Australia's sons.

Senator PLAYFORD.—That is a general statement that anybody might make, and amounts to nothing at all.

Senator DOBSON. — It amounts to a criticism of what the House of Representatives did a little while ago, when it cut down the Defence vote. My honorable friend is evidently afraid that the vote for his Department will be cut down again. I next desire to quote an account by an anonymous writer in the *Times* of the Japanese military manoeuvres.

Senator PLAYFORD. — These anonymous contributions cannot be recognised.

Senator DOBSON. — My honorable friend is hard to convince, although he has agreed to knock off the cadet uniforms.

Senator PLAYFORD. — No, I have not. What I meant was that I should like to see the honorable senator try to knock them off. He would find that the uniform is one of those things which the cadets and the schoolmasters most appreciate.

Senator DOBSON. — One moment my honorable friend says that he will do a thing, and the next moment says that he will not. I say that the uniform is a matter of no importance whatever. I find it quite impossible to argue with the Minister, he so constantly shifts his ground.

Senator PLAYFORD.—The honorable senator should not fling anonymous writers at my head.

Senator DOBSON.—This writer is an officer who attended the military manoeuvres in Japan after the Chinese war. He gives an account of how, in the Japanese schools, the boys are taught drill, and are instilled with ideas of patriotism, courage, and devotion to their country. That is what we require to do here. On the occasion of the military manoeuvres referred to, the school boys were marched out the night before and camped close to the field. Officers were detailed to attend them, and to explain to them the meaning of the manoeuvres which they witnessed. This writer says that compulsory training has been the making of the Japanese nation. Marshal Oyama and the leading citizens of Japan are agreed that the two main elements which have contributed to the success of modern Japan are the adoption of constitutional government and of compulsory military training.

Senator PLAYFORD.—They are an aggressive people. They wanted to go and fight neighbouring nations.

Senator DOBSON. — I hope that my honorable friend will not interrupt, if that is the sort of stuff he is going to give us. I shall next quote an opinion by Dr. Bryant with regard to the need for physical training in this country. Dr. Bryant says—

A system could be used to increase the chest measurement by three or four inches, make the body supple, and increase the nervous vitality that enabled a race to make its way. Awarding the first place to the Japanese system, Dr. Bryant went on to say that nearly all the systems were closely connected. It was disheartening to notice the number of weedy men in an Eight Hours' Day procession. He had been an examiner of recruits for the past sixteen years, and during the last two years it had been the exception to examine a well developed young man. To neglect the physical culture of the rising generation was criminal, and it should be included as a branch of education under qualified instructors. Medical officers might also make inspections, and in doing so would be able to note the health of the pupils. He suggested that if the Government would not take this in hand, a league should be formed to work out the details of a national scheme.

Senator PLAYFORD. — Is that in Australia?

Senator DOBSON.—Yes.

Senator PLAYFORD.—To what State does that doctor belong?

Senator DOBSON.—He is a Melbourne surgeon. The statement was made in a lecture delivered under the auspices of the Australian Health Society. I come now to another article in the *Times* with reference to the Commission which was appointed by the British Government after the South African war. The writer says—

The criticisms of the Royal Commission on the War in South Africa as to organization, and the suggestions of individual members, interesting and important as they are, could have hardly come as a surprise to any one in any way cognisant of the shortcomings of our military system. By far the most pregnant of the suggestions contained in the report is that of Sir George Goldie, to which Lord Esher, Sir F. Darley, and Sir John Edge apparently give their adherence—viz., compulsory national military education. Sir George Goldie proposes the institution of national cadet schools, officered from the Regular Army, in which all youths not in the Navy or merchant service or efficient members of Volunteer cadet corps would have to serve for a term.

Speaking again of compulsory national military education, he says:—

The latter, in the opinion of every soldier who has had occasion to study the question, is

the only solution of the problem—how to organize a really efficient army for the needs of the Empire.

That was the opinion of the Royal Commission which was appointed after the Boer war; and I should like now to direct attention to the findings of what is known as the Norfolk Commission, presided over by the Duke of Norfolk, and appointed to inquire into the position of the Militia and Volunteers. Eight out of the ten Commissioners were of the opinion that—

A home defence army capable, in the absence of the whole or the greater portion of the regular forces, of protecting this country against invasion can be raised and maintained only on the principle that it is the duty of every citizen of military age and sound physique to be trained for the national defence, and to take part in it should emergency arise.

Senator PLAYFORD.—The present Government in England have refused to adopt that report.

Senator DOBSON.—I am aware of the fact; and that is why the National Service League at home is working so hard, and why they have sent for the photographs which I have asked the Minister to supply. They desire to educate the people of England in the same way as a few persons in Australia are trying to educate the people here, with a view to the adoption of a national system. The following is an extract from the memorandum of Colonel O'Callaghan Westropp, which is attached to the report of the Norfolk Commission—

There is one way, however—a way which ought to be used without delay—in which the physical advantages of drill could be brought to all, at an age when it would be of great value. Compulsory drill ought to be enforced in every school. In the schools the entire rising male population is mustered. If every boy before he was 14 had done 60 drills of one hour each he would, at all events, know how to hold himself and how to walk, and if, in addition, he had by that age fired 100 rounds from a cadet rifle, divided between 50, 100, and 150 yards, he ought to have mastered the art of holding straight. Boys of that age are very teachable, they would take kindly to the drill, and keenly enjoy the shooting; what is drudgery to the recruit of 18 would be play to them. A considerable increase in the militia and volunteer permanent staff is necessary for peace training and even more requisite on mobilization, and these sergeants could, when not required with their units, be dispersed (and even live) within easy reach of the schools which they would drill. Lord Methuen was very strong on this point. He advised—

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Senator PLAYFORD.—The Federal Government are co-operating with the States Governments now, but we have not the power to enforce compulsory training.

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Senator PLAYFORD.—Yes; outside the schools.

Senator DOBSON.—No; in the schools. It must not, however, be done by flouting the States, but in conjunction with the States. Do I understand the Minister to be of opinion that the States Governments would raise any objection? My own opinion is that no objection would be raised; but, as a matter of fact, the Minister of Defence has simply taken the easiest course. Why did the Minister not give us an opportunity to discuss the scheme? We take a great interest in this matter, and leagues have been formed in Sydney and Victoria with the object of bringing about universal training. The Minister of Defence had two or three schemes before him, but he set to work and created another of his own—which, by the way, I regard as the worst—and did not give us an opportunity to discuss it. I urge upon the Minister to listen to the opinions of honorable senators, and, after consultation with his officers, to improve the scheme. From an article in one of our own newspapers, under the heading, "The Training of a Nation," I take the following, which shows what is the opinion of *The Times*—

If we can trust much that we read in current literature, the British people are in sore need of physical training, and, indeed, of discipline of more than one kind. Thus, we may discover a great good in what, to a certain extent, is an

evil, and the British population may be made more capable and presentable than it now is. On this point, the *Times* speaks out very plainly, and, evidently, but echoes a fast-growing public opinion. It says, "Drill for everybody, familiarity with a rifle for everybody, and higher education as applied to war for all who possess superior intelligence would do nothing but good all round."

Then Lord Raglan's opinion in regard to the great grammar schools of England is thus set forth—

Lord Raglan states that the National Service League, of which he is President, recently communicated with the principals of these schools, pointing out that a system of preliminary training in drill and the use of the rifle would, besides imbuing the boys with a sense of manly discipline and true patriotism, enable them to carry out their military training properly, much more easily, and at much less sacrifice of time than would be necessary if no ground work had previously been laid. The league offered to give annually two prizes—a gold medal and a silver medal—for the best trained boys in each school. "I am now," says Lord Raglan, "able to state that we have received answers from nearly all the public schools, and that they have been favorable in almost every case. This fact, indicating as it does the complete acceptance of our principles by the head masters of 90 per cent. of the big schools, shows that it would be easy to carry a Bill making military drill and rifle shooting compulsory as the ground work of a truly national reserve."

Under these circumstances I hope the Minister will make some promise that he will consult with his officers with a view to presenting a scheme of wider dimensions than that which he at present favours. I notice that, under the scheme of the Minister, a considerable proportion of the training has to be carried on in school hours; and that, in my opinion, is a great mistake. The curriculum of the States schools has been getting wider and wider, and it may be that too great a range of subjects is attempted. The object ought to be to teach the boys reading, writing, and arithmetic, with history and geography, of which they ought to have a firm grasp, so that they may be able to take any situation that offers.

Senator GUTHRIE.—Drilling forms part of the school curriculum.

Senator DOBSON.—I know that the boys do a little gymnastics and drill; but rifle shooting and manœuvring could not be taught in school hours. One writer points out that a boy at school, between the ages of ten and seventeen, is practically compelled to devote, I don't know how many thousands of hours to cricket, football, and other games, and contends that if a tenth, or a fifteenth, part of that time could be

devoted to military drill, the boys would be partly trained soldiers at the end of their school life. I, therefore, ask that the scheme should be amended in this connexion, because it has been impossible to introduce the military training in the school hours between nine and four. It is inevitable that the boys must be asked to drill sometimes on half-holidays, and do part of their work out of school hours. Another writer on this point, Mr. C. E. Dawkins, says—

Our system is doomed to failure. The Boer war would never have come about had we had a trained citizen soldiery.

Senator PLAYFORD.—People are always making statements like that, which are not worth the paper they are written on.

Senator DOBSON.—I believe that statements are worth the paper they are written on. I do not think the Boer war would have occurred had the Boers had any idea that there was a citizen soldiery behind the regular army. Out of 137,000 soldiers who went to the front, over 50,000 were, I believe, condemned as ineffective, owing to want of training, poor physique, or absence of skill in shooting and riding.

Senator GUTHRIE.—That is a terrible indictment against the British War Office.

Senator DOBSON.—It is. Another writer says that of 50,000 militia reserves in Great Britain, only 5,000 were found to be effective.

Senator GUTHRIE.—The honorable senator knows what the British militia is?

Senator DOBSON.—Quite so; but surely we might expect more than 5,000 effective soldiers out of 50,000.

Senator GUTHRIE.—I do not think so.

Senator DOBSON.—Does not all this go to show that the *morale* of our people requires improving—that their physique wants building up? Dr. Bryan tells us how an improvement could be brought about by proper means; but the Minister of Defence has not done anything in this direction, except in a very small degree. Sir James Creighton Brown says that from 60 to 70 per cent. of the British population falls short of the physical standard it ought to attain, and he advises compulsory militia drill in all schools. Newspapers and magazines contain numerous articles on this subject, and in reference to the Swiss system Colonel Gerald Campbell says—

It is a citizen militia force based on "universal compulsory service" in peace as well as in war;

and it may be asserted with confidence that the excellent results—both as to numbers and quality—which have been obtained could never have been reached under a system of “voluntary” service in peace, which is unfortunately the basis of our Commonwealth Army.

If we in Australia would only adopt a suitable “compulsory” training of a similar nature during the years 16-20 as a beginning, a vast amount of good would accrue, not only to the Defence Force, but to the whole community.

The leagues in Victoria and New South Wales advocate universal training between the ages of 16 and 21 or 22. If the Minister wishes to avoid that training for many years to come, and, perhaps altogether, he ought to provide for the compulsory training of the boys in our schools. In Switzerland, although the population is half-a-million less than that of Australia, there are 200,000 members in the rifle clubs.

Senator MCGREGOR.—Would military training not have a tendency to make our young people pugnacious?

Senator DOBSON.—I have a number of authorities who declare that there is no such effect, but that on the contrary, patriotism, discipline, and devotion to duty are developed and encouraged. We are told that this military training does not arouse the martial spirit, of which, of course, we do not desire too much.

Senator DE LARGIE.—There is less jingoism in Switzerland than, I suppose, in any other country in the world.

Senator GUTHRIE.—Switzerland has no sea coast. Our first line of defence is naval, and I should like to know whether Senator Dobson proposes to give the boys naval training.

Senator DOBSON.—In Canada, the rifle clubs have extended until now they number 400 with a membership of 34,000 or 36,000.

Senator PLAYFORD.—There are more members than that in the rifle clubs of Australia.

Senator DOBSON.—The Minister is quite wrong. The number of rifle clubs is 686, and the members number 30,242. I instance Switzerland and Canada because both these countries have more members in their rifle clubs.

Senator PLAYFORD.—I think not.

Senator BEST.—I think those were the figures given us by the Minister.

Senator PLAYFORD.—Those might be the figures for last year; but this year there has been an increase of 7,000 or 8,000 in the number of members of rifle clubs.

Senator DOBSON.—The number was given as 30,242, and the cost £50,566. Those are last year's figures, and there may have been some slight increase since, but how does the Minister get over the fact that in Switzerland there are 200,000 members of rifle clubs?

Senator PLAYFORD.—No; 200,000 compulsorily trained men.

Senator DOBSON.—No, rifleman; and a great number of them are civilians. Does not the honorable senator see that if we educate the people in rifle-shooting they will soon begin to take an interest in it? Unfortunately that is what I cannot get the Minister to see.

Senator PLAYFORD.—If the honorable senator could show that we required 200,000 members of rifle clubs we should get them. We should have as many as are necessary.

Senator DOBSON.—I do not know that we require 200,000 of them. No man in Australia or in Great Britain is able to prophesy what danger we shall have to meet in the time to come. It is for that reason that we find every general, colonel, and major recommending the drilling and training of boys and citizens generally. We should have a citizen army, and then we should be able to meet in the best possible way any emergency that might arise.

Senator PLAYFORD.—That is the perfect system; but the question is are we prepared to pay for it?

Senator DOBSON.—I ask honorable senators to consider the splendid raw material we have in Australia. Look at the splendid light horse companies we might have, and yet there is no provision in the Minister's scheme for them.

Senator PLAYFORD.—We have light horse in the militia.

Senator DOBSON.—We have some light horse, but we are not giving them the slightest training. We have boys in the country riding horses all day long, and we are giving them no encouragement. In many ways I think that the Minister's scheme can be improved.

Senator PLAYFORD.—This is carping criticism.

Senator DOBSON.—I do not desire to take up any more time; but I should like to call attention to one very important matter. I ask honorable senators to consider all the schemes which are now before the Commonwealth. We have schemes for a

£5,000,000 railway, a £4,000,000 Capital, an Australian Navy, which is to cost some £3,000,000, and all sorts of things.

Senator PLAYFORD.—And the honorable senator is now proposing another scheme for compulsory military training, which would entail very great expenditure.

Senator DOBSON.—Will the honorable senator kindly hear me out? I say that the best thing that he and his colleagues can do is to look into some of these schemes, and see whether they cannot put them aside.

Senator PLAYFORD.—Knock them on the head, and commence with that proposed by the honorable senator.

Senator DOBSON. — They should ask themselves what is the foundation of the prosperity of a nation. What are the essentials? What do we really require to drive us ahead? They must at last fall back on the conclusion that there is nothing so important as education. But instead of educating our youths and men to defend their hearths and homes, we let them go as they please. The honorable senator's system is a go-as-you-please system.

Senator PLAYFORD.—The honorable senator's system is a regimental system, under which men are to be compulsorily drilled and trained.

Senator DOBSON.—When the Estimates come on for discussion I suppose we shall hear something from the honorable senator about our Australian Navy, but before we establish an Australian Navy is it not better that we should educate our boys? If we cannot afford £35,000 a year to educate our boys, can we afford £3,000,000 for torpedoes?

Senator PLAYFORD.—That amount is to be spread over a number of years.

Senator DOBSON.—Why should we not give £50,000 or £75,000 a year to educate our boys? If we can afford to establish an Australian Navy, and Parliament desires its establishment, let us have it, but do not let us forget the foundation, or build it in an unstable manner. I have not exhausted more than one-half of my notes, but I shall resume my seat with the expression of a hope that the Minister, when he hears the criticisms which I hope other honorable senators will offer, will confer with his officers and see whether he cannot propose some scheme which will be a little more universal than that which he has submitted, and which will make some provision for boys who, although they may have left

school, are still running about the street. If the honorable senator will do that, he will confer a great boon upon the Commonwealth.

Debate (on motion by Senator O'KEEFE) adjourned.

DESIGNS BILL.

In Committee (Consideration of House of Representatives' amendments):

Clause 4—

"The Supreme Court" means the Supreme Court of a State or any Judge thereof;

House of Representatives' Amendment.—Leave out the words, "or any Judge thereof."

Senator KEATING (Tasmania—Honorary Minister) [5.24].—I move—

That the amendment be agreed to.

Honorable senators will find that in the definition clause as the Bill left the Senate we defined "The Supreme Court," to mean "The Supreme Court of a State or any Judge thereof." The House of Representatives has amended the definition by striking out the words, "or any Judge thereof," by reason of the constitutional fact that the functions that are to be discharged by the Supreme Court under the provisions of this Bill are matters which have to be dealt with by virtue of the jurisdiction we confer upon the Supreme Court of a State, and not individually upon any Judge.

Senator BEST.—Is that a sound reason? Does the Minister approve of that?

Senator KEATING.—Yes.

Motion agreed to.

Clause 25—

1. The applicant may, within the time and in the manner prescribed, appeal to the Law Officer against any decision of the Registrar refusing any application for the registration of a design.

2. The Law Officer shall hear the appeal, and shall decide whether the application ought to be granted or refused.

House of Representatives' Amendment.—Add the following new sub-clause:—

3. The applicant may within the time, and in the manner prescribed, appeal to the Supreme Court against any decision of the law officer refusing any application for the registration of a design.

Senator KEATING (Tasmania—Honorary Minister) [5.26].—I move—

That the amendment be agreed to.

Clause 25 of the Bill as it left the Senate provided that where the Registrar refused to register a design, the applicant might within the time, and in the manner prescribed, appeal to the law officer against the decision of the Registrar. The "law officer" is defined in the definition clause as "The Attorney-General or Crown Solicitor of the Commonwealth." Then, in the second paragraph of the clause we provided that the law officer should hear the application, and decide whether it ought to be granted or refused. There was no provision in the Bill as it left the Senate for an appeal against any decision which the law officer might give. The House of Representatives has inserted an amendment providing for an appeal by the applicant against the decision of the law officer.

Senator BEST.—That is a further appeal?

Senator KEATING.—Yes, and only by the applicant in case the decision of the law officer is against him. He will in such a case under the amendment be able to appeal to the Supreme Court.

Motion agreed to.

Resolutions reported; report adopted.

EMINENT DOMAIN BILL.

Motion (by Senator KEATING) proposed—

That the Bill be recommitted for the reconsideration of clauses 1 and 6.

Senator Sir JOSIAH SYMON (South Australia) [5.29].—I wish to ask the Minister not to persevere with his motion for the reconsideration of clause 1. Yesterday we changed the short title of the Bill, and substituted the words, "Lands Acquisition" for the words "Eminent Domain." The short title of the Bill is now "The Lands Acquisition Act 1906." We have already had two divisions on clause 1, and I think that the Minister should give some reason against the short title which has now been introduced into the Bill. The Minister having brought down the Bill with the short title, "Eminent Domain Act," gave reasons for the retention of that title. No one could complain of that as unreasonable. On the other side, we gave reasons why it was an inappropriate title, and as Senator Drake clearly pointed out, might possibly be a misleading title. The clause was debated on two occasions; on one the existing title was retained, and on the other we substituted the title now appearing in the Bill. We have, therefore, to deal with the measure as though it had come before us

with the short title, "Lands Acquisition Act 1906," and what possible objection can there be to that title? Surely before we go back into Committee for the purpose of re-opening the discussion, some reason should be given against the use of the short, clear, and intelligible title, "Lands Acquisition Act." Why should we go back into Committee to reconsider the matter simply because, it may be, the draftsman of the measure has some fancy for the title, "Eminent Domain"? Is it worthy of the Senate to do that? If there is an objection to the title "Lands Acquisition Act"—and as no objection has yet been urged against it—it ought to have been mentioned. But for the Government to solemnly ask for a recommittal with a view to displace a short title—to which no possible objection can be taken—in favour of the title which was deleted yesterday is, in my experience, unparalleled. It is reducing the proceedings of the Senate to a perfect farce. If the title "Land Acquisition Act" possesses some innate vice, and that is pointed out, good and well. But in the absence of such a reason, surely it is reducing the Senate to a position which it ought not to occupy, to ask it to go back into Committee in order to re-open the question.

Senator PLAYFORD.—The honorable senator re-opened the question once after the Committee had given a decision.

Senator Sir JOSIAH SYMON.—Ought not that to be enough?

Senator PLAYFORD.—Why not re-open the question again to-day?

Senator Sir JOSIAH SYMON.—We all respect the Minister for his long experience and his other qualities, but has he ever known an instance of such a thing being done without some objection being taken to the substituted title? If the short title were vicious, I should be the first to say let it be deleted. The question has been dealt with twice. It was exhaustively dealt with on the original title to which grave objection was taken. With the Minister it is simply a question of preference for the original title, but no objection is taken to the substituted title. Why should we go back into Committee to reconsider that question when the Bill has to go to the other House? If the Government are wedded to the original title in that House, they will have an opportunity, if they think fit, to seek to restore it. I move—

That "1 and" be left out.

Senator MCGREGOR (South Australia) [5.34].—Is Senator Symon prepared to accept any amendments which may be moved in clause 6, or does he simply want to test the feeling of the Senate with respect to clause 1, and then to have a renewal of what transpired yesterday in connexion with clause 6? Why should he not be content to vote against a recommitment of the Bill, unless he intends to agree to some alteration in clause 6?

Senator Sir JOSIAH SYMON.—Clause 6 deals with an important matter of substance and, of course, I would not dream of objecting to its recommitment.

Senator KEATING (Tasmania—Honorary Minister) [5.35].—Mr. President—

Senator Sir JOSIAH SYMON.—Surely there is no right of reply on a motion to recommit some clauses of a Bill!

The PRESIDENT.—Senator Keating moved the motion, and an amendment has been moved. He can now speak on the amendment or in reply. I understand that no one else wishes to speak, therefore I call upon him to speak in reply.

Senator KEATING.—Any abstinence on my part yesterday from raising objections to the new title which was proposed to be introduced was motivated by no other consideration than a desire to expedite the passage of the Bill.

Senator MILLEN.—Does the same reason animate the honorable senator now?

Senator KEATING.—That is the very reason why I shall not speak at length.

Senator MILLEN.—Then why bring the matter forward again?

Senator KEATING.—On the first occasion honorable senators had every opportunity to listen to the arguments *pro* and *con*; a vote was taken; and by 15 votes to 12 it was decided to retain the original title of Eminent Domain Act. Yesterday Senator Symon moved again to strike out "Eminent Domain" for the purpose of inserting "Lands Acquisition," but in a very much smaller Committee, and without saying anything on behalf of the new title which he submitted.

Senator Sir JOSIAH SYMON.—Certainly I addressed the Committee at length on the subject more than once.

Senator KEATING.—I think not when moving the amendment.

Senator Sir JOSIAH SYMON.—Nothing of the kind.

Senator MULCAHY.—He induced some honorable senators to change their minds.

Senator KEATING.—That may be so. Yesterday I refrained from speaking, because I did not wish to repeat the arguments I had previously used; and it was decided by 11 votes to 9 to substitute "Lands Acquisition" for "Eminent Domain."

Senator BEST.—As against a vote of 15 to 12 on the first occasion.

Senator KEATING.—Yes. How did this matter come up for consideration yesterday? At a certain stage I moved for the reconsideration of several clauses, and when Senator Symon moved to include clause 1, I offered no opposition, and accordingly it was included. If my recollection serves me rightly, I do not think that when he moved his amendment he gave any reasons in support of it. I did not speak either, and a division resulted in the reversal of the previous vote in a Committee of 20, as opposed to a Committee of 27 on the first occasion.

Question—That "1 and" proposed to be left out be left out—put. The Senate divided.

Ayes	...	...	...	12
Noes	...	...	...	14
Majority				2

AYES.

Dobson, H.	Mulcahy, E.
Drake, J. G.	Pulsford, E.
Fraser, S.	Symon, Sir J. H.
Gould, A. J.	Turley, H.
Henderson, G.	Teller:
Macfarlane, J.	Walker, J. T.
Millen, E. D.	

Noes.

Baker, Sir R. C.	Pearce, G. F.
Best, R. W.	Playford, T.
Croft, J. W.	Smith, M. S. C.
de Largie, H.	Stewart, J. C.
Findley, E.	Story, W. H.
Higgs, W. G.	Teller:
Keating, J. H.	Styles, J.
McGregor, G.	

PAIR.

Clemons, J. S.	O'Keefe, D. J.
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Question so resolved in the negative.

Amendment negatived.

Original question resolved in the affirmative.

In Committee: (Recommitment.)

Clause 1—

This Act may be cited as the Lands Acquisition Act 1906.

Senator KEATING (Tasmania—Honorary Minister) [5.44].—I move—

That the words "Lands Acquisition" be left out, with a view to insert in lieu thereof the words "Eminent Domain."

I wish to adhere as closely as I can to what I indicated just now would be my course. When the Bill was brought into the Senate the short title was Eminent Domain Act. That title was canvassed on the second reading, and in Committee it was moved by Senator Symon that the words "Eminent Domain" be struck out, and "Lands Acquisition" substituted. The arguments both for and against were set forth, and I need not repeat them. "Eminent Domain" is a term which aptly and correctly expresses the sovereign right of a politically organized society to resume for public purposes the property of individuals.

Senator FRASER.—Ninety-nine men out of every one hundred would not understand it.

Senator KEATING.—There is a term that we use in connexion with our legislation, and that is used in the ordinary journals of the day, to which the same objection might have been taken a few years ago. I refer to the word "betterment." When that word was first used in legislation the same argument was applied to it—that it was a novelty which some people would not understand.

Senator Lt.-Col. GOULD.—There was a strong reason for adopting that term—that it was explanatory; but "Eminent Domain" is not.

Senator KEATING.—It is a term known in law as expressing the idea I have already referred to.

Senator WALKER.—Is it not an Americanism?

Senator KEATING.—No, it is not. The fact that the American people have used it does not give them a monopoly in it. Moreover, it is creditable that they should have adopted so expressive a term.

Senator Lt.-Col. GOULD.—We shall have people asking where the Eminent Domain is.

Senator KEATING.—Some people will always ask foolish questions. I saw it reported of a person who attended a meeting in Sydney that, when reference was made to an "absentee tax," he said that he was "opposed to a tax on tea of any kind." Persons who are capable of mis-

understandings of that kind are the sort of people who would ask where the Eminent Domain was.

Senator Sir JOSIAH SYMON (South Australia) [5.50].—I do not propose to occupy the attention of the Committee upon this question for more than a few seconds. I should have been glad to have it decided without coming to Committee again, but I quite recognise that honorable senators desired to afford an opportunity for reconsideration. The present title of the Bill is "The Lands Acquisition Act." Does that describe this Bill, its purpose, and its intention? Undoubtedly it does. Is it plain to the man in the street, who is affected by this measure? Undoubtedly it is. Is it plain to lawyers who have to advise upon this measure? Undoubtedly it is. Does it correspond with the title of the Act that is now upon the statute-book, and which we propose to repeal? Undoubtedly it does. The man who wants to see what the law of the Commonwealth is with respect to the acquisition of land for certain purposes looks into the index of the Statutes, and sees there "Lands Acquisition Act 1901-2." If he wants to ascertain whether there has been any repeal, he looks down the list of Acts subsequently passed. He finds no mention of an Act repealing the Act of 1901-2. He does not know what "Eminent Domain" is. I say, as I have said before, that ninety-nine out of one hundred persons, even amongst the lawyers of Australia, would not know what "Eminent Domain" meant in connexion with legislation of this kind. I suppose that I have had as much experience as most lawyers, but I confess that I should not know that it was intended under this fancy expression to provide merely for the acquisition of lands for public purposes. I say, without hesitation or fear of contradiction by any lawyer in Australia, that, off-hand, lawyers would not know that an Act called the "Eminent Domain Act" was simply to enable the Commonwealth to acquire land for public purposes. The important use of a short title is to indicate the nature of the Act to which it relates. You can, of course, use any fancy name you like. But that is not a sensible thing to do. It is desirable to use a title which will indicate to the people what the object of the measure is. It is for that reason, and not because I am opposed to the use of picturesque names, that I object to the title originally given to

this Bill. We should use a title whose meaning will be apparent at once to any person who wants to know what the powers of the Commonwealth are with respect to this matter. My honorable friend, Senator Keating, has raised no objection to the title of "Lands Acquisition." It is not possible to object to it. It is the one title which exactly describes this measure. If my honorable friend had shown that it was misleading or inaccurate, or might confuse people, we might have been with him. But he has given no reason. The title of the Bill now is "Lands Acquisition," and I trust that honorable senators will not agree to strike it out.

Senator WALKER (New South Wales) [5.55].—To corroborate what Senator Symon has said, I may mention that the other day in Melbourne I met an eminent barrister, who said to me, in reference to this Bill, "What the dickens does Eminent Domain mean?" If a K.C. did not know, is it likely that a layman would understand the term? I think that the proposed short title is ridiculous.

Senator PULSFORD (New South Wales) [5.56].—I very much regret that this question has been thrust on us again. I express the hope that the Committee will adhere to the common-sense term which it has been decided to use, and will not again insert the misleading title, "Eminent Domain."

Senator STEWART (Queensland) [5.57].—I must confess that I am rather in a quandary about this matter. I have always been in favour of making our Acts of Parliament so plain that even a layman might understand them. I was very much struck by the argument of Senator Symon. If I looked at the index to a book of statutes, and saw the title "Lands Acquisition," I should understand it. But if I struck "Eminent Domain," and had not had the advantage of hearing or reading the debates in the Senate, I should never dream that it referred to the acquisition of land.

Senator BEST. — Suppose the honorable senator looked up the English Act, and found the title "Lands Clauses Consolidation Act," what would he think that meant?

Senator KEATING.—The value of that title lies only in its age.

Senator STEWART.—I should prefer to vote with the Government, but should like to hear some reasons why the present

title of the Bill should be changed. I can easily understand my honorable friend, Senator Best, wishing the title to be so obscure that people will pay fees to him to tell them what it means.

Senator BEST (Victoria) [5.58].—I do not know that it is a matter of vital importance which of the two titles in dispute is given to this important measure. The reason that actuated me in voting for the title "Eminent Domain" was that it was picturesque, most expressive, and a term well recognised in connexion with measures of this character.

Senator Sir JOSIAH SYMON.—The honorable senator cannot mention a single measure of this kind called "Eminent Domain."

Senator BEST.—It is recognised in some of the American Statutes.

Senator Sir JOSIAH SYMON.—Not one! Mention one!

Senator BEST.—It is defined in Wharton's *Law Lexicon*.

Senator Sir JOSIAH SYMON.—But the average layman does not possess that work.

Senator BEST.—It is defined to mean—

The power which a Government retains over the lands of individuals to resume them for public use.

That is precisely the object of this Bill. It puts the matter succinctly and expresses the intention exactly.

Senator Sir JOSIAH SYMON.—What objection is there to "Lands Acquisition"?

Senator BEST.—None whatever—no more than there is to "Eminent Domain." But when it is said that it is absolutely essential for the title to indicate what the Bill is, we turn to the English Act. Would any honorable senator know what was meant if, on consulting an index of Acts of Parliament, he saw "Lands Clauses Consolidation Act"? Can we conceive for a moment of the ordinary layman, without any special experience, taking that title to refer to the acquisition of lands, and the payment of compensation?

Senator Sir JOSIAH SYMON.—Certainly; that Act consolidates the previous Statutes on the subject.

Senator BEST.—But such a title might be connected with fifty subjects; there is nothing in it to indicate that it refers to the acquisition of lands for public purposes. The title, "Eminent Domain" would rapidly become known to the general public, and prove infinitely more expressive

than the term hitherto used. I admit at once that if the title as introduced had been "Lands Acquisition" I should not have taken any exception to it.

Senator Sir JOSIAH SYMON.—It is very simple and intelligible, is it not?

Senator BEST.—It is as simple and intelligible as "Eminent Domain." We need not be at all apprehensive about venturing on the title of "Eminent Domain," which so simply and succinctly expresses the character of the Bill.

Senator HENDERSON (Western Australia) [6.5].—As I voted yesterday I intend to vote to-day, and I sincerely hope the Committee will retain the clause in its amended form. I gave my vote yesterday, inspired with the thought that the plainer the title of an Act the better it must be for the public. Wharton's *Law Lexicon* has been quoted to us, but I venture to say there are many thousands of people who consult indexes of Acts of Parliament to-day, and who are not aware of the existence of such a book, and would never make it their business to find out the meaning of "Eminent Domain." Lawyers may have a great store of knowledge, and acquire fine libraries, but many thousands of people in their daily life have no use for such works of reference, and consequently we should so frame our Acts of Parliament that they may be easily understood by laymen.

Senator MULCAHY (Tasmania) [6.7].—It would hardly appear that we hope to conclude our parliamentary work within six weeks or two months, when we take, as we have done already, two divisions on the mere title of a Bill. One title suggested expresses clearly to the ordinary mind the intention of the Bill, while the other presents a sort of speculative puzzle. Is it not common-sense to call a spade a spade, and thus do away with the picturesque title of "Eminent Domain"? In the first instance I supported the title of "Eminent Domain," because I believed there might be some subtle legal reason for its adoption, but up to the present I have not heard advanced in its favour any reason that convinces me.

Question.—That the words proposed to be left out, be left out—put. The Committee divided.

Aves	...	...	11
Noes	...	...	14
			—
Majority	...	...	3

[90]

AYES.

Best, R. W.	Pearce, G. F.
Croft, J. W.	Playford, T.
de Largie, H.	Story, W. H.
Higgs, W. G.	Styles, J.
Keating, J. H.	Teller:
McGregor, G.	Smith, M. S. C.

NOES.

Baker, Sir R. C.	Pulsford, E.
Dobson, H.	Stewart, J. C.
Drake, J. G.	Symon, Sir J. H.
Fraser, S.	Turley, H.
Gould, A. J.	Walker, J. T.
Macfarlane, J.	Teller:
Millen, E. D.	Henderson, G.
Mulcahy, E.	

PAIR.

O'Keefe, D. J.	Clemons, J. S.
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Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 6—

The Governor-General may agree with the owners of any land which is required for any public purpose, and with any State where such land is Crown land of the State, for the absolute purchase by the Commonwealth for a consideration in money or its equivalent of such land, or for the exchange of such land for any land of the Commonwealth, and upon notification of the agreement in the *Government Gazette* such land shall vest in the Commonwealth, according to the terms of such agreement, or if it is proposed to acquire the land free from all encumbrances, then upon such notification of the said agreement, the land shall vest in the Commonwealth accordingly.

Senator KEATING (Tasmania—Honorary Minister) [6.12].—Since the long discussion on this clause yesterday an amendment has been drafted which, while meeting the views of those who are opposed to the original terms, will be perfectly consistent with other provisions. The amendment that was submitted yesterday, and the spirit of which, at any rate, was adopted, incorporated a portion of section 3 of the present Act with the addition of some further words. If that amendment, as then agreed to, be permitted to stand, it will, to some extent, overlap clause 15, which provides that the Governor-General may approve of the acquisition of land by the Commonwealth, by agreement with the owner. The first part of the amendment adopted yesterday on the motion of Senator Best provides that the Governor-General may agree with the owner of any land which is required for public purposes, and with any State where such land is Crown land, for the absolute purchase by the Commonwealth, and so forth. It will be seen

that this portion of the clause, as amended, is really a repetition of clause 15, and to that extent unnecessary.

Senator BEST.—Of course we do not desire any repetition.

Senator KEATING.—On the spur of the moment yesterday, when the amendment was submitted, I expressed the opinion that all cases were provided for, seeing that by the Bill the Governor-General was empowered to acquire land by agreement with the owner, and that "owner," according to the definition, included a State. I also said yesterday that I desired to communicate with those experienced in the working of the existing Act, as regards the acquisition of land from the States. The same difficulty presents itself in the amended clause as is presented in the law as it stands now. We desire to have absolute control given, so that the States authorities, in disposing of land by agreement, may rest their authority on the force of this Bill. Honorable senators agreed yesterday that it was desirable that that result should be achieved, but some criticism was levelled against clause 6 as it stood. It was contended that it was offensively worded, or was expressed in some terms that were unnecessary. I intend to submit an amendment which will adopt the spirit of the amendment agreed to yesterday, and will, I think, effect the object we all desire to attain. It has been prepared by the draftsman of the Bill, and is expressed in a form consistent with the other provisions of the measure, and will, I believe, carry out the object of the Committee—to make the acquisition of lands from the States the subject of negotiations rather than of compulsory acquisition. I propose to negative clause 6 as it stands, and to submit the amendment as a new clause in lieu of it.

Clause negatived.

Senator KEATING (Tasmania — Honorary Minister) [6.17].—I move—

That the following new clause be inserted:—

"6A. Where the Governor of a State agrees with the Governor-General for the sale or lease of any Crown land to the Commonwealth, any instrument or assurance executed by the Governor for granting, conveying, or leasing the land to the Commonwealth accordingly shall (by force of this Act, and notwithstanding anything in the law of the State) be valid and effectual to vest the land in the Commonwealth according to the tenor thereof."

Senator Lt.-Col. GOULD. — That is simply going back to the provision we have already altered, giving power to the Go-

vernor of a State to override any State law in order to grant land to the Commonwealth.

Senator KEATING. — In the amendment I submit we do not purport in terms to vest the Governor of a State with that power, but we say that where he actually does purport to convey, any instrument or assurance executed by him shall take effect according to its terms, notwithstanding anything to the contrary in any law of the State. If, for instance, the Governor of a State gives a grant of land to the Commonwealth, free from a reservation or condition which would apply to a private grant, we say that he shall be at liberty to do so. A law of the State might perhaps come into conflict with our law in the matter; but to the extent to which it is in conflict with our law it becomes inoperative under the Constitution. I think that the terms of the amendment are much more in accordance with what honorable senators desire should be the tone of the provision, and I have therefore much pleasure in submitting it for the approval of the Committee.

Senator BEST (Victoria) [6.20].—There can be no doubt that the amendment omits to some extent what certainly was offensive in the clause as it stood. The main objection I took to the clause as it stood was that it enacted direct legislation by the Commonwealth with respect to what the Governor of a State should do. The amendment now submitted carries out in spirit, and almost completely, the terms of the amendment I proposed. Of course, my amendment was drawn on the floor of the Senate, and it could not be expected that it would be expressed in the precise language in which, after thoughtful consideration, it might have been clothed. I regard as completely unnecessary, and still take objection to, the words in the clause as now submitted—"and notwithstanding anything in a law of the State."

Senator DOBSON.—I understand that the Crown law officers of the State desire to have those words included.

Senator KEATING.—I am afraid that, unless we include some phrase of the kind, they will not consider the provision strong enough.

Senator BEST. — The Minister, as a lawyer, will not contend that those words are necessary.

Senator PLAYFORD.—Some lawyers do.

Senator BEST. — No. Some lawyers did contend that they were necessary, if the form in which the clause, as at first submitted was to be adhered to. But I do not think that any one can validly suggest that it is necessary to retain these words in the form in which the provision is now expressed. When the several States surrendered to us the various powers which are now embodied in the Constitution, and enabled us to acquire land, what was meant was that we should be enabled to acquire that land free from any encumbrances. That is the meaning of the term in the Constitution — that we are empowered to take land free from all encumbrances, or any lesser estate, as we may think proper. Consequently, a clause of this character, which provides that any instrument taken by us shall validly and completely vest property in the Commonwealth, is merely an exercise of our powers under the Constitution. In the circumstances, when we say that land shall vest by force of this Act in the Commonwealth according to the tenor of the instrument or assurance executed by the Governor of a State, that is all that is necessary, because that in itself implies that we have exercised the full powers given us by the Constitution, and where the exercise of that power is inconsistent with the laws of a State, we know that the law of the Commonwealth must necessarily prevail. That is implied not only in the sub-section of section 51 of the Constitution, dealing with the acquisition of land by the Commonwealth, but it is also directly stated in section 109. If the words "and notwithstanding anything in a law of the State" are left out, the proposed clause will be less offensive. I believe that they are merely surplusage, and I therefore move—

That the words "and notwithstanding anything in the law of the State," be left out.

Senator Sir JOSIAH SYMON.—What about the words "by force of this Act"?

Senator BEST.—I do not think that they are necessary; but if the Minister thinks that they are of any value I have no objection to their retention.

Senator KEATING.—I do think them of value.

Senator BEST.—I think it unwise to retain the words "and notwithstanding anything contained in a law of the State."

Senator KEATING. — It is only to show that this legislation operates independently of them.

Senator BEST.—But that is not necessary.

Senator KEATING. — The honorable and learned senator is aware of what I have said so many times.

Senator BEST.—All in relation to the existing law.

Senator KEATING. — The same objection will be raised in connexion with this law.

Senator GUTHRIE. — Does Senator Best not desire that we should make our intention plain?

Senator BEST.—Undoubtedly I do; but I say that the words I have objected to are unnecessary, and the Minister will not contend that they are necessary.

Senator DRAKE.—Are we going to do this in every case?

Senator Lt.-Col. GOULD (New South Wales) [6.25].—I have practically the same objection to the proposed new clause that I had to clause 6 as originally introduced. The clause as it stood originally read as follows:—

The Governor of a State, acting with the advice of the Executive Council thereof may (by force of this Act, and notwithstanding anything to the contrary in the law of any State) sell or lease to the Commonwealth any Crown land of the State.

We know that under the Constitution the Commonwealth Parliament has power in any Act that it may see fit to pass to acquire land by compulsory process. That would cover all reservations usually made. In the clause as now submitted, we are asked to say that the Governor of a State may agree to sell land to the Commonwealth, and that upon the execution of the conveyance the whole estate in the land shall vest in the Commonwealth, notwithstanding the fact that it may be in direct contravention of the laws of the State. A State Parliament may pass a law to provide that certain land shall be sold subject to certain reservations, and if the Commonwealth should require that land free from all reservations, the proper course to adopt would be to acquire the land by compulsory process, and not to attempt by means of an agreement between the State and Commonwealth Governments to over-ride a law dealing with the alienation of land passed by the Parliament of the State. We have the necessary power under the Constitution, and we could exercise it by the compulsory acquisition of such land. The

Commonwealth would lose nothing by adopting that course, whilst the States Governments would not be called upon to disregard the laws they are sworn to uphold and maintain. It is perfectly true that where the Commonwealth law is in conflict with a State law, the Commonwealth law must prevail, but we should infringe States' rights and interfere with States' legislation only where it is absolutely necessary to do so. It is not absolutely necessary in the case under notice, because the compulsory provisions of the Bill are quite sufficient for the purpose.

Sitting suspended from 6.30 to 7.45 p.m.

Senator KEATING (Tasmania—Honorary Minister) [7.45].—As I said before, both in speech and by interjection, I think that the clause without the words sought to be deleted would be quite sufficient to give to these conveyances and assurances the effect which we desire to give to them. But, so far as the existing Act is concerned, there is, and has been, a doubt in the minds of certain responsible officers of the States. I think, and I believe that Senator Best also thinks, that it empowers the States to dispose of these lands, regardless of any conditions which might attach to them in the case of private disposal. Still a doubt exists, and it is most likely that in the absence of these words a question would be raised as to the effect of the provision.

Senator BEST.—But no words in the existing Act are so strong as the proposed new clause with these words deleted.

Senator KEATING. — That may be. Still, what we want to do is to obviate the chance of any possible doubt arising. In my opinion, honorable senators will be well minded if they assist me to retain the words.

Senator BEST.—Although the honorable senator does not think that they are of any value?

Senator KEATING.—I think that with the words no doubt could be raised.

Senator DRAKE.—That is, if they will take the opinion of this Parliament.

Senator KEATING.—If, relying upon our own opinion that the clause would be sufficiently strong, we left out the words, still we should have to depend upon State officers in responsible positions adopting our opinion. If we retained the words—

Senator DRAKE.—It would be an expression of the opinion of this Parliament.

Senator KEATING.—Decidedly not.

Senator DRAKE. — The retention of the words would give no additional force.

Senator KEATING.—I think it would, because it makes our provision directly inconsistent with the provisions of the States laws. I appreciate Senator Best's statement that, so far as the rest of the new clause is concerned, it is intended to effect the object which we all have in common, and meets his wishes, as it is not worded like the original provision which, to him and others, seemed offensive. If we retain these words, then there can be no possible doubt raised as to the intention of this Parliament that the laws of the States, so far as they are inconsistent with the provisions of our Lands Acquisition Act, shall not have any application when lands are being disposed of by way of private agreement by the State to the Commonwealth for a public purpose.

Senator Sir JOSIAH SYMON (South Australia) [7.51].—I entirely agree with the view that Senator Best has expressed. Without the words which he seeks to delete the clause would be absolutely clear and effective. It is a matter of, so to speak, constitutional conveyancing. We are putting in, not by virtue of our powers simply as the Parliament of the Commonwealth, but by virtue of the Constitution, a new clause which says that when an agreement is made between the Governor of a State and the Governor-General of the Commonwealth for the acquisition of a piece of land, on the execution of the assurance or conveyance the land shall absolutely vest in the Commonwealth. What more is required? My honorable friend says that the retention of these words might indicate the intention of this Parliament. The intention of this Parliament is nothing. The force of the new clause will be derived from the Constitution, which says that we can enact a provision of this kind. If there is any law of a State inconsistent with our provision it must give way. We cannot make that provision in the Constitution stronger or weaker.

Senator MCGREGOR.—Why not say so?

Senator Sir JOSIAH SYMON.—This Parliament has no power to repeal State laws, or to say that anything shall be done notwithstanding a State law. It has power to say that certain things shall be done, and, if there be an inconsistent State law, then, under the Constitution, it will be set aside. We cannot qualify or lessen the force of any State law. I think that Senator Keating would be well advised to accept the amendment. I should have

been disposed to go further, and eliminate the words "by force of this Act," because the provision could only have force by virtue of the Act. It is not worth while troubling about that, and if the Minister is pleased I am satisfied.

Amendment of the amendment negatived.

Proposed new clause agreed to.

Bill reported with a further amendment.

Motion (by Senator KEATING) agreed to—

That so much of the Standing Orders be suspended as would preclude the Bill from being passed through its remaining stages without delay.

Report adopted.

Bill read a third time.

AUSTRALIAN INDUSTRIES PRESERVATION BILL.

SECOND READING.

Debate resumed from 20th July (*vide* page 1613), on motion by Senator PLAYFORD—

That the Bill be now read a second time.

Senator Sir JOSIAH SYMON (South Australia) [7.57].—The most favorable thing that can be said about this Bill is that it is a fanciful and experimental piece of legislation. It is not the outcome of any practical need; nor is it introduced to meet any general demand.

Senator HIGGS.—It is in touch with the aspirations of the Commonwealth.

Senator Sir JOSIAH SYMON.—That I doubt very much, if by that term my honorable friend means the aspirations of the general body of the people. Of course, if there is a wrong to be righted, or if there is an immediate grievance to be redressed, then, undoubtedly, any Government should act quickly, and if they act quickly, as a rule they act wisely. But I think honorable senators will feel that there is no pretence for suggesting that such conditions exist under present circumstances, and that, therefore, the best thing is that there should be no action, particularly when we are dealing with so sensitive a subject as the trade and commerce of the country. Whatever it may be with other matters, certainly in relation to the trade and commerce of the country we should avoid as far as we can interferences that are not insistently called for by the existence, as I have said, of a wrong to be righted or a just grievance to be redressed. The reasons for that we all understand. The timidity of commerce is perhaps just

as great as are its courage and its enterprise. That statement is not a little paradoxical; but whilst we all know that there are courage and enterprise in trade and commerce, and that without these qualities trade and commerce would be poor and stagnant, yet there is great timidity in connexion with such affairs. Interferences of this kind are very liable to operate upon that timidity, and bring about results distinctly mischievous. It would be sheer hypocrisy to talk of urgency in connexion with this Bill. My honorable friend the Minister of Defence, who is as appreciative of what is a fair position to take in relation to matters of legislation as any one, did not make any appeal to the Senate on any such ground as that of urgency. The gestation of this legislation shows that it certainly has not been treated as a matter of urgency by any Government in this Commonwealth. We had it announced in the Governor-General's Speech in 1903—in the second session of the first Parliament—that proposed laws were to be introduced to deal with the subject of rings and trusts. We had it again in the Governor-General's Speech in the first session of the second Parliament in 1904. We had it again in the statement of the business to be laid before Parliament in 1905. It stood over until 1906. Why should it not stand over until the new Parliament—until the constituencies before whom we hope to go before long have an opportunity to hear the subject discussed, and, if they choose, to express their own opinions in regard to it? In 1906 we have the Bill introduced. It was introduced in such a questionable shape that it was practically re-drafted.

Senator MILLEN.—There was a former Bill of last session.

Senator Sir JOSIAH SYMON.—This Bill was introduced in the present year, and, after a few weeks and a partial discussion, it was withdrawn, and practically re-drafted. I think that indicates that, notwithstanding the references in previous Governor-General's speeches to the design and intention of legislating upon this subject, the result was simply a measure crude, ill-thought-out, badly framed, which, when subjected to the light of a comparatively brief examination in Parliament and the press, had to be re-drafted, and a fresh frame laid before Parliament.

Senator PLAYFORD.—It was never withdrawn, but a number of amendments were brought down.

Senator Sir JOSIAH SYMON. — The amendments occupied about a column and a half in the press, and constituted practically a new Bill—lock, stock, and barrel. The Bill itself was not taken off the file, but practically a new Bill was introduced. This is that Bill, with certain amendments. I venture to say—and I think I shall be able to show honorable senators—that this Bill is no improvement upon the measure as originally introduced. It is crude, ill-thought-out, and in its provisions it appears to me—and I think it will so appear to honorable senators on consideration—that it will not carry out what ought to be the intention, namely, to prevent restraints of trade. Instead of preventing restraints of trade, it will really create barriers, and put difficulties in the way of trade. Instead of securing that free competition which should have been its original intention, it will prevent free competition, and throw trammels and restrictions around the trade of this country which will be exceedingly mischievous. Again, the Minister of Defence made out no case for the introduction of this Bill now. He scarcely tried to make out a case. He stated to the Senate no occasion requiring the immediate introduction or operation of such a measure. My honorable friend in fact said with regard to suggestions which might be made as to the existence of trusts or monopolies in Australia, that he really did not know, and did not care, whether there were any.

Senator PLAYFORD.—Whether there were any injurious ones.

Senator Sir JOSIAH SYMON.—Whether there were any at all. I will read what he said, for my honorable friend always weighs his words.

Senator PLAYFORD.—I did not weigh my words then, if that is what I said.

Senator Sir JOSIAH SYMON.—When my honorable friend weighs his words we know that we are sitting at the feet of Gamaliel. This is what he said—

Honorable senators may say that there is nothing in the nature of trusts and combines in the Commonwealth which demands the enactment of such legislation.

That is exactly what I do say. It is what I believe all of us will say. My honorable friend went on—

I do not care whether there is or is not.

Senator PLAYFORD.—I pointed out that trusts may be good or bad. There are trusts and combines here, but I would not say whether they were good or bad.

Senator Sir JOSIAH SYMON.—What does my honorable friend mean by saying that there are no injurious trusts in the Commonwealth. He is always clear and always emphatic. When he desires to make himself understood it is impossible for any one to misunderstand him. My honorable friend could have said nothing else. I am not quarrelling with his statement. It is, I think, absolutely true. I myself am not aware—and I say it readily on the authority of the Minister of Defence—that there are combines or trusts in Australia demanding the enactment of such legislation as this. But I do think that it was an unwise thing for my honorable friend to say that he did not know, and did not care. With all deference and respect, I do not think that that is the attitude which a Minister should take in offering such a Bill as this to the acceptance of the Legislature. It is an important matter whether there are trusts and combines in Australia. It is an important matter whether there are trusts and combines that are injurious or destructive. We must all agree with the Minister when he said that there are combines and combines. There are combines which are not at all injurious—which are beneficial in many ways — beneficial to trade, and beneficial to the community. But those are not the trusts that are in view, and which demand a Bill of this kind. When I find such a statement made, and when, as a representative in the Senate of the people of one of the States, I am asked to give attention to a Bill for the preservation of Australian industries, I think I am entitled to ask, as a justification for voting for it, what industries are threatened? There are none threatened. No instances are given of any industries whose preservation requires this piece of legislation now. If any are threatened, from what quarter or by whom are they threatened? It is silly for Parliament to be asked to pass a Bill for the preservation of Australian industries when not a word is said, and not a fact is laid before Parliament, showing that any are assailed. Then again—which industries are they? This is a Bill for an Act for the preservation of Australian industries — the industries of the whole Commonwealth. Is the pastoral industry valuable? Is the agricultural industry valuable? Is the mining industry of value to Australia? Are these industries covered by this Bill and intended to be dealt with by it? Surely before we

are asked to consider a Bill of this kind we ought to have some facts placed before us, so that we may deal with it in a concrete shape as remedial legislation. Again, the Bill is one for the "repression of destructive monopolies." What are they? I do not understand what a "destructive monopoly" is. I can understand an injurious monopoly—the kind of monopoly against which legislation has been directed in other countries, such a monopoly as has the effect of raising the price of the necessities of the people. That is the kind of monopoly that I should have expected some information about. But I do not understand what is meant by "repression of destructive monopolies" in this Bill. We are entitled to ask that some instances of monopolies should be cited to the Senate, which are in fact, or in their tendency, destructive. The Minister of Defence says that monopolies are not necessarily mischievous, but that is all he has told us.

Senator PLAYFORD. — Such monopolies are not destructive.

Senator Sir JOSIAH SYMON. — Then what is the use of the Bill? Why is it introduced?

Senator PLAYFORD. — To deal with monopolies before they do the mischief.

Senator Sir JOSIAH SYMON. — The traders and merchants of Australia have for all these years conducted their business without being exposed to a charge of engaging in mischievous and destructive monopolies; but it is anticipated, I suppose, that they will fall from grace, and the Bill is to be hoisted as a kind of flag of warning.

Senator HIGGS. — Were we not told that under protection we would have trusts?

Senator Sir JOSIAH SYMON. — I believe that if anything in the world will give rise to monopolies it is protection. Protectionists themselves tell us that that is its tendency; and the higher the duties the stronger the tendency. By excluding outside competition, the inside competitors are driven to agree to fix or raise their price to the highest remunerative rates.

Senator BEST. — Hence the necessity for the Bill.

Senator Sir JOSIAH SYMON. — Then Senator Best admits that protection is a bad thing?

Senator BEST. — I do not.

Senator Sir JOSIAH SYMON. — Senator Best admits that protection produces mischievous combines detrimental to the public interests—that it produces restraint of trade, and that crop of evil which is to be withered away by this piece of legislation.

Senator BEST. — I did not hear any admission to that effect.

Senator Sir JOSIAH SYMON. — Such an admission exactly fits in with what I have always believed, namely, that, if there is any possibility of monopolies being created in this country, it is because of the protective duties. I do not wish to enter into a discussion as to whether protective duties do or do not encourage industry; but, at any rate, that policy, if driven to extremes, produces results which, I infer from Senator Best's statement, this Bill is intended to meet.

Senator STYLES. — There was an injurious combine in the coal trade, which is not protected.

Senator Sir JOSIAH SYMON. — I know all about the combine in the coal trade.

Senator STYLES. — So do I, because I had to pay for it.

Senator Sir JOSIAH SYMON. — And I am sure my honorable friend could afford to pay. But we are not dealing with the coal combine just at present. The Minister of Defence did not mention any monopoly that was evil, but he said that it was not right to conclude that monopolies, as such, are bad. The only bad monopoly that I know of is that which raises the prices of the necessities of the people. A monopoly of that kind I personally detest. Such a monopoly results from the exclusive right, however acquired, to sell a commodity; and it may be brought about by agreement, with the intention to choke competition and capture the market—the objective, in point of fact, is to raise prices.

Senator PLAYFORD. — Why confine the question to the necessities of life? The price of tobacco, for instance, might be raised.

Senator Sir JOSIAH SYMON. — I am not thinking of luxuries, but of the necessities of the poor, who have to be protected. I am dealing, from my point of view, with monopolies which are intrinsically bad, if their object is to raise the prices of the necessities of life. Here we have one

of the underlying principles which actuate men to be free-traders. Free-trade is the enemy of monopoly in every shape and form, and of every restraint and restriction imposed on trade. The best antidote to monopoly of an injurious character is the free air of competition.

Senator PLAYFORD.—There are plenty of monopolies in England, and very few in highly-protected France.

Senator Sir JOSIAH SYMON.—The Minister has said that before, but he has evidently not investigated the nature of the so-called monopolies. It is a matter of perfect indifference whether or not monopolies exist in England. There are different kinds of combines and monopolies. It is a fallacious idea that, because a business grows to huge dimensions, it therefore represents a monopoly in the sense of the term applied to the condition of things we desire to prevent. In England, so far as I am able to gather, the so-called monopolies are simply combinations, the result of agreement amongst persons—agreements which exist here and in every department of trade and commerce everywhere—to prevent cut-throat competition, and insure fair prices and a fair profit. What possible objection is there to such agreement?

Senator STYLES.—The combines are to secure what the traders regard as fair prices.

Senator Sir JOSIAH SYMON.—I am speaking of what are, in fact, fair prices.

Senator STYLES.—Look at the insurance companies.

Senator DE LARGIE.—Why interfere with the free play of supply and demand?

Senator Sir JOSIAH SYMON.—Why should not a man in business, if he finds he is being undersold, approach his competitor and suggest an agreement to charge fair prices? Where is the harm?

Senator DE LARGIE.—In a trade unionist and protectionist that would be quite consistent, but it would be absolutely inconsistent in a free-trader.

Senator Sir JOSIAH SYMON.—The honorable senator has no need to say that. There is nothing inconsistent in a free-trader entering into such an agreement.

Senator DE LARGIE.—It is not free-trade.

Senator Sir JOSIAH SYMON.—Surely it is. I am not speaking of free-trade in the sense in which we deal with it on a Tariff proposal. We are talking about combines and trusts; and I ask what harm

is there in two, half-a-dozen, or twenty men, who are experiencing cut-throat competition, agreeing to fix a reasonable and fair price, which is not injurious to the consumer?

Senator MCGREGOR.—This Bill would not interfere with such an agreement.

Senator Sir JOSIAH SYMON.—There is no harm in an agreement of the kind.

Senator STYLES.—Then there is no harm in protectionist combines.

Senator BEST.—The whole question is what is a fair price; and I take it that it means a fair price according to the idea of the trader.

Senator DOBSON.—Do not some of the authorities contend that under the Sherman Act a trust or combine which can control prices is an evil?

Senator Sir JOSIAH SYMON.—I shall deal with the Sherman Act presently. At present I am dealing with principles, to which I invite the attention of the Senate, in regard to the object of the Bill.

Senator DOBSON.—But the honorable senator's definition of a monopoly is getting dangerously near to what is illegal.

Senator Sir JOSIAH SYMON.—Why is it illegal?

Senator DOBSON.—I think such a combine is regarded as illegal under the Sherman Act.

Senator Sir JOSIAH SYMON.—If the honorable senator reads the Sherman Act he will see that such is not the case.

Senator DOBSON.—I believe that under the Sherman Act a monopoly which can control prices is illegal.

Senator Sir JOSIAH SYMON.—This Bill was intended to cure, but does not cure, monopolies, and the object of such legislation should be to create free competition. Honorable senators will find that the object of the Sherman Act, and similar Acts, is to promote free competition which is endangered by combinations in the United States. The only monopoly which, in the eye of the law, ought to be permitted, is that which flows from good quality and cheapness. Applying that principle, the real object of the Bill—not the surface object—is not to promote competition for the benefit of the consumer, but to restrict competition for the benefit of the manufacturer.

Senator PLAYFORD.—That is to encourage trusts.

Senator Sir JOSIAH SYMON.—Exactly; and my belief is that the Bill would be an utter failure, so far as its declared intention is concerned. What evidence is there of any just grievance on the part of the manufacturer? What facts have been stated to the Senate to justify a Bill for such an object? Of course, we know there is a tinge—at least, a suspicion of a tinge—of political or party purpose in the Bill.

Senator MILLEN.—A tinge?

Senator Sir JOSIAH SYMON.—I prefer to leave it that way. It is a notorious fact that this Bill is the outcome of the persistent and importunate appeals and efforts of a harvester manufacturer. That has been stated in the press, and also in another place, over and over again, and it cannot be denied for a moment.

Senator STYLES.—What a powerful man he must be!

Senator Sir JOSIAH SYMON.—He is.

Senator STYLES.—And a Scotchman, too!

Senator Sir JOSIAH SYMON.—And a Scotchman, too! I recollect that in another place an honorable member congratulated this powerful man on the success of his individual efforts; and I also congratulate him. But that is the kind of gentleman who is to be assisted by our legislation—a gentleman who shifts his works to Braybrook!

Senator DE LARGIE.—Is the honorable senator aware that he is perpetrating another injustice to Ireland in describing this gentleman as a Scotchman? As a matter of fact, he is a North of Ireland man.

Senator Sir JOSIAH SYMON.—Then that accounts for it; I am pleased to hear he is not a Scotchman. If what I observed in the newspaper this morning is true, this gentleman has a fine claim on the sympathy and assistance of the Commonwealth Parliament! He is in the same position really as a foreign trade. Do honorable senators call that fair competition? What do his rivals in the trade think of it? He shifts his business from the domain of factory laws, and goes outside that domain in order to escape from the beneficent provisions of those laws, and that beneficent administration to which his rivals in the trade are subject.

Senator PEARCE.—He pays 5s. a week to twenty of his employés.

Senator Sir JOSIAH SYMON.—I saw enough in the newspapers this morning to make me doubt the wisdom of any Government or Parliament assisting a gentleman who adopts that kind of competition with his rivals in trade. It was stated in the newspapers this morning that, instead of having one apprentice or improver to each man, he has six to each man. Several other matters are also referred to on the same lines, but these details are irrelevant to this Bill. All I desire to point out is that it is an undoubted and notorious fact that the Bill owes its origin to the efforts of that gentleman, and I say that if these statements are true, he is conducting an unfair competition himself with his rivals in trade. When steps were taken to bring his factory within the scope of the operation of the factories laws of Victoria, he went to the Victorian Chief Secretary and asked him not to do it.

Senator STYLES.—This man must then be guilty of corruption.

Senator Sir JOSIAH SYMON.—I do not know. My honorable friend can apply any epithet he likes to it. It reminds me of a statement I read the other day from a greatly esteemed Labour member of the House of Commons, Mr. Will Crooks. When a moderate, no doubt a protectionist member, of the London County Council said, "Trade unionism! Is not trade unionism protection?" Mr. Will Crooks answered, "I will tell you what it is: Trade unionism protects the worker against the sweater, but protection protects the sweater against the worker."

Senator MCGREGOR.—I wonder where did he learn that.

Senator Sir JOSIAH SYMON.—I like Mr. Will Crooks, and I like his statement of the position. The gentleman who is the real author of this Bill appears to have himself been a member of a combine. It does not exist now, but he was a member of it when it did exist, and was associated in it with the Massey-Harris people, the International Harvester people, and the rest of them, in order, I suppose it will be said, to exploit the farmers of this country. He fell out with the others, or the combination broke up, and as soon as it was broken up, or he dropped out of it, he immediately set to work to agitate against his former associates and for the introduction and pressing forward of this Bill. That is the only origin I find for the measure. It does not originate in any

fact, in any argument, or in the suggestion of any need for its introduction. It rests solely upon the efforts and agitation of this gentleman. I ask whether this Parliament is going to lend itself to pass legislation instigated in that way, and intended for the purpose of putting extra profits, converted into sovereigns, into the pockets of this gentleman?

Senator STYLES.—Another place has consented to do so.

Senator Sir JOSIAH SYMON.—I am sorry for that other place.

Senator PLAYFORD.—And without a division on the second reading.

Senator Sir JOSIAH SYMON.—Perhaps if my honorable friends opposite are all of the one mind there may be no division here on the second reading of the Bill. It did not go through another place without a number of alterations, and I hope that if it does pass its second reading here there will be a good many alterations made in it before it leaves the Senate. I think that Senator Playford will be the first to assist in making some alterations I shall have the privilege of submitting to him. Although no reason was given for the introduction of the Bill here, I see that it has been very well stated what the object of it is, and the cause of its introduction. It has been stated in another place—

The PRESIDENT.—The honorable senator must not refer to debates of this session in another place.

Senator Sir JOSIAH SYMON.—I shall refer to what was stated "elsewhere."

The PRESIDENT.—The honorable senator cannot get over the difficulty by that subterfuge. The standing order provides that—

No senator shall allude to any debate of the current session in the House of Representatives, or to any measure impending therein.

Senator Sir JOSIAH SYMON.—Very well, I shall not allude to what was said in another place. I desire to make a very important correction on behalf of South Australia. It has been stated that the harvester industry in South Australia has been crushed out by importations. It has been stated that it has been practically monopolized in that State by the American article. I say that these statements are without a shadow of foundation.

Senator PLAYFORD.—I never heard of them.

Senator Sir JOSIAH SYMON.—That may be so, but it has been so stated, and in most emphatic terms. I propose to submit

to honorable senators the figures on the subject, and to show that if there has been an interference in South Australia with the local manufacturers of harvesters, it has been an interference by the harvester manufacturers of Victoria. I am not complaining of that at all. I do not think that any one has a right to complain of it. So long as we are a Federation, and the barriers between the States have been removed, trade must flow freely, and the manufacturers of the various States must take their chance of fair competition. But I think it important that these figures which I have taken some trouble to ascertain should be given. This is a statement approximately of the number of stripper harvesters sold in South Australia between 1900 and 1905.

Senator BEST.—The honorable senator proposes to refer to sales of imported as well as of locally-manufactured harvesters?

Senator Sir JOSIAH SYMON.—Yes, I shall give the whole of the particulars as furnished to me. In 1900, in South Australia, the International Harvester Company sold no harvesters; the Massey-Harris Company none; McKay, of Victoria, sold 20. He was the only person who sold harvesters in South Australia that year. In that year none were sold in that State by Nicholson and Morrow, of Victoria; by Robinson and Company, of Victoria; by May Brothers and Company, of South Australia; by James Martin and Company, of South Australia; or Hawke and Company, of South Australia. In 1901, the International Harvester Company sold none; the Massey-Harris Company none. McKay, of Victoria, increased his sales to 70. Nicholson and Morrow, of Victoria, sold 36; Robinson and Company, of Victoria, 10; and the South Australian manufacturers sold none. In 1902, the International Harvester Company sold none; the Massey-Harris Company 52; McKay, of Victoria, 100; Nicholson and Morrow, of Victoria, 12; Robinson and Company, of Victoria, 25. In this year for the first time the South Australian manufacturers began to sell, and May Brothers and Company, of that State, sold 20. Martin and Company 5, and Hawke and Company 5; so that half the harvesters sold in South Australia in 1902 were sold by McKay. In 1903 the International Harvester Company sold none, the Massey-Harris Company 120. McKay 175, Nicholson and Morrow none.

Robinson and Company 75, May Brothers of South Australia, 55, Martin and Company 20, and Hawke and Company 20. In 1904 the International Harvester Company sold 25, the Massey-Harris Company 464, McKay, of Victoria, 360, Nicholson and Morrow 35, Robinson and Company 150, May Brothers, of South Australia, 200, Martin and Company 40, and Hawke and Company 30. In 1905 the International Harvester Company sold 100, the Massey-Harris Company 199, McKay, of Victoria, 250, Nicholson and Morrow 45, Robinson and Company 100, May Brothers and Company, of South Australia, 75, Martin and Company 35, and Hawke and Company 35. The total sales in South Australia from 1900 to 1905 were—International Harvester Company, 125; the Massey-Harris Company, 844; McKay, of Victoria, 975; Nicholson and Morrow, 128; Robinson and Company, 360; May Brothers and Company, of South Australia, 350; Martin and Company, 100; and Hawke and Company, 90. This gives a total of 2,972 harvesters sold, and of that number those sold by Victorian manufacturers totalled 1,463. That is just about one-half the total number. The total number sold by the importers was 969, and by South Australian manufacturers 504.

Senator GUTHRIE.—The increased sales of locally-manufactured harvesters took place after the discovery that the importers were under-valuing their machines for Customs purposes.

Senator Sir JOSIAH SYMON.—No.

Senator GUTHRIE.—Yes, in 1904 and 1905.

Senator Sir JOSIAH SYMON.—That did not affect the sales of the machines.

Senator GUTHRIE.—It increased the local production of them. That is shown by the honorable senator's figures.

Senator Sir JOSIAH SYMON.—I am pointing out that the figures I have been able to obtain show that the statement that the imported harvesters had crushed out the manufacture of harvesters in South Australia is not justified.

Senator GUTHRIE.—The Government of which the honorable and learned senator was a member increased the valuation of the imported harvesters, on which the importers were expected to pay Customs duties.

Senator Sir JOSIAH SYMON.—The honorable senator is referring to something which has no bearing on the matter to

which I am directing the attention of the Senate. I am not saying whether the valuation of the imported harvesters for Customs purposes, was increased or reduced, but that it is wrong to make a statement of the kind to which I have referred in the absence of any facts to justify it. If that statement is the ground upon which a measure of this kind is introduced in the interests of Mr. McKay, all I have to say is that, so far from proving it, the approximate figures, so far as I have been able to check them, disprove that statement.

Senator TRENWITH.—How were the figures obtained?

Senator Sir JOSIAH SYMON.—I obtained them, after the best inquiry I could make, from the International Harvester people, the Massey-Harris people, and so on. Honorable senators may check them if they please.

Senator TRENWITH.—I am not disputing them.

Senator Sir JOSIAH SYMON.—I understand that. No one complains that a man should do well for himself. If Mr. McKay desires absolute prohibition in respect of these machines, and is able to secure it, small blame to him; but the point is that he is the gentleman who has been supplying the great bulk of the harvesters sold in South Australia. They have not been supplied by the importers, but by Victorian manufacturers, whose enterprise and activity, and, if my honorable friends like, whose skill has succeeded to that extent in capturing the market.

Senator TRENWITH.—They commenced to make the articles first.

Senator Sir JOSIAH SYMON. — I do not know whether they did or did not.

Senator MCGREGOR. — The honorable senator's figures show that they did.

Senator Sir JOSIAH SYMON.—No; my figures show that they first began to sell them in South Australia.

Senator TRENWITH.—As a matter of fact, in the first years which the honorable senator quoted, no harvesters were made in South Australia.

Senator Sir JOSIAH SYMON. — I should think that at the time no harvesters were made in South Australia, but that is immaterial. I am not quoting these figures with the view of suggesting sympathy or any thing of that kind. That is not the point on which we are engaged. The manufacturers of South Australia

must take their chance, because, whilst we may seek to prohibit importations, which is undoubtedly the object of the second part of the Bill, that will not benefit them if the injury to their factories arises from the keener competition of a better article made in Victoria.

Senator MCGREGOR.—Did the honorable senator ever hear one manufacturer in South Australia complain of the manufacturers in Victoria or anywhere in Australia? Never.

Senator Sir JOSIAH SYMON.—I am very glad to hear that statement, and it is what I should expect from the manufacturers of South Australia. I am glad that they stand out in startling contrast to the attitude, and, for the matter of that, the conduct of the chief manufacturer of these harvesters in Victoria.

Senator GUTHRIE.—They were the first to complain about the imported harvesters being dumped upon them.

Senator Sir JOSIAH SYMON.—I shall leave my honorable friend to get reconciled with Senator McGregor.

Senator GUTHRIE.—I was the first to ventilate their complaint.

Senator Sir JOSIAH SYMON.—My honorable friend is always first and generally last. Whilst we are asked to pander—I hope that we shall not—to the motive or cause, or operative reason for this Bill attributable to Victoria, let us also think of whether, even if we rectify anything, if there is a grievance in relation to harvesters, we may be doing a very grave injury in other directions.

Senator WALKER.—To the consumer, for instance?

Senator Sir JOSIAH SYMON.—I shall deal with the consumer in a moment. It has been brought under my notice lately—and I am convinced that the grievance which will arise under the Bill is just—that it will not merely strike the importation of harvesters, but will strike the importation and the use of machinery used largely in the boot trade, which cannot be otherwise acquired. That ought to make us pause before we pass a measure of this kind. It may be like a boomerang. It may hit one object, but it may come back, and do damage in another direction. I am no authority on the matter, but I have gone into a statement of the position, and, so far as I can judge, it is a true one. There are in existence now agreements with boot

manufacturers, probably in Victoria, but certainly in South Australia, for the use, upon royalty or licence, of machinery made in America, which the owners will not sell, and which they will only let, so to speak, on licence.

Senator MILLEN.—These agreements are in existence in New South Wales too.

Senator Sir JOSIAH SYMON.—I have no doubt that that is so, if my honorable friend makes the statement.

Senator MCGREGOR.—And in Western Australia.

Senator Sir JOSIAH SYMON.—These machines belong, I shall assume, to a body of persons, or company, who would constitute a combine or a commercial trust under this measure. But that is one of the trusts or combines as far as I am aware, which come within the definition that the Minister gave of what might be a good and beneficial trust. They acquire patents. It is their business to be on the look-out for improvements in bootmaking machinery, to examine whatever patents are offered to them, to reject those which are useless or not of much value, and to accept those which are of value. It is their business to encourage men to exercise their brains in the way of making improvements in machinery, and appliances in connexion with that particular department of trade and manufacture. And by reason of that their machinery is, I am told, the very best in the world.

Senator PLAYFORD.—If it is patented machinery, that gives a monopoly in itself.

Senator Sir JOSIAH SYMON.—I am not talking about patenting. If that is a combine, in this Bill there is a provision that no person, either as principal or agent, is to enter into any contract, or to continue to be a member of, or engage in any combination in relation to trade or commerce with other countries or among the States with intent to restrain trade or commerce to the detriment of the public; and every agreement of that character which is open to be attacked on that ground is declared to be null and void.

Senator BEST.—The honorable senator must assume that there will be a reasonable amount of common-sense exercised in administering the law.

Senator TRENWITH.—It will not apply to existing agreements.

Senator Sir JOSIAH SYMON.—It will, because the word "continues" is used.

Senator TRENWITH.—That refers to the case of a man who continues to be a member of a trust.

Senator Sir JOSIAH SYMON.—Clause 4 reads as follows:—

1. Any person who, either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination, in relation to trade or commerce with other countries or among the States—

is guilty of an offence.

Penalty: Five hundred pounds.

2. Every contract made or entered into in contravention of this section shall be absolutely illegal and void.

Senator TRENWITH.—“Entered into in contravention of this section.”

Senator Sir JOSIAH SYMON.—A man will engage in the combination if he become a party to it.

Senator TRENWITH.—Could he enter into an agreement in contravention of a section before it had become law?

Senator Sir JOSIAH SYMON.—The clause will apply to a man who continues an agreement into which he has entered beforehand.

Senator TRENWITH.—No.

Senator Sir JOSIAH SYMON.—My honorable friend will have an opportunity of dealing with that point if the Bill should get into Committee. I am putting now the view which I take of the effect of this clause and other provisions. In my opinion, they would, if passed, bring into peril those boot and shoe manufacturers who, under an existing agreement, have that machinery, or who hereafter introduce it into their factories. The result would be that we should have to follow up this legislation with a Bill which, when an agreement became void, would confiscate the machinery, the honest property of somebody else, or else we should ruin the boot manufacturer who had the machinery on his premises. No one can deny, as the Minister of Defence said, that there are good combines and bad combines. Therefore, if the Bill does not discriminate so far as mere restraint of trade is concerned, it ought not to be placed upon the statute-book.

Senator PLAYFORD.—It must be proved that the combination is to the detriment of the public.

Senator Sir JOSIAH SYMON.—I am coming to that point in a moment. I have referred honorable senators to specific matters which might have been alluded to. Is there any reason for the Bill because of

any lessened prosperity of the Commonwealth? Is there one particle of evidence on which the Senate can be asked to pass the Bill because of injury detrimental to the public? According to statistics we have seen in Victoria, which is largely, honorably, and profitably associated with manufacture, perhaps, to a greater extent than any of the other States, the prosperity is absolutely unparalleled. So far as I am aware, there never has been anything like the prosperity indicated by the figures which the Government Statist of this State published in the Melbourne press yesterday. The earning power per head of the people of the State is the greatest in the world. In Canada it is £16 5s., the United States £14 14s., the United Kingdom £7 18s. 6d., and Victoria £27 19s. 6d.

Senator PEARCE.—And yet, according to special articles in the press, people are starving in this city.

Senator Sir JOSIAH SYMON.—My honorable friend knows perfectly well that that is a subject upon which a great deal may be said, but it does not affect the point to which I am directing his attention. He will admit that it is a remarkable fact that the prosperity of Victoria is absolutely unprecedented. The prosperity of the whole of Australia, we know, is unprecedented, but I am proud to think that the prosperity of Victoria is of the character which these figures indicate. Where is there anything in that to justify the introduction of this Bill?

Senator PLAYFORD.—The honorable senator wants some injury to be done before he will bring in a Bill to deal with it.

Senator Sir JOSIAH SYMON.—I do not want some injury to be done.

Senator TRENWITH.—We are very prosperous, and we could be more prosperous if we had wiser legislation.

Senator Sir JOSIAH SYMON.—That I admit, and I hope that my honorable friend will join with me in repealing some provisions of Commonwealth laws which are exceedingly unwise.

Senator TRENWITH.—And to make some wise ones.

Senator Sir JOSIAH SYMON.—I am content with my honorable friend's admission that there is unwise legislation.

Senator TRENWITH.—There is not sufficient wise legislation.

Senator Sir JOSIAH SYMON.—Let me now refer to the returns which were published the other day in the *Victorian Gazette*. It is a most remarkable fact that during the last three or four years, in almost every department of metal-work and machinery, there has been an increase. This Bill is directed to the supposed buttressing up of, or preventing destruction coming upon, the manufacturers of agricultural implements. It is a remarkable thing that contemporaneously with its introduction we find an increase—a substantial increase from year to year—in the number of hands employed, an expansion of that very business which, if we believe the heading of the Bill, is threatened with destruction.

Senator GUTHRIE.—Yes; but why take the figures for Victoria?

Senator Sir JOSIAH SYMON.—I am giving the figures for Victoria because they are up-to-date.

Senator GUTHRIE.—Why not give us the figures for the Commonwealth?

Senator Sir JOSIAH SYMON.—The honorable senator can give the figures for the Commonwealth. I prefer to deal with one thing at a time. In the agricultural implement-making business of Victoria the number of hands employed was 789 in 1902, 1,114 in 1903, 1,496 in 1904, and 1,624 in 1905—a gradual increase to more than double the number of hands employed in the first-mentioned year. Surely that indicates expansion, prosperity, and not that diminution in this particular branch of manufacture that we have been led to believe had taken place.

Senator TRENWITH.—Has it struck the honorable and learned senator that the first year which he mentioned was a year of failure in wheat-growing throughout Australia? I refer to 1902.

Senator Sir JOSIAH SYMON.—I do not know, but I will accept what my honorable friend says. That remark is, of course, applicable all round. A statement was made some time last year, when the agitation about harvesters began, that Mr. McKay had had to dismiss 150 employes. But he dismissed them because the harvesters were all sold for that season. And so it is with other elements that are applicable to the fluctuations of trade. I do not know whether my honorable friend Senator Trenwith's statement is right or not. But all such considerations affect the fluctuations of production. When production fluctuates we ought not to say immedi-

ately, "Oh, that is owing to the importation of harvesters, ploughs, and harrows from America and England." Instead of there being any specific injury which is sought to be cured by this Bill, no instance of the kind has been given. On the contrary, there is general prosperity in all branches of trade and production, and there is a particular expansion in that very business of agricultural implement manufacturing which is said to be the immediate occasion for the introduction of this Bill.

Senator BEST.—What has the honorable senator been quoting from?

Senator Sir JOSIAH SYMON.—From the *Victorian Government Gazette* of Tuesday, July 24. The figures are signed by the Government Statist. I have also an abstract which appeared in the press of a report by Mr. Harrison Ord, which shows a great increase in the registered factories in Victoria. He goes back as far as 1886, when there were 1,949 registered factories with 39,506 employes. Without troubling the Senate with the intermediate years, I come down to 1905, when there were 4,623 registered factories, and 63,270 employes. There was a steady increase each year under Federation. The number of registered factories in 1901 was 4,238. The number had increased last year by 400 additional factories. The hands employed were 56,945 in 1901, and 63,270 in 1905.

Senator MCGREGOR.—Is not that immense progress in five years in a new country like this!

Senator Sir JOSIAH SYMON.—I think it is magnificent progress for Victoria, with her diminishing population—for Victoria had already reached the zenith of manufacturing enterprise before Federation. It is a magnificent result, especially when we find that New South Wales and the other States are also going ahead in manufacturing progress, and that Victoria has to face their competition. It is satisfactory and substantial progress, of which this State ought to be extremely proud.

Senator DRAKE.—Especially compared with the condition of some of the other States.

Senator Sir JOSIAH SYMON.—Quite so. Looking at the facts which have been brought before the Senate, I say that this Bill has been introduced absolutely without any cause. If that were all, it would not justify what my honorable friend the Minister argued that it is desired to lay in a stock of physic against the patient's

getting ill. It would have been a sort of explanation of the position to say, "Oh, the Commonwealth Parliament has not much to do that is of importance, and may as well occupy itself upon a Bill of this kind, as, perhaps, adjourn, or be engaged upon something more mischievous." But I complain that this Bill is not merely inoffensive and useless, but that it will have a tendency to throw trade and commerce into the law Courts.

Senator DE LARGIE.—Surely the honorable senator does not object to that!

Senator Sir JOSIAH SYMON.—If I were looking at this matter from a lawyer's point of view only, I should say that it offers a splendid vista of prosperity for the legal profession. From the point of view of a citizen I look upon it with regret, though from the point of view of the profession it might be regarded with rejoicing. I deplore it. We ought, in dealing with trade and commerce, to keep them as far as possible from the law, and as far as possible within the ambit of arrangements that are consistent with the methods of conducting them which have generally prevailed throughout the Commonwealth. We have no instance of combines and trusts here. They may or may not exist; at any rate, there is none that is mischievous. Happy is the country of which that can be said! If we desire to facilitate the admission of the free air of competition, which we are told has been interfered with, or can be interfered with, I say, let us do it by some means by which we shall not run the risk of throwing every business of any magnitude into the law-courts. It reminds me of that old and well-known book, *Gulliver's Travels*. Honorable senators will recollect that when Gulliver got amongst the Lilliputians he found himself bound, or attempted to be bound, hand and foot with pack thread and other like ligaments. It is a singular thing, but my recollection is that the land of Lilliput is described by Swift as lying north-west of the island of Van Diemens Land! And so we have in this Bill the great trade and commerce of this vast continent attempted to be laid by the heels and bound hand and foot by a lot of puny ligaments. I put that argument, because, not merely does the Bill invoke the law courts in every line and every clause, but when you have done that your efforts will fail, because I predict that you will never be able to carry

it out. I do not wish to say anything about the Government being sincere or not sincere in bringing in this Bill. But if there is any sincerity in its purpose, I do say that there will be failure in its performance.

Senator MCGREGOR.—Why should the honorable senator frighten people about the Bill if it will not hurt them?

Senator Sir JOSIAH SYMON.—It is because it will frighten them that I object to it. They need not go to their lawyers to learn how to avoid it. Even my honorable friend would have wisdom enough to advise them that they could easily get through a Bill of this kind. But if you put such a measure on the statute-book, you cause litigation, you cause difficulty and trouble, and you interfere with the operations of trade. My honorable friend appears to have very little appreciation of the sensitiveness of trade. This Bill professes to remove restraints, whereas it creates a great many more than it removes. Before referring to the clauses of the Bill, I should like to say that monopolies are not, of course, to be confused with a greatly extended or greatly expanded business. An individual with considerable capital, with capacity, power of production, and other advantages, may so manage his own business as to bring it to such a pitch of perfection and power that it may amount to a practical monopoly.

Senator FRASER.—That is often the case.

Senator Sir JOSIAH SYMON.—Are honorable senators going to interfere with that kind of thing—to prevent that expansion which is the very life-blood of trade and commerce?

Senator BEST.—Certainly not.

Senator Sir JOSIAH SYMON.—I am glad to hear that, but I will point out how this Bill does interfere in that respect. Here I should like to pay my tribute to a speech recently delivered by Mr. Harper. I will not say where it was delivered, in obedience to your ruling, Mr. President, but I will say that I read it, and read it with attention, and that it is in itself one of the most statesmanlike speeches delivered by a man of experience and knowledge of trade in this country, that it has ever been my lot to look through. The foundation of all legislation of this kind rests upon the feeling that anything in the nature of restraint

of trade is obnoxious. The Bill has no object whatever unless it professes to prevent that. The phrase "restraint of trade" is used in the Bill. It is a term that is commonly understood. It occurs certainly in the earlier clauses, beginning with clause 4. But the real effect, as far as I can gather from the rest of the clauses, will be to restrain trade in Australia. We have had laid before us—and we are indebted to the Government for them—a number of papers giving information as to what has been done in other countries. There is no legislation in any country that at all approaches this Bill. In the ordinary law of England there is the great doctrine that any contracts which are in restraint of trade are void as against public policy. It needs no Bill or measure of this character to establish that proposition; and that is the law in Australia, as well as in England. It is the same law which existed so long ago as the time of Queen Elizabeth, when monopolies—that is, true monopolies—were granted by the Sovereign, giving the exclusive right to sell, and thus leading to the raising of prices. These monopolies were put a stop to, because the people of England were so roused in consequence of the injustice caused by their exactions that they were on the brink of revolution. The Queen's Ministers were approached, with the result that a number of the monopolies were swept away. The same principle underlies the legislation in America; and on this point I shall read not more than one or two passages, though I invite honorable senators' attention to the principles which are laid down in the laws which have been passed in that country. The law in the States of Arkansas, as shown in the circulated paper No. 14, is directed to combinations which tend to lessen free competition in the importation, production, or sale of goods. That is the cardinal idea which runs through the whole of the legislation in America. If those combinations lessen free competition, or result in regulating or fixing prices, they are deemed to be conspiracies, punishable by imprisonment or fine. At page 9 of the very interesting digest of cases which has been furnished to us, honorable senators will find the law shortly stated to the same effect—the keynote is combinations tending to lessen free competition or importation. At page 7 in the digest of cases there is one headed *The United States v. the Chesapeake Ohio*

Senator Sir Josiah Symon.

Fuel Company, and the Court in giving judgment said—

The important question is not whether the performance of the contract so far has resulted in actual injury to trade, but whether the contract confers power to regulate and restrain trade, upon those charges with its performance. . . . It looks to individual competition, rather than to combinations, for the benefits which are to follow and flow from commerce between the States, and, in the exercise of its constitutional power, has prohibited all combinations which restrain trade. It is for Congress to determine whether the policy it has adopted shall be maintained as the one which will best promote the interests of the country, or whether it shall abandon that policy, and place the Inter-State commerce of the country in the hands of combinations. But until Congress takes that course, as long as this Act remains upon the statute-books, it is the duty of the Courts to condemn every contract which necessarily in its performance involves a restraint of trade, although it may not extend to the point of a monopoly of all that trade.

What I desire to make clear to honorable senators is that the principle which ought to underlie this legislation, and which does underlie the legislation of other countries, is that there must not be anything that will operate in restraint of trade. Any restraint of trade is obnoxious to the law of England, and obnoxious to good sense and the interests of trade and commerce, as well as to the best interests of the people. If there is anything in the nature of restraint of trade it ought to be wiped away, and free play of competition allowed.

Senator DOBSON.—Is not fixing prices restraining trade?

Senator Sir JOSIAH SYMON.—That depends.

Senator DOBSON.—There is an authority which says that, whether the combinations are reasonable or not, they are illegal.

Senator Sir JOSIAH SYMON.—If the honorable and learned senator thinks that fixing prices is in restraint of trade he will act on that opinion.

Senator BEST.—There are several cases in which the Courts say so.

Senator Sir JOSIAH SYMON.—There are not, as Senator Best will find. I have looked into the cases with some care.

Senator DE LARGIE.—It is not fair competition.

Senator Sir JOSIAH SYMON.—Why not? What we have to look to is the consumer. If prices were fixed at a rate that allowed no profit—if goods were

given to the consumer without any profit—surely the honorable senator would not suggest that that was in restraint of trade.

Senador DE LARGIE.—It might be.

Senator Sir JOSIAH SYMON. — It might or it might not be; but, at any rate, it would not be so in the sense in which the phrase is used in this particular legislation.

Senator TRENWITH. — But it might be done with a view to crushing another company.

Senator PLAYFORD.—If a case went to Court, the Judge would have to decide what was restraint of trade.

Senator Sir JOSIAH SYMON. — The Minister shunts the whole matter on to the Court. This is a Bill to open the doors of the Court, so that the commerce and trade of the country shall become a matter of litigation. It may be right to have such legislation; but all I desire to call attention to at present is that the Bill goes altogether beyond legislation elsewhere. The sections of the Sherman Act are not given in full in the documents which have been circulated, but they are stated sufficiently, and I have taken an opportunity to look at the Act itself. The important fact is recognised that in America the means of transport, which are a great aid to combinations, are in the hands of private companies. Of course, that state of things does not exist in Australia; and there is not here the opportunity for those abatements and differentiations of rates which are most facile means of creating monopolies and combines in the United States. After passing that by, the compiler of the digest says—

While the Inter-State Commerce Act has no relation to trusts or combinations engaged in the manufacture, production, and sale of merchandise (its provisions relating only to the rights, liabilities, and duties of common carriers), this later statute (Sherman Anti-trust law) is of universal application, its purpose being to prohibit every contract or combination in restraint of trade or commerce among the several States or with foreign nations, whether made by carriers, manufacturers, producers, or shippers.

That is all. We have only to look at our own Bill to see that it goes altogether beyond the American legislation, and introduces a number of complications, which, if the object had been the same as in the United States, would tend to defeat it. The digest goes on to say that every contract in the form of a trust or otherwise—it does not matter what it is called—or con-

spiracy in restraint of trade or commerce, is illegal. That has nothing to do with the intent to interfere with other manufacturers, or anything of that kind, but deals simply with combinations in restraint of trade, or of commerce amongst the several States. Every combination which has that for its object is void, according to the law of England, and the American Statutes, going further than the ordinary common law, says that it shall be a misdemeanour. It makes that which, without this positive law, would be void and unenforceable by civil action, a criminal offence. That is the extent to which it goes, with various incidental provisions.

Senator PLAYFORD.—There is liability to heavy fine, as well as imprisonment.

Senator Sir JOSIAH SYMON. — Exactly; it is a criminal offence punishable by fine and imprisonment. The Sherman Act is simply directed against restraint of trade, and combinations in restraint of trade. What is the case in Canada and New Zealand? In Canada, the Act, which is referred to in the digest, was passed in 1904, but in 1897 there was a general Tariff Act passed, containing a most excellent principle. If the Bill before us had proceeded on the same lines, I should have given it my unhesitating support. Section 18 of the Canadian Act of 1897 provides—

Whenever the Governor-General in Council has reason to believe that with regard to any article of commerce there exists a trust, combination, association, or agreement of any kind amongst the manufacturers of such article, or dealers therein—

Honorable senators will see that this does not deal with importation, which is left untouched.

Senator TRENWITH. — They do not require that in Canada; they have a Tariff sufficient.

Senator Sir JOSIAH SYMON. — Now we have it! This, then, is a specific Act for prohibition, because the Tariff is not high enough. We are having a Tariff fight—I am not complaining of the interjection of the honorable senator—

Senator TRENWITH.—The honorable senator is placing on the interjection a construction that it does not properly bear. I say that in Canada they do not require a Trust Act to deal with importations, because they have none.

Senator Sir JOSIAH SYMON.—They have a great deal; but my honorable friend's interjection, if it means anything—and I do not think I am going too far

when I say this—means that this Bill is practically an addendum to the Tariff, for the purpose of prohibition. I pause to say that, if that be the case, the Bill is before this Parliament under false pretences. and that it ought not to be passed if it is intended as an addendum to the Tariff, and not merely as a Bill to promote freedom of trade.

Senator TRENWITH.—That does not do justice to my interjection.

Senator Sir JOSIAH SYMON.—I have no wish to do any injustice to the honorable senator, but I think that is a statement which is a perfectly just inference from what he said. If the honorable senator does not think so, he will be able to explain later. I continue the quotation from the Canadian Act—

Whenever the Governor in Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association, or agreement of any kind among manufacturers of such articles or dealers therein, to unduly enhance the price of such articles, or in any other way to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers—

Senator BEST.—We had a similar provision in a draft Bill in 1902.

Senator Sir JOSIAH SYMON.—In the Victorian Parliament?

Senator BEST. — No, in the Commonwealth Parliament, if I remember rightly.

Senator Sir JOSIAH SYMON.—I do not remember it, but I will say that that is a perfectly legitimate thing to do. This law has regard for the interest of the consumer, and I venture to say that it is the interest of the consumer that should be paramount in matters of this kind. That, at any rate, is the Canadian law, but that provision is unfortunately not abstracted in the papers submitted to honorable senators. An amendment of the Canadian Tariff Act was passed in 1904, with the object of dealing with what, in this Bill, is called "dumping." I should say that this term appears here for the first time in any Act of Parliament as far as I am aware. I certainly never saw it in an Act of Parliament before. The compilers of the digest submitted to honorable senators refer to the Canadian Act of 1904, as one dealing with "dumping." The Canadian Act does not use that term, and the way in which it deals with it is totally different from that adopted here. The Canadian Act deals with the matter in a sensible way. What is it that

we desire to prevent? Surely we do not desire to prevent the consumer getting the benefit of the importation of cheap goods? If a man secures a bargain in England by the purchase cheaply of articles of good quality, and imports them to Australia, surely the consumers are entitled to the advantage of that purchase if it is offered them? Why should the importation of those goods be prohibited, I should like to know? The Canadian people have not said that such importations shall be prohibited. It is with them merely a question of Customs duties. What the Canadians have said is that if bargains are obtained in the mother country or in America, and are imported into Canada, the value of goods for the purpose of Customs duty must not be taken to be the bargain value, but must be taken to be the actual value in the place of export. That is perfectly legitimate for the purpose of duty.

Senator BEST.—Is that section 18?

Senator Sir JOSIAH SYMON. — No, that is in the Canadian Act of 1904, which is cited in the digest as against dumping. What is our provision against dumping? It is to exclude the goods altogether. A more monstrous thing was never suggested, and there is no precedent to be found for such a course in any of the Acts recommended for our consideration and guidance. Section 19 of the Canadian Act of 1904 provides that—

Whenever it appears to the satisfaction of the Minister of Customs, or of any officer of Customs authorized to collect Customs duty, that the export price or the actual selling price to the importer in Canada of any imported dutiable article of a class or kind made or produced in Canada is less than the fair market value thereof, as determined according to the basis of value for duty provided in the Customs Act in respect of imported goods subject to an *ad valorem* duty, such article shall in addition to the duty otherwise established, be subject to a special duty for Customs equal to the difference between such fair market value and such selling price: Provided, however, that the special Customs duty on any article shall not exceed one half of the Customs duty, otherwise established in respect of the article—

except in regard to certain articles enumerated in a schedule attached to the Act. Honorable senators will see that in this Bill we are being asked to prohibit the importation of these cheap goods, which might be for the benefit of the consumer. Why should we penalize him? Why should he be punished simply because goods are being imported cheaply? It seems to

me, and I think honorable senators will say the same, that in the Bill the Government are in this respect proceeding on an altogether fallacious basis. Then I come to the New Zealand Act, and what does it provide? It proceeds in this matter on the same basis as the Canadian Act. It does not prohibit the importation of any goods. Of course, honorable senators are aware that it is limited in its operation to agricultural implements and so on, but it does not prohibit their importation. It does not say that harvesters shall not be imported into New Zealand, but it says that if they are imported, and that by their importation substantial injury is done to the local industry, a bonus up to a limit of 33 per cent. may be allowed to the local manufacturer in order to compensate him for the injury. As honorable senators will see, the consumer is protected under the New Zealand Act. I never knew, and I challenge any honorable senator to produce, a law from any civilized country which prohibits the importation of goods which are bargains, so to speak, and which are sought to be sold cheaply in the country to which they are imported. Yet that is what we are asked to do in this lovely Bill!

Senator DE LARGIE.—Every effectual protectionist duty is such a law.

Senator DRAKE.—Is prohibition?

Senator DE LARGIE.—Yes.

Senator Sir JOSIAH SYMON.—It is not anything of the kind. But we are not dealing with the question of the Tariff, and I am objecting now to the introduction, under cover of promoting free competition and destroying monopoly, of a Bill intended to bring about prohibition, and prohibition, honorable senators must remember, which does not injure the exporters from the oversea country, but which injures and punishes the consumer, whether rich or poor, in this country. Human nature likes a bargain, and why should the consumers of this country be deprived of bargains in the shape of cheap goods simply because some local trader has a big stock of them, not necessarily locally manufactured at all, and chooses to send in a complaint to the Minister, and get this complicated law put into operation to keep them out?

Senator DE LARGIE.—Because their cheapness may lead to a destruction of trade.

Senator Sir JOSIAH SYMON.—I shall come to the destruction of trade, and the

honorable senator will see how little there is in that.

Senator MCGREGOR.—That is the only case in which the provision would be effective.

Senator Sir JOSIAH SYMON.—I shall endeavour to satisfy my honorable friend on that point. At any rate, this Bill is aimed at the prevention of this free importation, and I say that that is the real object of the measure. In respect to the demolishing of restraints of trade the measure is a perfect sham. It pretends to remove restraints with one hand, and at the same time fastens them on to a greater extent with the other. It attempts to attain two diametrically opposite objects. It seeks, on one hand, to create a means of prohibiting the import of cheap foreign goods, and on the other hand to prevent any trust or individual unduly raising the price of necessary commodities against the people. In considering the clauses of this Bill it is well that we should remember that our power in this respect is limited. Honorable senators will recollect that we have no power to deal with trade which is confined in its operations to any one State. Our only power in this matter is to deal with trade and commerce between the States and with foreign countries. Clauses 5 and 8 are certainly couched in a form of words which makes it extremely doubtful if an attempt might not be made under this measure to interfere with trade which is absolutely confined within a particular State. Clause 5 provides that—

Any foreign corporation—

And, by-the-bye, I do not know how we are going to get at a foreign corporation.

Senator PLAYFORD. — We shall get at them when they send their goods here.

Senator Sir JOSIAH SYMON.—It is an utter impossibility to get at a foreign corporation under this Bill—

Any foreign corporation or trading or financial corporation formed within the Commonwealth—

And that may be a State corporation—

which either as principal or agent makes or enters into any contract or engages or continues in any combination—

Senator PLAYFORD.—Only with a certain object.

Senator Sir JOSIAH SYMON. — I do not care what the object is. I am sure that Senator Playford has not applied his

mind to this particular matter. The question I am raising is whether the Bill does not, in terms, extend to corporations engaged in trade within the limits of a particular State. Clause 8 uses the same language, and will, in my view, have the same effect. It provides that—

Any foreign corporation or trading or financial corporation formed within the Commonwealth, which monopolizes or attempts to monopolize or combines or conspires with any person to monopolize any part of the trade or commerce within the Commonwealth—

That is not an exercise of the power we possess, a power which is exceedingly well defined in the digest of cases to which I think we may all refer with advantage. I can refer honorable senators to statements appearing on pages 6 and 7 of that digest which show clearly what the scope of our power is in dealing with these matters. I quote from a judgment of the Supreme Court of the United States—

If, therefore, an agreement or combination directly restrains not alone the manufacturer—

That is not enough. The restraint of manufacture alone does not come within the power of the Commonwealth—

but the purchase, sale, or exchange of the manufactured commodity among the several States, it is brought within the provisions of the Statute.

On the same page it will be found that the learned Judges said—

We conclude that the plain language of the grant to Congress of power to regulate commerce among the several States includes power to legislate upon the subject of those contracts in respect to Inter-State or foreign commerce which directly affect and regulate that commerce.

A little lower down on the same page I find this—

The question is as to the effect of such combination upon the trade in the article, and if that effect be to destroy competition, and thus advance the price, the combination is one in restraint of trade.

Although the jurisdiction of Congress over commerce among the States is full and complete, it is not questioned that it has none over that which is wholly within a State, and therefore none over combinations or agreements, so far as they relate to a restraint of such trade or commerce.

Again, in connexion with the Coal Trust case, at page 7 will be found a passage which I have already read, and one sentence of which I shall read again—

But until Congress takes that course, as long as this Act remains upon the statute-books, it is the duty of the Courts to condemn every contract which necessarily in its performance in-

Senator Sir Josiah Symon.

volves a restraint of trade, although it may not extend to the point of a monopoly of all that trade.

And, again, the Supreme Court of the United States says—

To the extent that the present decree includes in its scope the enjoining of defendants thus situated from combining in regard to contracts for selling pipe in their own State, it is modified and limited to that portion of the combination or agreement which is Inter-State in its character.

If the Bill should get into Committee, these two clauses will, therefore, require very grave consideration so as to prevent the possibility of their being construed, or being supposed to apply, to trades or manufactures limited in their operation within the boundaries of the State. I wish now to direct attention to the clauses under the head of "Repression of Monopolies" to show what they mean, and how they are to be carried out. In the first place, honorable senators will see that the object goes far beyond the legislation to which I have referred. The first clause says—

Any person who either as principal or as agent, makes or enters into any contract, or is or continues to be a member of or engages in any combination in relation to trade or commerce with other countries or among the States—

That is intended to meet combinations and trusts, and persons engaged in them, or entering into contracts with them in Australia. It goes on to say—

(a) with intent to restrain trade or commerce to the detriment of the public—

Why should it say "with intent"?

Senator TRENWITH.—Because that is made a criminal offence punishable by a fine of £500.

Senator Sir JOSIAH SYMON.—What is the good of putting in the words "with intent"?

Senator TRENWITH.—Surely it is necessary to provide that intent shall be proved if we are going to punish people criminally.

Senator Sir JOSIAH SYMON.—It may be.

Senator PLAYFORD.—And if a man did it innocently he would not be punished.

Senator Sir JOSIAH SYMON.—How is it proposed to prove this intent? It never could be proved.

Senator TRENWITH.—Then people never would be punished.

Senator Sir JOSIAH SYMON.—Exactly.

Senator PLAYFORD. — It will only frighten them.

Senator Sir JOSIAH SYMON.—I have endeavoured to show honorable senators that the objects of the Bill are, in my view, a sham; but if they are a reality, the intention never could be carried out.

Senator PLAYFORD.—There will be no trouble.

Senator Sir JOSIAH SYMON.—I happen to know what the trouble is in these matters.

Senator TRENWITH.—It would be very difficult to prove a case.

Senator Sir JOSIAH SYMON.—Why should the words "with intent" be put into our Bill when the Sherman Act in America does not contain them?

Senator DOBSON.—We ought to use the words "shall have the effect of restraining."

Senator Sir JOSIAH SYMON.—All I wish to point out is that the whole of the Bill is perfectly crude, ill-considered, and absurd.

Senator TRENWITH.—The Bill provides two ways of dealing with the cases. Under another clause, the authorities can annul the agreement by injunction. Where it is intended to punish, it will be necessary to prove intent.

Senator Sir JOSIAH SYMON. — My honorable friend says that the authorities can annul the agreement by injunction.

Senator BEST.—If I remember aright the expression, "with intent" was specially inserted by the other House.

Senator Sir JOSIAH SYMON. — The better way would be to strike out the whole clause.

Senator BEST. — No, only the words "with intent."

Senator Sir JOSIAH SYMON. — My honorable friends are asked to enact that an Australian may enter into an arrangement in relation to trade or commerce—

with intent to destroy or injure by means of unfair competition any Australian industry.

Do they imagine, or has there ever been a suspicion, that an Australian would enter into an arrangement to destroy an Australian industry?

Senator MCGREGOR.—Yes, any number of them.

Senator Sir JOSIAH SYMON. — My honorable friend lives in a strange kind of atmosphere, and knows people different from those with whom I am in the habit of coming into contact. I cannot conceive

how such an absurd thing could be put into the Bill. Under the next clause, any foreign corporation, or trading or financial corporation formed within the Commonwealth is to be left free, so far as regards the punishment which is the essence of the Sherman Act, unless this intent can be proved.

Senator TRENWITH. — The authorities could annul the contract by injunction.

Senator Sir JOSIAH SYMON.—The contract would be annulled under the provision, and not by injunction.

Senator TRENWITH.—If intent be proved.

Senator Sir JOSIAH SYMON. — All that could happen would be that the contract would be annulled. But let us see the other pit-fall. Not merely has the intent to be proved, but clause 6 says—

For the purposes of the last two preceding sections, unfair competition means competition which is unfair in the circumstances.

Who is to determine that? There are certain instances given, and one of them is—

If the defendant is a Commercial Trust. As the Minister of Defence said, we might have a beneficial commercial trust. But if we did, then, simply because it was a trust, the arrangement into which it entered, or its existence, would establish that the competition was unfair. Is that a just or a reasonable provision to put into a Bill of this description? Then clause 6 goes on to say—

If the competition would probably or does in fact result in an inadequate remuneration for labour in the Australian industry.

Of course that is what I call the pretence of protecting labour. What would have to be proved? According to clause 3—

"Inadequate remuneration for labour" includes inadequate pay or excessive hours or any terms or conditions of labour or employment unduly disadvantageous to workers.

Before we could reach the person whom it was desired to get at, it would be necessary to prove an intent to destroy, and that it was by means of unfair competition, and unfair competition would have to be proved—because it is not assumed—by usurping the functions of Arbitration Courts, Wages, and Factories Boards. It would also involve an intrusion into the State domain, and a determination by the Court at the instance of the person who said that his business was injured by unfair competition. An inquiry into all these things—as to whether or not the allegation was made out, that the employes would be likely to

be subject to inadequate remuneration—opens up a vista of difficulties, which would render it impossible of effect, and the investigation would have to take place in a Law Court. So whenever any provision in this part of the measure was sought to be brought into force, the operations of the importer or person who had entered into an agreement would be paralyzed, and trade to that extent would be stopped, while the investigation was going on. And of course every manufacturer or trader who chose to say that a particular importation or arrangement or combine was likely to injure him, would endeavour to make out that the employés were inadequately remunerated within the large scope of the definition of "inadequate remuneration" in clause 3.

Senator MCGREGOR.—According to the honorable senator's statement that could not be done, so that it does not matter.

Senator Sir JOSIAH SYMON.—That is just what the man would try to do. My honorable friend may let Mr. McKay alone for trying to get within the provision. Again, what is meant by the word "service" in clause 7? It says—

Any person who monopolizes or attempts to monopolize, or combines or conspires with any other person to monopolize, any part of the trade or commerce with other countries or among the States, with intent to control, to the detriment of the public, the supply or price of any service.

Does that mean labour? I do not know what it means.

Senator PEARCE.—Would it mean a shipping service?

Senator Sir JOSIAH SYMON.—I think it is perfectly clear that, for one thing, the trade unions would come under the provision.

Senator PEARCE.—They would be proved to be beneficent trusts.

Senator MILLEN.—That would not keep them outside the operation of the measure.

Senator Sir JOSIAH SYMON.—I should think that the word "service" would mean labour.

Senator DOBSON.—It means transportation.

Senator Sir JOSIAH SYMON.—Is it limited to transportation?

Senator DOBSON.—I do not say that it is limited, but that is its meaning in the American cases.

Senator Sir JOSIAH SYMON.—Where?

Senator DOBSON.—All through the American cases the honorable senator will find that it means that.

Senator Sir JOSIAH SYMON.—Probably it would include transportation, but it would also include everything in the nature of service. At any rate, we shall have an opportunity of considering the point when we get into Committee. It is a singular thing that in the United States there seem to have been very few proceedings under the Acts to which attention has been called. If this is an abstract of all the cases which have taken place, as I presume it is, certainly, so far as the United States is concerned, we find that only one case occurred in 1891, 1895, 1897, 1898, 1900, 1903, and 1904.

Senator PEARCE.—Are not these quoted as specimen cases?

Senator Sir JOSIAH SYMON.—Of course, that may have been intended, but it does not appear to be so, because at the bottom of the page there is given a reference to five other cases. If it is meant to be a compilation of all the American cases on the subject, with the enumeration at the foot, then the number is very limited.

Senator PEARCE.—I think that the law books in the Library show that there have been a great number of cases.

Senator Sir JOSIAH SYMON.—I hope that that is so. There is not the same opportunity for litigation in America as there would be under this measure, because it would be open to any one who wished to disturb trade to initiate a proceeding of this kind. Therefore, the probability is that there will be a greater crop of that kind than there is in America. To come briefly to the second part of the Bill, I point out that here, for the first time in our legislation, the term "dumping" is used. I can understand legislation to prevent the raising of prices, but I cannot understand legislation to prevent the lowering of prices. The person who benefits in the latter case is the consumer. The objection which this Bill is supposed to meet in Part III. is in regard to the importation of goods to bring down prices.

Senator TRENWITH.—Is it not a fact that prices have been brought down in order to raise them afterwards? Does not every one remember that in the old days coaches used to be run for nothing in order to secure a monopoly, and then raise prices?

Senator Sir JOSIAH SYMON.—But we are talking about general importations. It

is improper, in my opinion, to seek to stop importations simply because they may have the effect of making the manufacturers reduce their prices.

Senator PLAYFORD.—Because they may have the effect of ruining manufacturers.

Senator Sir JOSIAH SYMON.—Then attain the object through the Tariff if you object to importation. Why should we have a Bill of this kind brought in to prohibit importations, when the right way of doing that is by altering the Tariff? Let us confine ourselves to one method of doing it. We have no right to prevent the importation of goods which cheapen prices to the consumer. What is the use of laying before the Senate a quantity of information with regard to what has been done in other countries if it is not to guide us?

Senator TRENWITH.—Other Acts may guide us without our copying them.

Senator Sir JOSIAH SYMON.—They do not guide us at all, because we are proceeding upon a totally different principle.

Senator TRENWITH.—The facts show that other legislation has been too weak. We are guided to that extent.

Senator Sir JOSIAH SYMON.—The information which has been circulated has been put before us to justify this Bill. My objection is that it does not justify the Bill at all. It merely throws dust in the eyes of the Senate. Let us discard these other examples altogether if we are not to be guided by them. The New Zealand Act is founded upon the principle of regulating importations and encouraging free competition. So is the Canadian Act. There is also a provision in the New Zealand Act which, I think, we might well have followed. It exempts British manufacturers from the operation of the law. Surely, if we are going in for imperialism and preferential trade, it should not be mere lip service. Why should we not introduce a provision of that kind into this Bill?

Senator TRENWITH.—One thing at a time.

Senator Sir JOSIAH SYMON.—My honorable friend is an advocate of preferential trade, and he should agree with me that in legislating in this direction we have an opportunity to show our affection for the mother country, and our desire for reciprocal trade. I am an advocate of reciprocal trade, too, and shall make an effort in this direction in Committee. I wish to call the attention of honorable

senators to the extraordinary way in which these anti-dumping provisions are to be enforced. In the first place there is to be a complaint in writing to the Comptroller-General. When he receives that complaint he is not to act unless he has reason to believe the following things:—In the first place, he must be satisfied that there is a person importing with intent to destroy or injure any Australian industry. In the second place, he has to be satisfied that it is an Australian industry that is being injured. It is not every Australian industry that is protected. He has to satisfy himself that the Australian industry affected is one which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers. It has to be an industry in which, in the opinion of the Comptroller-General, the majority of the workers receive adequate remuneration for their labour, and are not subjected to unfair terms and conditions. He has judicially to inquire into all this. That is the preliminary investigation that has to take place. Before the matter passes through this labyrinth, the importer will probably be ruined. In addition to all that, the Comptroller-General has to be satisfied that the Australian industry is being injured by unfair competition. If honorable senators look to what is unfair competition they find that that also is covered by a very elaborate set of provisions. The conditions set out in sub-clause 2 of clause 18 have to be fulfilled. The competition is deemed to be unfair if it—

would probably or does in fact result in an inadequate remuneration for labour in the Australian industry.

Senator PLAYFORD.—The Comptroller-General would not act unless he was satisfied.

Senator Sir JOSIAH SYMON.—Does my honorable friend think that these provisions are simple?

Senator PLAYFORD.—No, they are not simple.

Senator Sir JOSIAH SYMON.—Then my honorable friend agrees that they are exceedingly complex. The Comptroller-General has to be satisfied that the competition—

would probably or does in fact result in creating any substantial disorganization in Australian industries or throwing workers out of employment.

He has also to be satisfied that the imported goods have been purchased abroad—at prices greatly below their ordinary cost of production where produced or market price where purchased.

He has to be satisfied, further, that the imported goods—

are being sold in Australia at a price which is less than gives the person importing or selling them a fair profit upon their foreign market value or their fair selling value if sold in the country of production.

He has to satisfy himself of one or all these things before he is entitled to certify under clause 19—which, by the way, applies as well to single individuals as to combinations. Having ascertained all that, the Comptroller-General has to certify to the Minister a number of things. He has to certify—

(a) The imported goods; (b) The Australian industry and goods; (c) The importer; (d) The grounds of unfairness in the competition; (e) The name, address, and occupation of any person (not being an officer of the Public Service) upon whose information he may have acted.

It is hard, it seems to me, upon the individual trader who is kept in suspense all this time, his goods being held up, and it is hard on the consumer who is kept out of his cheap bargain. In the next place, this process having been gone through, the importer is to have an opportunity of showing cause. The Minister may then refer the matter to a Justice who has to decide.

Senator TRENWITH.—Where is the provision for holding up the goods all this time?

Senator Sir JOSIAH SYMON.—Under clause 20 the goods are not allowed to be imported unless the importer gives a bond. The importer is not allowed to deal with the goods from the date of the *Gazette* notice until the publication of the determination of the Justice.

Senator MULCAHY.—Otherwise, what would be the good of the restriction?

Senator Sir JOSIAH SYMON.—No good at all. It is provided that the goods, which are the subject of the investigation, shall not be imported, but must be kept in bond. Within what time could the Comptroller-General investigate the question of the conditions of the industry? How long a time do honorable senators think the Comptroller-General ought to have to investigate whether the conditions of remuneration are just?

Senator PLAYFORD.—The importer could always get his goods by giving a bond.

Senator Sir JOSIAH SYMON.—What right is there to impose such a condition on a free subject of the Commonwealth? Suppose the importer is not able to give a bond? It is a small satisfaction to the importer that he may give a bond, when he is refused the power to import, and placed in the position of a culprit. Then, this provision would prevent the circulation of the goods amongst the Australian people.

Senator PLAYFORD.—Let the importer give a bond.

Senator Sir JOSIAH SYMON.—What right is there to demand a bond, or to prevent the free circulation of the goods? The importer is not doing any wrong, and the people of Australia are entitled to have the goods circulated.

Senator TRENWITH.—The inference of the honorable senator was that, possibly, an innocent person might have his goods "held up"; and obviously an innocent person would be willing to give a bond.

Senator Sir JOSIAH SYMON.—Obviously, he ought not to be called upon to give a bond. On what principle can we demand a bond from a person who is importing goods? I cannot regard a man as guilty under the circumstances. This portion of the Bill, I understand, deals with what is called "dumping."

Senator PLAYFORD.—Do I understand that the honorable senator is in favour of dumping?

Senator Sir JOSIAH SYMON.—What I understand is that the Government are endeavouring to prevent the importation of cheap goods.

Senator PLAYFORD.—Which would unfairly compete with our own manufactures.

Senator Sir JOSIAH SYMON.—That is another matter altogether. This portion of the Bill, I understand, is designed to prevent the importation of cheap goods.

Senator TRENWITH.—The honorable senator may believe that to be so, but that certainly is not the object.

Senator Sir JOSIAH SYMON.—The Government are seeking to stop the importation of cheap goods.

Senator PLAYFORD.—Which unfairly compete with the goods of our own manufacturers.

Senator Sir JOSIAH SYMON.—But goods which it is desired to import may be held up on complaint being made by anybody who chooses, to the Comptroller-General. An importer, knowing that a

rival was about to import a large stock of cheap goods, might in this way be able to put a "spoke" in his rival's "wheel." The goods would then be held in bond, and, in the meantime, the trader who had made complaint would be getting rid of his goods, and the other man might be ruined. Anything more unjust or unfair never was proposed. The next step is that the Minister may refer the matter to a Justice; and the reference has to be notified in the *Gazette*. The question to be decided by the Justice is the extraordinary one whether the goods are being imported with the intent alleged, and, if so, whether the importation should be prohibited—it is a matter of opinion—either absolutely or subject to any specific conditions, restrictions, or limitations.

Senator MULCAHY.—That provision very badly requires explanation.

Senator PLAYFORD.—A Justice will be capable of determining that question all right.

Senator Sir JOSIAH SYMON.—I deeply regret that the duty of interfering with, or regulating, matters of trade should have been imposed upon a Justice of the High Court. These are not the sort of questions that ought, in my humble opinion, to be referred to a Justice. Under the Bill the Justice is asked to determine whether the industry is one which comes within the category I have mentioned, and whether a majority of the workers receive adequate remuneration. Such questions are proper, it may be for a conciliation and arbitration tribunal, or a Wages Board, but are not such as, in the first instance, ought to be submitted to a Justice of the High Court. In matters relating to trade the tribunal ought to be one associated with trade.

Senator PEARCE.—The difficulty is to get an impartial tribunal.

Senator Sir JOSIAH SYMON.—I think honorable members, on looking at these clauses, will agree with me that, for many obvious reasons, the Justices of the High Court should not be brought into an atmosphere of this kind. This is not a proper subject for judicial investigation; it is infinitely better that matters of trade should be dealt with as matters of trade. Such a question as whether or not goods should be imported would be far better settled by those conversant with the practical bearing of the principles of trade and

commerce. It appears to me that the provisions relating to dumping are extremely complex, and have been very little considered.

Senator PLAYFORD.—They have been very carefully considered.

Senator Sir JOSIAH SYMON.—The provisions appear to me to have been put in such a form that, while they will not carry out the object which I attribute to the Government in introducing the measure, they may have the effect of inflicting very serious injury on innocent persons. Then, in my opinion, it is scarcely the way to refer to the highest tribunal in this country to provide that the Justice shall proceed to "expeditiously" and "carefully" investigate and determine the matter. I think that, at any rate, we might have left those terms out.

Senator DE LARGIE.—The Judges might prefer that somebody else should take the work.

Senator Sir JOSIAH SYMON.—That point is not dealt with in the language which I have quoted. I am merely pointing out that it is very unusual, when imposing a jurisdiction on any particular tribunal, whether it be the highest or the lowest, to say that it shall "expeditiously" and "carefully" do its duty.

Senator PEARCE.—That, I suppose, is to reassure the importers.

Senator Sir JOSIAH SYMON.—I do not know what is the object, but, at any rate, it is not the sort of phraseology I like to see. I feel very strongly that the Bill, which purports to be conceived from the stand-point of freeing trade from restraints, and securing and enlarging free competition, will by no means have that effect, but will introduce restraints infinitely greater than those it professes to remove. I am of opinion that the Bill will do incalculable mischief, so far as regards the free flow of trade and commerce in this country. For those reasons I prefer to consider what further course I shall myself take. I should like the Government to withdraw or postpone the Bill for the purpose of reconsidering its provisions. It would be desirable, I think, to have a postponement until we have had an opportunity to carefully consider the evidence taken, and the reports by the Tariff Commission on the one subject which notoriously has brought about the introduction of the Bill. It has not, in

my opinion, been considered as fully in its details as it might have been, and, while, in words, it recognises free competition, it, in effect, hampers and defeats free competition. The Bill professes to secure freedom from all restraint of trade, while it involves trade in fresh meshes. No destruction of industries has been established, and nothing in the nature of predatory assault has been suggested, which it is necessary to repel under the provisions of such a Bill. I am as anxious to encourage industries as anybody could possibly be in a legitimate and fair way but when I find the natural industries of Australia enjoying a period of unexampled prosperity—when I find the manufacturing industries of Victoria enjoying similar prosperity—I say, with all emphasis, that we ought to leave well alone. We may meddle only to mar.

Debate (on motion by Senator MCGREGOR) adjourned.

ADJOURNMENT.

EXTRA SITTING DAY.

Senator PLAYFORD (South Australia) [10.29].—I move—

That the Senate do now adjourn.

In submitting the motion I may be permitted to say that the very slow progress we have been making of late with the business may necessitate my asking honorable senators, after next week, to meet on the Tuesday. Whether that request be made or not will depend to a considerable extent on the state of the business. If sufficient progress be made I shall not take the step I have indicated, but it may be necessary to have the extra sitting day if we are to close the session within a reasonable time.

Senator Sir JOSIAH SYMON.—Of course the Minister of Defence will give notice of such a motion?

Senator PLAYFORD.—Certainly.

Senator MILLEN (New South Wales) [10.30]. — In reference to the intimation given by the Minister of Defence, may I express the hope that in order to expedite public business, the Government will not unnecessarily occupy time by seeking the recommitment of any of their measures.

Question resolved in the affirmative.

House adjourned at 10.31 p.m.

House of Representatives.

Thursday, 9 August, 1906.

Mr. SPEAKER took the chair at 2.30, and read prayers.

NEW HEBRIDES.

Mr. JOHNSON.—Has the Prime Minister yet received a reply to the communication which he sent to the Home authorities some time ago in reference to the New Hebrides?

Mr. DEAKIN.—No.

PORT ADELAIDE CUSTOMS CASE.

Mr. HUTCHISON. — Can the Minister of Trade and Customs inform me who is to blame for bungling the information in the Port Adelaide Customs case?

Sir WILLIAM LYNE. — I do not know that anyone is specially to blame. The Acting Collector there applied to the Crown Solicitor of South Australia without consulting the Comptroller-General of Customs, and acted upon the advice which he received. If any bungling has occurred, it has happened in that way. The matter, however, will not rest where it now stands. Very extensive additional information has been received affecting money matters, and I believe that there will be further prosecutions.

TARIFF COMMISSION'S REPORTS.

Sir JOHN QUICK. — I wish to ask the Minister of Trade and Customs whether he has noticed that, apparently owing to the piecemeal manner in which the reports of the Tariff Commission have been submitted to the House, none of the recommendations contained in paragraphs 1 to 14, inclusive, with reference to the proposed amendments of the Excise, Distillation, and Commerce Acts, have yet been published in the press for the information of the general community. Will he direct that the reports and recommendations as a whole shall be consolidated, published, and circulated in the form in which they were originally presented to the Attorney-General? Will he also make arrangements with the Government Printers of the States for the publication, and sale to the public, of copies of these and other reports of the Commission?

Sir WILLIAM LYNE. — So far as I know, everything received from the Tariff Commission until now has been laid on the table of the House, and if the representatives of the press do not care to take the trouble to publish the information therein contained, I cannot compel them to do so. The honorable and learned member spoke to me privately last night about the advisability of printing as one publication the reports which were divided and laid on the table separately. The reason for the division was that it would have been improper to lay on the table those portions of the reports which were laid on the table the other night until the Government had taken action in regard to the recommendations submitted. Had there not been that reason for delay in connexion with the laying on the table of portions of the reports, the whole of the reports would have been laid on the table at one time. Last night, however, I asked the Clerk if the separated portions could be bound together, and submitted to honorable members complete, and I am prepared to have that done. As to selling bound copies of the reports through the Government Printers of the States, I see no objection to that course, though I am not prepared at this moment to speak definitely on the subject. If I had my way, I should not sell these reports, but should give them away. I should have a good number printed and distributed, and should be prepared to take the same action in regard to other reports which have come, or will come, from the Commission.

Mr. FULLER.—I understand the Minister to say that he is prepared to give away the reports of the Tariff Commission which relate to duties on spirits. Will he do the same thing in connexion with the two reports handed to the Prime Minister last night dealing with stripper harvesters and agricultural implements and machinery?

Sir WILLIAM LYNE.—I said all reports, both those already sent in and those to be sent in. I wish to qualify my answer by saying that it was given on the spur of the moment, and without consultation with the Prime Minister or the Treasurer; but I do not think that the cost of doing what I have suggested would be much, and, if I can get them to consent to the distribution of these reports without charge, I shall do so.

Mr. FULLER.—Will the Minister have the reports to which I have referred printed and circulated amongst members of Parliament at the earliest possible moment?

Sir WILLIAM LYNE.—I must first take time to read them. The reports are lengthy, and I am not sure that it would be judicious to publish the recommendations contained in them until action has been taken by the Government in the matters referred to.

PAPERS.

The CLERK laid upon the table the following papers:—

Return to an order of the House dated 1st August, relating to canteens in barracks.

Return to an order of the House, dated 26th October, 1905, giving the estimate of cost and revenue from the Melbourne-Sydney telephone line.

COMMERCE ACT REGULATIONS.

Mr. DUGALD THOMSON.—I wish to know from the Minister of Trade and Customs whether the Commerce Act regulations, which I understand have been laid on the table, carry into effect his decisions and the promises made to those whom he consulted on the matters with which they deal, or whether there have been variations?

Sir WILLIAM LYNE.—If I had caused the regulations to be framed so that they would carry out the recommendations of all whom I consulted, they would be contradictory. I gathered all the information I could, especially from those whom I asked to come together in Sydney to discuss the subject; but the regulations have been somewhat modified in consequence of certain representations which were afterwards made, and because the interpretation put upon the law by the Attorney-General would not allow me to do exactly what I wished to do.

Mr. DUGALD THOMSON. — The Minister has failed to reply to my question. I did not ask if the regulations vary from the suggestions made to him, but whether they vary from what he indicated to be his intentions. The Minister stated that for certain reasons there has been a variation, and I ask now if the variation is from what he undertook to do or indicated that he intended to do, or from the requests of those approaching him?

Sir WILLIAM LYNE.—The honorable member has put a question which it is almost impossible to answer. He does not say to what promises he refers—whether they relate to butter, cheese, bacon, hams, or something else. He asks me if I have varied my promises, and my reply is that I have adhered to my promises as nearly as circumstances would permit.

HAWKER BOARD.

Mr. MALONEY.—Will the Prime Minister ascertain from the Minister of Defence whether he will allow the vouchers for the money paid to military members of, and witnesses appearing before, the Hawker Board, referred to in my question of Tuesday last, to be placed on the table in the Library for the information of honorable members?

Mr. DEAKIN.—I shall transmit the request to my honorable colleague.

GEELONG MOUNTED RIFLES.

Mr. CROUCH asked the Minister representing the Minister of Defence, *upon notice*—

When the Minister for Defence will arrange for the establishment of the long-promised corps of Mounted Rifles in Geelong?

Mr. DEAKIN.—The answer to the honorable and learned member's question is as follows:—

Funds were not provided on this year's Estimates because pending the recommendations of the Imperial Defence Committee it was not considered desirable to establish any new corps.

SPIRIT DUTIES.

Mr. REID asked the Treasurer, *upon notice*—

1. What will be the effect—as estimated—of the spirit proposals of the Government upon the current year's revenue?

2. What is the basis of the estimate?

3. What would have been the probable effect—as estimated by the Government—of the adoption of the spirit proposals of the Tariff Commission?

Sir JOHN FORREST.—In reply to the right honorable member's questions, I beg to state—

1. It is not expected that the revenue will be affected.

2. The Customs and Excise returns.

3. Probable loss of from £76,000 to £90,000 per annum, and increasing with the growing displacement of imported by Australian spirit.

TELEPHONE TOLL SYSTEM.

Mr. TUDOR asked the Postmaster-General, *upon notice*—

1. Whether any of the Chambers of Commerce have written to him, or have waited on him with deputations, protesting against the introduction of the toll system of payment for telephones?

2. Whether any of the Chambers of Commerce have written to him, or have waited on him with deputations, protesting against the introduction of the penny post?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. Yes; but the protests have not been so much against the principle of the toll system as against the details of the scheme.

2. No.

CONTRACT AND UNOFFICIAL POST OFFICES.

Mr. AUSTIN CHAPMAN.—The following are the replies to the questions asked by the honorable member for Darling on the 2nd inst. in relation to the number of contract and unofficial post-offices in the Commonwealth, and the rule guiding the Department in determining whether a post-office shall be made an official or contract one:—

1. The following figures, as at 31st July, 1906, have been furnished by the Deputy Postmasters-General of the several States:—

	Contract.	Unofficial (allowance).
New South Wales ...	21 ...	1,316
Victoria ...	100 ...	1,430
Queensland ...	6 ...	326
South Australia ...	2 ...	524
Western Australia ...	5 ...	113
Tasmania ...	2 ...	318
	136 ...	4,027

2. A revenue of £400 per annum is required before an office can be raised to official status. When the revenue of an official office falls below £400 per annum with no apparent prospect of improvement, that office is reduced to contract or allowance status, unless there are special circumstances warranting its continuance as an official office.

DEFENCE OF THE COMMONWEALTH.

Mr. HUGHES (West Sydney) [3.43].—I move—

1. That, in order to effectively defend the Commonwealth against possible enemies, it is imperative that all able-bodied adult males should be trained to the use of arms and instructed in such military or naval drill as may be necessary for the purpose.

2. That the foregoing resolution be forwarded to His Excellency the Governor-General.

The motion is substantially the same as that which I had the honour to bring under the notice of the first Parliament on the occasion of the introduction of the Defence Bill by the right honorable gentleman who occupies the position of Treasurer in the present Administration. At a later date, in connexion with the proposed amendment of that Act, I again brought the matter forward, without on either occasion pushing my proposals to a division. So far as I recollect, the objections urged against them by the right honorable member, who was then at the head of the Defence Department, were, first, that they were opposed to the spirit of the British Constitution, and, secondly, that they would cost a lot of money to carry into effect. As to the first objection, since he did not then, and has not since, explained exactly what he meant by it, I shall not now endeavour to traverse it. As to the second, I would point out that it is obvious that expense is no longer of vital consideration. The Treasurer has told us in his recent Budget that the country is in a most prosperous condition, and that he has an overflowing Treasury, and he sees his way clear, I gather from an expression which he made use of in replying to an interjection by the honorable member for Bland, if the revenue is insufficient to do what he wishes, to float a loan.

Sir JOHN FORREST.—The honorable and learned member should not misrepresent me.

Mr. HUGHES. — Therefore, whatever objections the right honorable gentleman may have now that he is no longer at the head of the Defence Department, those to which I have referred will not lie. Since that time, however, a change has taken place in the attitude of many honorable members. And many citizens of the Empire, not alone in Australia, have, by reason of the irresistible logic of facts and the teachings of experience, altered their opinion. On the occasion when the National Defence League, with which I have the honour to be connected, was inaugurated in Sydney, we were favoured with the presence of the representative in this House of the Defence Department, who spoke with very great eloquence, as he always does, and with very much reason, as he always does

when he is on the same side as myself. Further, on the occasion of the inauguration of the League in Victoria, the Prime Minister himself was good enough to favour us with his presence and with his advocacy, without precisely committing himself to the details of any scheme—which, indeed, he was not asked to do then, and which I myself do not now. I am not, in this matter, to be tried by what other men may have conceived to be a proper scheme of national defence, involving compulsory military training. I am advocating the broad principle without committing myself to any details whatever. Since there will be no opportunity of pressing this matter to a division this afternoon, I may be permitted to put forward, not at any great length, but still with some detail, the reasons why I advocate the introduction of universal military training. Australia, a country of 3,000,000 square miles, practically as large as Europe or the United States, but with a population almost as small as that of Switzerland, a country whose aggregate wealth, excluding the value of unalienated Crown lands and public property, is close upon £1,000,000,000, whose annual overseas trade is valued at £95,000,000, and whose Inter-State trade by land and sea is valued at £75,000,000 annually, offers as rich a prize as well could be imagined to the enterprising powers of Europe. When I add that we have a coast line of some 8,000 miles, and that the opportunities for the landing of an enemy, or for raiding, are almost innumerable, I think that I have stated the position without exaggeration. In this morning's newspapers a report was published to the effect that the German Emperor had stated that anti-militarism was the international plague of Europe. On the previous day it was reported that the Czar has declared his intention to rule his people, as his forefathers had done, by fire and the sword. And we know that the whole of Europe is an armed camp. Britain has not in the past—nor is she likely to do so in the future—so conducted herself as to merit, or, at any rate, to succeed in obtaining, the good will of the nations. Nations that are successful seldom do. At the present time we are protected from the aggression of foreign nations, first, by the British Fleet, and, secondly, by our own land forces. I shall have something to say with regard to the latter presently. With regard to the

British Fleet, our first and most important line of defence, it is only necessary to point out that it is magnificent, and that while it maintains a position of superiority, we need have little or no fear of aggression. But in the very nature of things, it is not invulnerable. And, of course, it is intended for the defence of the Empire, as a whole, and not of any particular portion. The warships in our waters may be called upon at any time to proceed to the China seas or elsewhere; they must, in short, proceed where the requirements of the Empire are most pressing. The British Navy, resting as it does on a prestige acquired by a series of victories at the end of the eighteenth and at the beginning of the nineteenth century, the like of which the world has never known, is now desperately struggling to maintain a two-power standard. Captain Mahan points out that—and I emphasize this point, because it is the chief argument of those who object to any innovation such as I propose that whilst the British Fleet is here all is well—the British Navy, magnificent and powerful though it is, is nevertheless very much less powerful relatively than it was 100 years ago. He states that a century ago the British Navy was superior to the whole of the fleets of Europe put together. At the present time, however, it is maintained with difficulty—the Navy League declares it is daily falling further from that standard—only on the basis of equality to the navies of any two other Powers. It is true that since the destruction of the Russian fleet by the Japanese, there is less menace of an effective hostile alliance against Great Britain than was formerly the case. But the fact that we should now rely on the Japanese for the maintenance of British supremacy in eastern seas is not calculated to inspire with confidence those who have the ideal of a White Australia, and all that this term connotes. In any case, a life of inglorious ease and luxury under the ægis of a people whom we affect to despise is surely a grievous fall from the ancient traditions of our race. That the British Fleet is not all-powerful has been amply demonstrated by the Navy League of England. It is regarded as scarcely powerful enough, in view of the ever-increasing efforts of Germany to attain naval supremacy. Since that country seems to gain fresh vigour with every advancing year, and to press

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more strongly on towards a goal which is only too obvious, it follows that as each year passes our reliance as a portion of the Empire on the British Fleet becomes less and less warranted. Even at the best, there will surely come a time, as even the most optimistic must admit, when Britain's supremacy will be challenged. It is obvious that in that day the enemy will not make war where it suits Britain, but at the point that will best suit themselves. The enemy's fleet will concentrate, not after having given notice, but like a thief in the night; and in spite of wireless telegraphy and of all the other resources of modern civilization, as has been proved by Admiral Togo—a large fleet can lie hidden from the most prying eyes for weeks and weeks together. Therefore the British Fleet might be withdrawn from our coasts, and we left defenceless. What is our position? We have here now a population of 4,500,000. According to Brigadier-General Gordon, we had, in 1905, a population of some 750,000 persons between the ages of twenty and forty years of age, capable of bearing arms. According to the returns made available by the Defence Department, we have a total fighting force of 23,582 men of all arms, or, including the administrative and instructional staff, 23,933 men. That is to say, less than 3 per cent. of the total population, between the ages of twenty and forty years, are in any sense of the word being trained to the use of arms. I am not omitting from my calculation, although I have not yet made any mention of them, the members of rifle clubs. No doubt the rifle clubs are doing a great deal of good. I cheerfully assent to the proposal that it would be an excellent thing if every man in this country could be taught to shoot. But, after all, only a comparatively small number of persons are pursuing, in the most desultory way, the practice of rifle shooting, and they are largely, if not almost entirely, untrained. We have a permanent army consisting of 1,389 men. We cannot contemplate without some feeling of amusement such a comic opera army—not as to its *personnel*, or its discipline, which is excellent, or its courage, which is undoubted, or those other qualities that go to make up a soldier, but in its numbers. Scattered over 8,000 miles of coast-line, and over 3,000,000 square miles of territory, what could 1,389 men do, even if every one of them were the very apotheosis

of a hero? Success goes with the big battalions, all other things considered, and assuming that our Forces were capable of the utmost mobility, and assuming that we succeeded in doing what has never yet been achieved, namely, in hurling our troops from one quarter of the Continent to another with inconceivable rapidity, and without breakdown, and assuming, further, that we were able to make the best possible use of our militia and regular troops, we should be hopelessly outnumbered and outclassed in any serious encounter with an enemy. In Great Britain, it is already recognised by competent authorities that the present volunteer system has failed. We have the declarations of distinguished soldiers like Field-Marshal Wolseley and Lord Roberts to this effect. The latter, whose experience has been later than that of any modern general, except those who were engaged in the Russo-Japanese war, who has had ample opportunities of seeing, in the course of the Boer war, what British troops could do, and who saw there the efforts of an unprepared army, does not hesitate to declare that England now has an unprepared army, and, what is worse, an unprepared nation. Upon the occasion when a motion was submitted in the House of Lords by Earl Wemyss, Lord Roberts declared that the one salvation of Great Britain was to be found in some sort of compulsory universal training.

Mr. KELLY.—Mr. Haldane, the present Minister of War, has expressed an opinion to the very contrary.

Mr. HUGHES.—I know nothing of that, but I do know that the declaration of those who are best able to form a sound judgment—I am speaking of soldiers and not merely of persons who haunt the War Office, because, after all, we must recognise that there is a great difference between men who sit in an office, and who manipulate divisional corps as if they were chessmen, and those who go to the front—including Lord Roberts, who has had an honorable career, and is now regarded as one of the chief soldiers of the Empire—is that the present system has failed, and that England is unprepared for war. Lord Roberts makes that statement, despite the fact that England enjoys a protection, which we lack, in the majesty of her fleet. Under such circumstances, how much more do we require some secondary line of defence? Notwithstand-

ing that Great Britain does not embrace more than one-twenty-sixth the area of Australia, that she possesses a population of 40,000,000, that she has a regular army, of which a very large proportion is retained within her own borders, that she has a large militia and volunteer force, and a still greater number of men who practise rifle shooting, it is declared by competent authorities that she is unprepared to resist invasion. Further, she has the Channel Fleet and the Mediterranean Fleet at her disposal. Yet, in spite of all these advantages, it is unhesitatingly asserted, both by the Navy League and the Army League, that she is quite unprepared to resist invasion. Under such circumstances, we have to consider what is our own position. This year it is proposed that we shall spend nearly £700,000 upon defence. The expenditure in this direction for the year 1906-7 is estimated at £617,837, exclusive of the Naval Subsidy, and of the amount to be expended in the purchase of rifles, and in undertaking new works. The sum which I have stated is to be utilized for the purpose of maintaining our existing forces. In the light of these figures it seems to me that we are paying a very great deal for defence, and getting very little for our expenditure. I am not at all inclined to blame any particular person for this. Upon the other hand, I am disposed to be particularly guarded in my criticism. It is very much easier to be destructive in one's criticism than it is to suggest a practical remedy. Nevertheless, it is a fact that Major-General Hutton, Brigadier-General Gordon, and every other professional soldier—irrespective of whether he be a soldier who has had the advantage of experience in the Imperial Army, or whether he be one who has grown up and won his spurs in the Australian service—are of opinion that our present system of defence is hopelessly inadequate. I shall say nothing regarding the way in which we are armed, because I suppose that nothing could be at once more fatal and more conclusive in its way than the statement that the number of modern rifles which we possess—I see that we are going to purchase some more—are totally inadequate to arm one-third of our forces. I am very well aware that the principle of compulsory military training finds numerous objectors and critics. It is, of course, very much easier to

sit at home and to allow other men to fight than it is to go into the field of battle and fight oneself. The reasons against any change are various. I know that a section of the community declares that if we had a larger population we should be better able to put up a fight. Dr. Richard Arthur, President of the Immigration League in New South Wales, in writing to the press concerning the amount which has been placed upon the Estimates for advertising the resources of the Commonwealth, has affirmed that we ought to spend £50,000 in that direction, because by that means we should secure a larger population, and thus be better able to defend our country. I admit that if, by that expenditure, we could secure immigrants to the number of those who are pouring into Canada—say 50,000 per annum, it would no doubt solve some of the problems by which we are confronted. That immigration would be a very good thing indeed for Australia—assuming that the immigrants were of a desirable class, and that suitable land was available for them—but the suggestion that it would solve the question of defence is, upon the face of it, absurd. Only 3 per cent. of the adult males who are available for service have been trained to the use of arms, and if the same proportion were maintained amongst the new arrivals it would mean that there would be exactly 240 persons out of every 50,000 added to our Defence Forces. The position of England is, however, a sufficient answer to Dr. Arthur's contention. Population in itself is no guarantee of adequate defence. On the contrary, the more numerous the mob the more easily it is dispersed. I would point out that in this matter neither courage, nor wealth, nor anything else can make up for lack of discipline and skill. The report of the Committee, which was appointed by the Senate of the United States to inquire into the condition of the American marine, states that had one reverse overtaken the American navy in its war with Spain, it would have been impossible to obtain fresh crews of trained men. At that time there was not one boat's crew available for service, apart from those who were already engaged upon the fleet. For some reason or other it has been impossible in the United States to induce sailors to volunteer for the navy. Although America is possessed of magnificent resources—her power of building ships is certainly not ex-

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celled, if it be equalled by any other nation in the world—it is a fact that her navy would have been hopelessly defeated had any ordinary disaster overtaken her. The importance of having a reserve force available is obvious. During the discussion which took place upon this motion when I had the honour to submit it upon a previous occasion, one honorable member stated that it was an admirable thing to vest in the Government power to call upon the available population to defend the country in time of trouble. I pointed out then—and I repeat my statement now—that the Government take to themselves no new power in that section in our Defence Act to which reference was made, and which gives them the right to call the nation to arms. Every executive Government has the right to call upon any citizen or upon any number of citizens to defend the country, or to do anything else for the purpose of preserving law and order. But I would point out that to call upon men for the defence of the country who are quite unable to defend it, is but a sorry farce. To insert a section in our Defence Act which gives us power to levy upon our citizens in time of danger—when the tocsin rings and the enemy is at our gates—and which enables us to call upon every male between the ages of eighteen and sixty years to stand to their guns, is a sorry farce, unless they have received a preliminary training. The effective complement of the right to call upon our population to defend the country is a preliminary military or naval training. In a speech delivered in 1806, Lord Castlereagh, in referring to the insertion of a similar clause in an Imperial Defence Bill, said—

The principle of that Bill rested on the undoubted prerogative of the Crown to call upon the services of all liege subjects in case of invasion; and the only power that was added by that Bill, was the power of organizing and training those men who were subject to this exercise of prerogative; so that, in case of invasion, the prerogative might be effectually exerted for the defence of the country.

I say that that is a salutary principle. It is an obvious corollary that the right to levy *en masse* must be preceded by the right to train the persons who are subject to that levy. When I submitted a similar proposal upon a previous occasion, the right honorable gentleman who was at the head of the Defence Department said that it was opposed to the spirit of the British Constitution. So far from that being the

case, it is eminently in harmony with it. It was by the practice of such principles as I advocate that all the most precious privileges and liberties which we enjoy to-day were obtained. And it was by a standing army that these privileges were first invaded. It was because the people of England would not permit King Charles to abrogate this ancient law, and to illegally levy taxes upon them by means of a hiring soldiery, that a revolution took place. It is pointed out in Clode's work on *The Military Forces of the Crown*, volume 1, page 16—

When Charles I. ascended the throne, the law recognised the obligation of every citizen to bear arms, either in the country force, or in the trained band of his own town or city.

Upon page 31 of the same volume I find that—

By an early statute every free man between the ages of fifteen and sixty years was obliged to be provided with armour to preserve the peace.

Again, on page 350, chapter 18, I read—

The duty of every subject was stated to be to serve and assist his sovereign at all seasons where need shall require.

The law of England is the same in principle now, although the yearly suspension of the Militia Act does permit of the employment of a standing army. In 1757 the Militia Ballot Act was passed, the underlying principle of which was that the militia should be raised only by ballot. Prior to that, every person was liable for military service. The Militia Ballot Act provided that only certain persons, to whom the lot should fall by chance, should be so liable. That Act was passed in 1757, but its operation is now suspended. The ancient law of England was that all the people were liable to serve in the ranks, and very properly so. "Conscription," which term it is attempted to apply to my proposal, is absolutely a misuse of language so applied. It does not follow, because a term when used in one sense connotes certain things that one of those things can be properly described only by that term. The conscription in force in Europe—which creates an armed camp, which makes as it were the maintenance of an army one of the chief industries of a country, and draws from productivity a very large proportion of the flower of the nation—is a system to be not eulogised, but universally condemned. My scheme means something very different. It is that which has been

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adopted by a European country, which, though it may be small, is one whose history is not sullied with disgraceful defeat, nor cowardly surrender, and which has never meekly bent its neck to the yoke of any foreign power, however great. I refer to Switzerland, which has at the present time an army that for its size, effectiveness, and cost, will compare with that of any other nation.

Mr. DEAKIN.—Colonel Bridges is attending the manœuvres there this year in order to study that system.

Mr. HUGHES.—We have the opinions of a very large number of experts who have no hesitation in saying that the Swiss army to-day offers one of the most admirable examples of discipline, of skill in the use of arms, and particularly of effectiveness from the stand-point of speedy mobilisation, that the world affords. No other European nation mobilizes such a considerable portion of its troops every year, nor mobilizes them as quickly as does Switzerland. It is a nation in which every man is a soldier, and every soldier is a citizen. There a citizen is a soldier by virtue of his being a citizen. I emphasize that as being the chief reason why a man should defend his own country. In these "piping days of peace"—and I use the term in no derogation of peace, for it is, I suppose, the end of civilization—we see the brutalized application of force gradually being replaced by appeals to law and by other peaceful tribunals. Yet it is in this arena that Force takes her final stand, although, doubtless as time goes on, resort to some general international tribunal will replace—perhaps not in all, but in most cases—those terrible struggles that now disgrace mankind. We live, however, not in Utopia, but in an everyday world of hard facts. Those who cry out for peace where there is no peace are men who, whatever they may call themselves, are enemies both of peace and of their own country. The man who failed in the face of an approaching epidemic to do all that he could to build up his constitution to ward off the attacks of that epidemic would be a fool. If he insisted upon applying the same methods to his children or others under him, he would be something worse. We are living peacefully, and with no immediate prospect of war, but we are nevertheless exposed to dangers. Those dangers which may come to-day, to-morrow, or ten years hence, ought to be provided against now,

just as a man insures his life or insures himself against accident, the risk of unemployment, or losses by fire, not because he hopes to die very shortly, or because he hopes to meet with an accident, or believes that his building will be burnt down, but because these are risks against which every prudent person and nation provides. Lieut.-Col. G. F. Ellison, C.B., who had an opportunity to see the Swiss army at work, writes of it—

Of the Swiss Army, as a war machine, it is impossible to write in terms other than those which to any one who has never witnessed its performance, must, I fear, appear somewhat too laudatory. That it is perfect in all its details, or that it is the same highly-finished instrument, that the French or the German army is, I do not pretend to assert, but I do unhesitatingly affirm, and in this opinion I am supported by more competent judges than myself, that taken as a whole it is, for war purposes, not unworthy, so far as it goes, to court comparison with the most scientifically organized and most highly trained armies of the Continent. In some respects it even surpasses all other armies in its readiness for war, for no other military force in Europe can it be stated that the establishment in *personnel* is the same both for peace and war, and there is certainly no other country that I am aware of, a fourth of whose army is annually mobilized for manoeuvres on exactly the same scale of equipment and transport as it would be for actual warfare.

What are the objections to this scheme? It is said, first of all, that its compulsory nature makes it distasteful to liberty-loving people. No doubt compulsion in itself is very odious. Nothing can be said in its favour except that without it civilization, peace, and very many of the blessings which flow from it would be impossible. Those who urge that compulsion is in itself so objectionable as to afford a reason why we should not adopt this scheme, should consider the functions of legislation. In these days law enters into the most complex ramifications of life, and there is scarcely one act performed by the citizens which legislation or some sort of compulsion does not control or modify. We are not in any case to choose between non-defence—the proposals of the “peace at any price party”—and the proposal that I make. We are to choose between a standing army, a professional soldiery, between the present system and that which I propose. The present system is, on the face of it, hopelessly inadequate, and a standing army that would be sufficient to defend these shores would be impossible because of its cost. We should require

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50,000 regular trained troops to offer a successful resistance to an enemy. We could not afford to withdraw from production such a number of the prime of our nation, nor could we afford to pay them even if we did withdraw them. We have, therefore, to choose between the present system and that which I propose. On the 5th August, 1903, I moved in this House that—

The male population liable to serve in the national Militia Forces shall—

- (a) Present themselves once in each year at such times and places as may be prescribed for the purpose of undergoing fourteen days continuous training;
- (b) Present themselves for detached drills on such other days as may be prescribed. Provided that it shall not be compulsory to attend more than 32 of such detached drills, aggregating a period of 112 hours.

Whilst I do not pin myself down to any of the details of that motion, it will serve sufficiently to show what is my idea as to the application of this proposal. It was proposed by me for reasons that are obvious, that the scheme should not apply to persons under eighteen years of age. This is a novel, if it be not a new, system, and it would be difficult to fix any particular age at which it would be desirable to commence the training of our male population. There is no reason why we should say that persons who are now over or under twenty-five should be exempt. I, therefore, thought, and still think, it advisable that the scheme should not apply to those who are at present under eighteen. With this limitation there would be something like 40,000 persons available during the first year, when only those under eighteen years of age would come under the scheme, and they would devote fourteen or sixteen days per annum to continuous drills. The Government Statist's Department has supplied me with a return showing that there are in the Commonwealth 74,000 persons between the ages of eighteen years and nineteen years inclusive, and, assuming that the number of persons of eighteen years of age was equal to the number nineteen years of age, there would be some 37,000 available for training during the first year. Therefore, the cost in that year would be only that necessary to cover the maintenance of 37,000 persons. In the second year there would be some 74,000. When all males from eighteen to twenty-one years

we should have, I apprehend, coming under the same provisions, as it would constitute, as it were, a reference, whilst those in the first grade, of defence, in a smaller drill, and detached available persons, rise

therefore, arguments brought against this proposal on the ground of expense will not weigh with me. I am, however, as I have said, perfectly persuaded that the expense need not be great, being inclined to think that £100,000 or, at the most, £200,000, in addition to that which we now spend, would give us an adequate system of defence, which in times of difficulty, would render us independent of the rest of the Empire, and able to defend our country without assistance from abroad. Now let us consider the effect of this system upon the nation in other directions. The effect of regular training

the physique of a nation can hardly be exaggerated. It is undoubted that sufficient importance is not attached to physical training in this country, or sufficient time and attention given to the subject. The effect of physical training upon not only the physique, but also the mental and moral powers of a people, is tremendous. I was made acquainted with this fact in a very simple way. At one time I lived in London, within a stone's throw of a great barracks, and upon the other side of the water I used to see the Surrey Militia going each year to its annual training. When it went down a certain road, the shutters of many shops were closed, and those shop-keepers who ventured to present themselves to the public view during the progress of this marvellous force, did so with fear and trembling. As the men passed down the road, some had their bayonets fixed and some their bayonets unfixed; some carried their guns at the port, some at the trail, and some in other positions, not generally recognised by military authorities; some of them held their helmets in their hands, while others wore them on their heads, but rarely in the right way; and some were accompanied by females whose character, or lack of it, was but too obvious. But after the period of six weeks' training they returned different men, changed, if not in spirit, at least in bodily appearance. They then carried their arms in a way which the Brigade of Guards might have envied, whilst their martial bearing must have inspired every one who saw it. They had evidently come to recognise that there were other things in this world besides walking through the chief thoroughfares of London arm-in-arm with females of doubtful reputation. In

short, they were men who had been physically, mentally, and morally braced. They had been treated as men ought to be treated. They had been worked hard, and made capable and decent citizens, and London and England were the better for their training, quite apart from the fact that they had been made of service for the defence of their country should occasion arise. These remarks would be true of the training of any militia regiment. No doubt the tremendous vitality of Australians is something to be proud of; but it is important that it should be directed into the proper channels. That is what is needed. Our people should be taught obedience, which is a primary virtue, and an essential of citizenship in a free State. I wish now to say a word about the political aspect of the subject. I do not hesitate to affirm that democracy and a standing army are incompatible. Democracies have arisen and flourished, but they have, without exception, fallen through the one cause, having been ground beneath the heel of military despotism. If one ransacks history he will not find an instance, from the beginning of things down to now, which will disprove that statement. The Athenian, the Spartan, the Roman, and the French democracies all succumbed to military despotism, usually effecting its purposes by constitutional means and the terrorism of a professional soldiery. The third Napoleon effected the change from practically a republic to a despotism by a *coup d' état*. Herr Bebel, the leader of the Socialist party in the Reichstag, declares that a citizen soldiery would prevent *coups d' état*, and is in favour of establishing such an institution. The Socialists, like all decent citizens, are good patriots in this matter. They realize that it is the first duty of citizens to defend the State. Men speak about liberty and about compulsion, but I suppose that John Stuart Mill will be accepted as an authority on the subject. Although, in his *Essay on Liberty*, he goes almost to the length of advocating anarchy, he declares that it is essential to citizenship and not incompatible with liberty that men should be forced to defend their country. These are his very words—

Every one who receives the protection of society owes a return for the benefit, and the fact of living in society renders it indispensable that each should be bound to observe a certain line of conduct towards the rest. This conduct consists, first, in not injuring the interests of

Hughes.

one another . . . and, secondly, in each person bearing his share (to be fixed on some equitable principle) of the labours and sacrifices incurred in defending the society or its members from injury or molestation. These conditions society is justified in enforcing, at all costs, to those who endeavour to withhold fulfilment.

The International Socialists' Congress of 1896 put forward as the first plank of its platform the abolition of standing armies and the establishment of a national citizen defence force, its second plank being the establishment of tribunals of arbitration to regulate peaceably disputes between nations. It regarded as essential, and as the concomitant, the necessary precedent of tribunals of arbitration, that there shall be a citizen defence force, because at the back of all tribunals there must be force. Force is the sanction of law, and law, without some sanction of force, is of little, if any, value. Some people regard the Hague tribunal with a degree of optimism which—in view of the present antics of the semi-insane person who is now permitted by the Deity to afflict the Russian nation—is extraordinary. The day of universal peace is not yet. What can stand behind the decisions of the Hague tribunal but force? Why should not a nation which is peacefully pursuing its way towards a higher civilization be ready to defend itself if attacked by an uncivilized people or an unscrupulous ruler? There is nothing to prevent it from doing so if its citizens are armed and ready to defend themselves. If it does not do so it must perish, and neither the justice of its cause nor the peaceful achievements of its people will save it from destruction. Therefore we must first prepare to effectively defend ourselves, and then, if you like, prepare for the submission of all disputes to arbitration. I am very pleased that the Socialist Party of Europe, which has been subjected of late to much abuse in this House, and in the country, has made a straightforward declaration of its attitude in this matter. Instead of a wholesale condemnation of military training, it has condemned only training such as that of which we see the fruits on the Continent of Europe at the present time. The establishment of a citizen soldiery, too, will do a great deal to kill the jingo spirit, the cheap patriotism which makes men throw up their hats and sing patriotic songs. They do that because they know that they will not have to fight themselves, but will send others to fight for them. Men who have

to fight their own quarrels will be very careful about entering into wars. When one knows that if he insults another he will be called out to justify his action in his own person, he is generally willing to submit differences of opinion to arbitration; but it is another matter if he can hire some one to fight for him. The existence of a mercenary professional soldiery, whose only opportunities for advancement occur in warfare, and the disturbed conditions resulting from the fomentation of quarrels between peaceful nations, is incompatible with the higher civilization, and a direct incentive to and cause of war. I might have emphasized my points at greater length, but it is sufficient for me to have shown that the present military system is inadequate, having been condemned alike by the professional soldiers whom we have had the honour to employ here, and by every thoughtful man among us; that we are living in a fool's paradise in relying entirely upon a fleet which, in the nature of things, may be called away from our shores at any moment. We must have a navy of our own, manned by our own citizens, in such an emergency, and an armed nation in reserve. The opposition to my proposals is based largely upon sentiment. Instead of them being contrary to British traditions, they are in the highest degree in consonance with the old and admirable methods followed with such success in Great Britain for hundreds of years. Standing armies are incompatible with democracy. A professional soldiery lives by fomenting disturbances, and sees its only chance of advancement in war. To defend one's country is the first duty of citizenship, and is one that every citizen should be taught to perform. Men should be ready to fight as they should be ready to vote. It is proposed in Victoria to adopt what I believe is already the law in New Zealand, and to make it compulsory upon electors to vote. It should be also compulsory for citizens to fight if necessary. In fact, the statute law of the country compels every one to fight, if called upon. I merely ask that citizens shall be trained, so that they shall be able to fight if called upon, and so that we may, by being prepared for war, insure everlasting and honorable peace.

Mr. KELLY (Wentworth) [3.48].—I think we may all congratulate the honorable and learned member upon having made the best of his case; and if there is anything

unconvincing in the argument, the fault does not lie with him. He has told us that the opposition to his proposal will naturally fall under two heads, namely, that of expense, or of coercion. He considers, however, that, whatever objections may be urged upon these two grounds, the extreme urgency of his proposal entitles it to the consideration of the House. I do not oppose the motion from any consideration of the extra burden that would inevitably be imposed upon the taxpayers if the proposed scheme were carried out, because I have always held that money well spent in defence is money soundly invested. Moreover, I do not oppose the motion because I hold that the State has not the inherent right to compel every Australian citizen to perform military service. I think that the State has that right. The motion now before us was introduced last session, when its discussion was deferred, and I regret that the honorable and learned member has not had an opportunity to bring it forward at an earlier period of this session. The Prime Minister has only to-day given notice of a motion for the abolition of private members' business for the rest of the session—a motion which, although I quite agree with it, will have the effect of preventing the full discussion of the motion so ably moved by the honorable and learned member. It is solely because I realize that anything to be said against the motion must be said now, that, with all due humility, I propose to make a few unprepared observations. I should like to ask the honorable and learned member what purpose the forces he proposes to raise are intended to fulfil? He has told us that the proposed training will have a very beneficial effect in improving the physique of Australians, and also that the force of trained men who will be placed at our disposal will have the effect of preventing an invasion of our shores. On which of these grounds does the honorable member mainly rely? If he rests his case upon the ground that the proposed training will improve the physique of Australians, why does he not propose to debit the Education Department with the cost? The defence of Australia should not be hampered with the cost of training men solely with the object of improving their physique.

Mr. HUGHES.—The physical improvement would incidentally follow from the

military training. The country would have to be defended even if the training did not result in an improvement of physique.

Mr. KELLY.—Then I understand that the honorable and learned member thinks that his motion can stand upon its merits as a defence proposal. Upon that point I join issue with him at once. In the first place, the honorable and learned member stated that the system he advocates has been adopted in Switzerland. He told us that the defence forces of Switzerland could be very easily mobilized, and that the system adopted there was in other respects highly beneficial. He did not explain, however, how it would be applicable to our conditions. In the first place, Switzerland has not chosen her present system of defence solely because it is the best, but because she is debarred by her Constitution from maintaining a standing army. Granting, however, that the present system is best adapted to the needs of Switzerland, I would point out that that country has an area of 16,000 square miles, and a population of something less than 3,500,000. In other words, she has 207 persons to every square mile, whereas our population per square mile is only one and one-third—men, women, and children. Whilst it would be very easy to mobilize a universal military force in a small country having a population of 207 persons to the square mile, it would be a work of insuperable difficulty in a country like Australia. To form a regiment here under such conditions might involve the mobilization of all the males capable of bearing arms over one-half of the Continent. For these reasons, if for no others, the Swiss system is absolutely inapplicable to our conditions.

Mr. STORRER. — The same arguments might be used against the maintenance of a standing army.

Mr. McCAY. — We have no standing army.

Mr. KELLY. — I do not advocate a standing army. With regard to the guarantee which the proposed scheme would afford us against invasion, I would point out that the distances in Australia are too vast to permit of it being defended by means of a land force alone. The forces that we at present maintain are not designed with a view to repel invasions. They are almost entirely coastal defence forces—in other words, forces complementary to

sea power. Forces such as the honorable and learned member is proposing to raise would be of no use whatever for the defence of Australia against invasion if the command of the seas passed from the British Empire. The honorable member for Bass will appreciate the position that his State would occupy if the command of the seas were lost by Great Britain. In such an event, Tasmania would be an easy prey to the enemy, and would probably be the first portion of the Commonwealth lost to us. So far as the rest of Australia is concerned, the great bulk of the people are congregated in the south-east corner. If Great Britain lost command of the seas, it would cost us more to transfer our forces and forward supplies and ammunition to the scene of operations in an unsettled portion of Australia than it would cost a hostile power. Let us take the case of a hostile force landing in Western Australia. If the enemy held command of the seas, he would be able to forward munitions and supplies for the troops engaged in Western Australia at a cost of about 15s. per ton, whereas, even though we had a railway right through, our transit charges to the same place would amount to £4 or £5 per ton. Who would win in a struggle of that character—a nation of 50 or 60 millions under such favorable conditions, or a people of four millions waging war at such a disadvantage? Obviously, by the mere process of exhaustion, we must go under. Therefore, the true defence of Australia does not rest with proposals such as that put forward by the honorable and learned member—in fact, it does not rest with any system of land defence pure and simple.

Mr. HUGHES.—Where would the honorable member obtain men to make up his sea forces?

Mr. KELLY.—Will the honorable member allow me to excise from his motion the word "land"?

Mr. HUGHES.—Certainly.

Mr. McCAY.—The difficulty is that the word "land" does not occur in the motion.

Mr. KELLY.—Then the honorable and learned member is making me a present of something that is valueless. He has spoken a great deal about Switzerland, and I should like to know whether Switzerland has a large navy?

Mr. HUGHES.—No. It must be taken for granted that it is not required.

Mr. KELLY. — If the honorable and learned member wishes to see an Australian naval power built up on proper Imperial co-operative lines, I shall be willing to give him all the help in my power. The true defence of Australia must inevitably rest upon sea effort. In this connexion the honorable and learned member seems to have arrived at some alarming conclusions. He seems to think that, because the British naval power happens, for the time, to be concentrated in European waters, Great Britain gains some measure of safety from those fleets which we in Australia do not share. He declared that our dependence upon the British Navy must yearly become less and less satisfactory. I quite agree with that statement so far as it goes. My only desire is to make the Imperial Navy a co-operative one, in which we can all take an equal interest. The honorable and learned member is, however, quite wrong in thinking that the fleets which Great Britain maintains in European waters do not protect us equally with the Home shores. The idea to which he has given expression has been very actively pushed in Australia by persons who should know the real facts of the case. As a matter of fact, quite recently there has been a concentration of naval power in the North Sea, and upon the northern coasts of Europe. The British dispositions have been made with a view to having an adequate naval force upon the spot the moment there is an outbreak of war. There would not be the slightest sense in the Empire maintaining fleets in the China Sea or in Australian waters if the ships which they were required to attack on the outbreak of war were 10,000 miles away. They must keep as close to the enemy whom they wish to track down as they conveniently can. The British Admiralty have given effect to that policy, and in consequence the honorable and learned member for West Sydney has mistaken their motive. In conclusion, I should like briefly to refer to the authorities which the honorable and learned member has quoted in support of his proposal. He cited the opinions of a number of very distinguished soldiers. It is a matter for general congratulation, I think, when we see a member of the party to which the honorable and learned member belongs quoting the testimony of military authorities in opposition to the opinions of the parliamentary officers who are charged with

the administration of Departments. The officers whose opinions he has quoted are certainly very anxious to increase the standing and the power of the purely land forces of the mother country. But the Minister of War, who is responsible to the people of Great Britain for their present system of defence, has in unqualified terms denounced any departure from that system in the direction of conscription. In one of the ablest speeches ever delivered by any Minister in submitting the War Estimates to the House of Commons, Mr. Haldane explained his ideas regarding the form which the second line of Britain's defence should take. He gave the strong adherence of the War Office to the principles of the blue water school—the principle of affording home security by naval effort off the enemy's coasts. He then went on to point out that, as Great Britain is the dominant naval power, an interval of from six months to a year must elapse after the outbreak of hostilities before her shores could be seriously threatened with invasion. He declared that no nation could invade England while she maintained her mastery of the seas, and he added that, under any circumstances, her naval supremacy could not be wrested from her, in all probability, in less than six months or a year.

Mr. HUGHES.—Who said this?

Mr. KELLY.—Mr. Haldane, the Minister of War. The honorable and learned member is not pleased—

Mr. HUGHES.—Why did he not tell us the number of days and hours during which England could maintain her naval supremacy?

Mr. KELLY.—Probably if he had thought that there was anybody who was so capable of appreciating his views as is the honorable and learned member he would have gone even to that length. But he did not think that the ordinary member of the House of Commons required spoon-feeding. He pointed out that, inasmuch as the interval which I have indicated must elapse before England would be open to invasion, it would be possible for her—the moment war was declared—to devote herself to the training of the raw material at her disposal in time to convert that raw material into good soldiers before that crisis of invasion really came. He said that Great Britain's duty should be to concentrate her attention upon her main objective. He also declared that she could not do

everything that might be desired in the way of defence. She could not afford to maintain a predominant navy and a supreme army. That being so, he urged that she should devote all her energies to the maintenance of her sea-power, only retaining as a secondary insurance against the risks of war a skeleton military machine with all the parts, which could not be completed at a moment's notice, permanently ready—a machine with all the necessary knowledge and staffs ready, but a machine, to use his own words, into which "the rills of men could flow" when the time for use arose. That is his opinion of England's necessities in this connexion, and her necessities are upon all-fours with our own. Our position is the same as that of England in all particulars, so far as the general policy of defence is concerned. I fear that I have already occupied a longer time than I had intended to occupy in addressing myself to this question. I deeply regret that I have not had as full an opportunity as I could wish to answer the case presented by the honorable and learned member. He has presented his side of the question in a speech of his customary ability, and after very careful preparation. If any member remains unconvinced of the wisdom of his proposals after having listened to his speech, it is not because of the advocacy which they received from the honorable and learned member. I have had no opportunity to prepare myself to submit the other side of the case, and if my speech is unconvincing—as, probably, it is—it is not because the merits of the question are not upon my side, but solely because of the way in which I have put it.

Debate (on motion by Mr. McCay) adjourned.

PUBLIC SERVICE APPEALS BILL.

Motion (by Mr. HUGHES) agreed to—

That leave be given to bring in a Bill for an Act to amend the law relating to appeals by public servants as set forth in section 50 of the Commonwealth Public Service Act 1902.

FIRE INSURANCE BILL.

SECOND READING.

Mr. FRAZER (Kalgoorlie) [4.12].—In moving—

That the Bill be now read a second time.
I desire to place on record the existing conditions in relation to fire insurance. I

find that the fire insurance companies operating in Australia are doing so under State laws. In the majority of cases, they are working under special Acts and under regulations which, though they differ in subsidiary matters, are, in the main, in agreement. I propose that the Commonwealth shall embrace this opportunity to exercise the right conferred upon it by subsection XIV. of section 51 of the Constitution, which reads—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth, with respect to:—

Insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned.

I think that that provision is sufficiently broad to enable this Parliament to take such action as it may deem to be necessary to regulate the conduct of the business carried on by fire insurance companies in Australia. In looking through the *Annotated Constitution of the Australian Commonwealth*, I see that its authors, at the end of their observations upon insurance, say—

Whether the Federal Parliament could pass laws determining the manner in which Federal corporations should enter into contracts is a question for judicial determination when the case arises.

That is the only statement, so far as I can gather, which questions the right of this Parliament to enact laws relating to fire insurance companies. Whilst I hesitate to set my opinion in opposition to that of the authors of the work from which I have quoted, I entertain no doubt whatever that under the Constitution we have power to legislate in respect of that subject. Most people are aware that both the life and fire insurance companies carrying on business in Australia own the best buildings in our cities, and conduct their operations in the most pretentious style. Apparently, they have plenty of money at their command. It seems to me that there is only this difference between the position of the life insurance companies and that of fire insurance companies. The buildings of the former represent the savings of the community, and the provision which has been made against possible disaster by our people. I am afraid that, on the other hand, fire insurance companies owe their affluence and their magnificent buildings in a great part to the deception that they have practised upon those with whom

they have had business transactions. I have experienced some difficulty in obtaining the information that I desired to present to the House. In the first place I wrote some time ago to something like seven foreign insurance companies operating in Australia, asking them in courteous terms to supply me with copies of their balance-sheets. In response to these communications I received only one balance-sheet. Some of the companies promised to furnish me later on with copies; others said they had none at hand, and others again offered to supply me with any information I might desire on calling at their offices. Two of them had not even the courtesy to reply. In these circumstances I am not in a position to present any statistics relating to the business of these foreign corporations; but from the *Banking and Insurance Record* I have obtained some interesting information relative to the position of the sixteen Australasian companies carrying on business in the Commonwealth. I propose to place on record some figures showing the position which these companies occupy, and I shall endeavour later on to indicate the means by which they make their profits. The South British Company, which has its head office in Auckland, in 1901 had a capital of £64,628, and its reserves amounted to £140,000. In 1904 its reserves had increased to £300,000, showing an advance of £160,000 in respect of its operations, with a capital of £64,628, in three years. The profit which this company made in 1904 was £76,101.

Mr. McCAY.—And one big fire might cut down all that profit.

Mr. FRAZER.—But the position of this company is no different from that of the average company in the matter of losses sustained during the period under review. In 1904 the company made a profit of £76,101, and declared a dividend of £19,388, which was equal to 30 per cent. on its capital. The Victorian Insurance Company, with a capital of £50,181, in 1901 had reserves amounting to £36,888. In 1905 those reserves had increased to £88,838, and it had undivided profits amounting to £10,158.

Mr. McCAY.—Does the honorable member disapprove of these companies building up reserves?

Mr. FRAZER.—I am not disapproving of their operations in that regard; I am simply endeavouring to point out that the

business in which they are engaged realizes for the shareholders enormous profits. Later on, I propose to show the sources from which those profits are derived. The Victorian Insurance Company in 1905 made a profit of £27,571, and declared a dividend of £17,975, more than 30 per cent. on its capital of £50,181. The New Zealand Insurance Company in 1900 had a capital of £200,000, and reserves to the extent of £255,000; in 1904 it had built up those reserves to £401,519.

Mr. DUGALD THOMSON.—It is a good thing to have a big reserve fund when a great fire takes place.

Mr. FRAZER.—That is so, but I would point out that these companies do not take exceptional risks in connexion with serious conflagrations; risks in respect of large policies are distributed over a number of other companies. The profits of the New Zealand Insurance Company for the year 1904 amounted to £62,098, and it paid a dividend of £30,000 or 15 per cent. on its paid-up capital. The Australian Mutual Fire Insurance Company has a capital of £62,500. In 1905 it had a reserve fund of £121,500, made a profit of £17,136, and paid dividends to the extent of £9,312 or 15 per cent. on its paid-up capital. To put the position shortly, the sixteen Australasian companies operating within the Commonwealth in 1904 had a total capital of £1,058,285. In 1905 their total capital was £1,101,409, showing an increase of £43,124 for the year. During the same period their reserves increased to the extent of £118,952. Their undivided profits amounted to £48,742—and these were really reserves—and in 1905 they made a profit totalling £350,567, or £53,774 more than the profit made by them during the previous year. During the same period with an increased capital of £43,000 they paid an increased dividend of £23,603, or more than half the amount of the increased capital. These figures show that the Australasian companies operating in Australia are in an exceedingly prosperous condition, and that they are building up their reserves at a remarkably rapid rate. It is evident that they are carrying on a business which is far more prosperous than is that in which ordinary financial agencies engage. It is interesting to learn how these profits are made. I have on record statements made by several leading business men in Western Australia—and particularly in Kalgoorlie—in which it is claimed that these vast

profits are secured as the result of excessive charges. I believe that excessive charges do contribute partly to the enormous profits realized by these companies.

Mr. McCAY.—The honorable member refers to excessive premium charges.

Mr. FRAZER.—I do; but there are other methods of building up profits. The owner of the second largest soft-goods business in Western Australia accompanied a deputation to the Government of that State, and urged the establishment of a system of State insurance, in order that the people might be relieved of the exorbitant charges of the insurance combine operating in that State. That request was indorsed by other business men in Western Australia, who complain—and justly complain, I believe—of the high charges imposed by those companies. Whenever an alteration in the law relating to fire insurance companies is proposed, those interested in them speedily raise an outcry. It will be said, no doubt, that the States themselves should take action in the direction I propose. Why have they not done so? Unfortunately, the States Parliaments at present are not so constituted as to be very amenable to a request on the part of the people for consideration in this direction. Their Upper Houses in each case are an effective barrier to any interference with the privileges and powers of financial institutions. Circulars in regard to this Bill have been distributed amongst honorable members, but I have been excluded from the lists of recipients. Some of these circulars have been sent out anonymously, and do not altogether escape the charge of impertinence. In these circulars a strong point is made of the contention that insurance means indemnity, and that this Bill will bring about an alteration in that regard. But I say that, whilst insurance should mean indemnity, it certainly does not under the existing conditions, because one of the contracting parties does not intend to pay. What I propose is that those who insure shall be able to obtain the amount of insurance due to them when the disaster against which they have insured overtakes them.

Mr. McCAY.—This Bill means that insurance is profit.

Mr. FRAZER.—It means nothing of the kind. It means that fire insurance companies shall not be able to contract them-

selves out of their liability, and to accept risks in the absence of an intention to pay.

Mr. DUGALD THOMSON.—It might mean that they would have to pay five times the amount of the loss.

Mr. FISHER.—In what part of the Bill is there a provision that could be so construed?

Mr. FRAZER.—It is pure imagination on the part of the honorable member. The Bill contains no such provision. It is wonderful how some people call out directly there is submitted to Parliament a proposal trespassing upon the particular preserves of the booblers of this country.

Mr. DUGALD THOMSON.—The honorable member is proposing to create a new industry—that of fire-raising.

Mr. FRAZER.—I am trying to put an end to the industry of the fire insurance companies who refuse to give to those who have insured the amounts for which they have paid premiums. To my mind, the methods of the insurance companies are very unsatisfactory. In the first place, they make very little examination, if any at all, of the proposed risks. Although they have agents in different places, it frequently happens that valuers are not sent out to inspect the properties which it is desired to insure. But, although the person who wishes to effect an insurance may not be satisfied with the conditions imposed in the policy of any company, he is compelled to accept them, because the conditions in the policies of the other companies are in the main the same. What usually happens is this: The person wishing to insure makes a proposal, and a fire insurance company accepts the proffered risk. Later on a fire occurs. If there were no fires, there would be no insurance companies; but, although it is often insinuated that there would be fewer fires if there were no insurance companies, many fires occur for which no one is to be blamed. After the fire the company sends an adjuster to ascertain the amount of the damage. He is very often paid a commission on the reduction that he can effect in bringing about a settlement, and is consequently interested in getting the person insured to accept a smaller sum than that upon which he has been paying premiums. Frequently accompanying the adjuster is a builder, sometimes a bogus one, who, in the event of a contract being let, would not be able to erect another building. They, having viewed

the premises, the person insured is informed that the place can be rebuilt for so much, and that sum is offered without prejudice, being invariably less than the amount stated on the policy. The person insured may fume, but what alternative has he but to accept the offer?

Mr. DUGALD THOMSON.—He can allow the company to reconstruct.

Mr. FRAZER.—On that point I will read one of many letters which I have received from persons who have had dealings with fire insurance companies. This letter was sent to me by a reputable citizen of Kalgoorlie, and I shall quote it because of its moderation, and because I know that every word contained in it can be verified by an independent inquiry into the facts alleged. My correspondent writes—

950 Bourke-street, Boulder City,
12th July, 1906.

Dear Frazer,

I received your letter, and I see you wish to be reminded of the actual facts regarding the fire which occurred at my place on January 16th, when my home and furniture were totally destroyed. The fire started in my sister-in-law's bedroom, through the curtains coming against a lighted candle. My house and my furniture were insured with the Commercial Union Insurance Company for £250 and £75. Of course, after the fire, I made my claim to the insurance company. After waiting about fourteen days the company's adjuster, Mr. Horner, arrived, and I met him, and he had a builder named Heron with him, and we took measurements of what remained of the house. After about nine days, I received a wire, "Heron's price to rebuild £180, offer you that amount without prejudice. Horner."

That is, £70 less than the amount upon which he had been paying premiums—

Well, I tell you, I was surprised, as the place cost me well over £300 to build. I immediately wrote back, and said that the only offer I could accept was the place rebuilt as it was before, or the full amount of the insurance, £250. Mr. Bignell, who lives next door to me, told me that the way he heard Heron and Horner speaking he did not think I would get a fair deal. After another week's delay I was informed that Mr. Horner would be up on the fields again, and would see me himself.

By this time thirty days had elapsed—

I met him, and he had Heron with him again, and he asked me to accept the money, £180, but I told him I did not want any money, I wanted the place rebuilt as it was before. He said that they would start to rebuild right away, but when I told him I wanted to see the architect's plans of the place he proposed to build, he was taken back. He thought he was just going to run up any sort of place, but I would not consent to any building going up without an architect and proper plans and specifications. Horner then took me to Mr. Cummings, architect, Lane-street, Boulder, and instructed him to

draw up plans and specifications, and gave him the measurements of the place. Well, the trouble began then. The architect made me get a copy of invoices for nearly every item in the place, such as box framed windows, size and make of doors, stamped metal ceilings, fly screens for windows, and fly doors, and every little item that was outside of Jarrah timber. As the timber and materials were all purchased in the Boulder, I was able to get them, although it gave me a great amount of trouble. Another week's delay—

By this time thirty-seven days had elapsed—

and the plans and specifications were finished, and, on the whole, it was a fair thing, and about as near as could be expected. But I had to keep getting notes from the timber merchants to make the architect put them in. Another fourteen days' delay, and Mr. Horner arrived again, and I asked him when they were going to start and build. He said he was not satisfied with the plans, and I asked him what part he was not satisfied with, as I had got all the proofs his architect wanted. He said he would underline all he took objection to, and would then send the plans back to me. He then—

That is, after about forty days—

offered me £225 in settlement of my claim for £250 for the house, as I had received the £75 for the furniture. But I told him again that the only offer I could accept was the full amount of the insurance or the place rebuilt. Another week's delay, and the specifications were sent back to me with all Mr. Horner's objections underlined in red pencil, and I had to prove every detail. Mr. Horner said if I could prove his objections he would recommend that my claim should be settled in full. One item in the specifications that he underlined was—stamped metal ceilings at 22s. 6d. per square, and I produced a copy of Wills and Company's invoice to show I had paid 37s. 6d. and 28s. 6d. per square for all stamped metal used in my place. The studs in my house were only 18 in. apart, and in the new plans they were 2 ft. apart. But the architect told me that there must be a little give and take in these matters. Well, when I satisfied them of all materials they took exception to the way the place was painted, but I had lost patience. I wrote direct to the head manager in Perth, and went and saw the Kalgoorlie manager, and told him that unless I had a speedy settlement I would publish the full details of my case in the press. I also instructed Mr. J. N. Brown, solicitor, to write a letter for an early settlement. I had also engaged an expert builder to go through the plans with me, and he told me that the place could not be built for under £300. Anyhow, I do not know whether it was the solicitor's letter or my threatening to write to the press, but the company settled up with me in full, after keeping me waiting over sixty days.

Mr. HUTCHISON.—That is worthy of a blackmailer.

Mr. FRAZER.—It was a deliberate attempt to blackmail. No other language is applicable to the transaction. I am

surprised at the moderation of the writer, considering the difficulties and aggravation to which he was subjected by the company—

Well, I went and saw Mr. Brown, and paid him £1 1s. for writing a letter, and when he saw the cheques he told me that they had not added the exchange, which is 5s. for every hundred pounds. I also told him I had to pay Mr. Greenwood, builder, £2 for his services assisting me with the specifications and plans. He advised me to write for the exchange and builder's expenses. I wrote, and I think that they were afraid I was going to publish details in the Gold-fields press, so they sent a cheque for the exchange and builder's expenses. When I insured my place the company's Fremantle manager was in Kalgoorlie, and he came out and inspected the place, and was fully satisfied, and asked me to make the furniture £100, but as I just had the money in the house I let it go at £75. Now, it seems to me that this insurance company will insure your place for a certain sum, and when a fire occurs, they employ their adjuster to try and arrange terms so as they will not have to pay the full amount, and the only reply one can get if you write to the head-office is that the matter is in the hands of their adjuster. Now, you can use my name in connexion with these details, as I am prepared to swear on oath that every detail is correct, and the way I was humbugged was disgraceful, and it was only that I was so sick of the whole affair that stopped me from writing all details to the press. I have rebuilt on the same ground, and I have one room less than I had before, and the place has cost me £252 2s. 6d. This is not the only case, for since I was burnt out I have heard of dozens of others who have been served the same way, and I suppose if I had not had my father and brother to stand by me I would not have got on so well as I did, as we lost everything in the fire. The only thing was, I knew that the place could not possibly be built for £250. Well, I think that is about all, but when I see you again I will tell you a few more details of how I was humbugged.

Yours truly,

CHARLES McDONALD.

The writer happens to be a relative of the Chairman of Committees in this Chamber, and is one of the most reliable men that I ever met. I have received many other letters making a similar complaint, but they are couched in slightly exaggerated language. Moreover, they do not put the case in the same able, complete, and, at the same time, moderate manner that Mr. McDonald has done. In his case, there was no inquiry, and there was no suspicion of foul play, but the company tried to bring their power and influence to bear to force Mr. McDonald to accept their terms, rather than fight the case through the arbitration proceedings and the Law Courts. There are some cases in Australia that have remained unsettled for years. I propose to

Mr. Fraser.

give honorable members some statistics bearing on this question. We are told by the companies that they desire to settle points in dispute as soon as possible, and I take it for granted that this desire, if it existed at all, would be most strongly manifested just prior to the preparation of their annual balance-sheets. The companies which are sufficiently frank to show in their balance-sheets the amount of their unsettled claims—seven out of sixteen companies do not do so—would naturally be anxious to reduce the amount of unsettled claims as much as possible. I find by reference to the balance-sheet of the South British Insurance Company that the losses sustained in 1904 amounted to £159,550, and that claims amounting to £57,599 were unsettled. The Australian Mutual Company sustained losses amounting to £7,000, but they do not indicate the amount of the claims that they refused or—as they would doubtless put it—were unable to settle. The New Zealand Insurance Company sustained losses in 1904 amounting to £273,000, whilst the claims unsettled amounted to £67,969. The Victorian Insurance Company sustained losses amounting to £36,000, whilst the unsettled claims amounted to £7,800. In all, sixteen insurance companies sustained losses aggregating £755,000, and nine companies show unsettled claims amounting to £192,000. I am sure that I shall be within the mark in saying that if the other seven companies had made a declaration as to their unsettled claims, the claims not paid would have aggregated at least £300,000. Therefore, it appears that the companies have paid 60 per cent. of their losses, and have failed to settle claims representing 40 per cent. of their liabilities. I think that these figures furnish an effective reply to the argument that insurance companies endeavour to settle claims as soon as possible. Personally, after having listened to the statements made to me by their unfortunate victims, I do not believe anything of the kind. I believe that they endeavour, in most instances, to induce the insurer to accept less than the amount to which he is entitled, and that if he refuses to compromise with them, they are not anxious to pay over the money which he has a right to claim. I wish to quote some of the conditions included in the policies of the insurance companies. I admit that the companies are justified in inserting provisions

against fraud or misrepresentation, or any act of the insurer that would result in their undertaking an unreasonable risk. But many of the conditions which they impose are in the highest degree inequitable. One of the conditions is as follows:—

If, after the insurance shall have been effected, there shall be any erection or alteration or extension of the premises, or any erection or alteration or appliance or apparatus for producing heat . . . the policy shall be void.

Any erection or alteration, let honorable members remember.

Mr. MAUGER.—What is the date of the policy the honorable member is reading?

Mr. FRAZER.—It bears no date. I am reading from a copy of the Commercial Union Company's policy, which was in operation until last month. I believe that new conditions have been imposed since. In connexion with the argument that has been used in some quarters that the insurance company must be protected against the removal of goods that were in a building at the time that the stock was insured, I would point out that they have power under the conditions to cancel the policy at any time. Therefore, they are in a position to protect themselves against any undue risk on account of a reduction in the value of the goods originally insured.

Mr. GROOM.—What notice have they to give?

Mr. FRAZER.—The condition reads—

If, during the currency of this policy, the company be desirous of discontinuing the risk, the company shall have the option of cancelling the policy on giving notice in writing to the assured.

No term of notice is specified. This provision seems to me unjust in view of the fact that the insurer cannot have the policy immediately cancelled, if he so desires.

Mr. MAUGER.—Yes, he can, under the new policy.

Mr. FRAZER.—I see, on reference to the new policy, that what the honorable member states is correct. It is provided—

The insurance may be terminated at any time at the request of the insured.

That is a more generous provision than the one inserted in the old policies.

Mr. GROOM.—Is there any provision for a refund to the insured upon the cancellation of the policy?

Mr. FRAZER.—Yes, there is provision for a refund of the premium for the unexpired period, less some small penalty. There is another provision in connexion

with the Commercial Union Company's policies, which reads as follows:—

Persons insured by this company sustaining any loss or damage by fire are forthwith to give notice thereof at the office of the company, or to the agent of the company, through whom the policy was effected, and, within fourteen days, deliver in writing as particular account of their loss or damage as the nature of the case will admit of, such account of loss to have reference to the value of the property destroyed or damaged immediately before such fire, and shall verify the same by the production of their books of account.

I have here an opinion furnished to me by a member of the legal profession in Western Australia, whose firm carries on one of the largest insurance businesses in that State. Unfortunately, I am not in a position to disclose the name of my correspondent, because, if it became known that he had communicated with me, the insurance companies would make things very unpleasant for him, if they did not actually ruin him. This gentleman writes to me as follows:—

Most policies require that the insured has to supply receipts and vouchers, and produce books as required by the company within the fifteen days. Very often all these are burnt. The company asks for them, and because they are not forthcoming, use this as a threat to enforce a reduction in the amount of the claim.

The writer is more competent than is any honorable member in this Chamber to speak on this question. He does not speak under the influence of bias. He does not support my proposal, but he thinks that some of the present harsh conditions should be done away with.

Mr. KELLY.—Can the honorable member give us the name of his authority?

Mr. FRAZER.—I have already stated that I cannot make public his name; but I do not mind communicating it to the honorable member in confidence.

Mr. MAUGER.—Has the honorable member ever heard of the books being the first things burnt?

Mr. FRAZER.—Yes, I have; but I do not think that because books happen to be the first things burnt, the person insured should be deprived of the amount to which he is entitled under his policy; but fraud finds no support under this Bill. It would be fair to insist that a man should supply such documents as could be reasonably furnished. To take advantage of the assured in the way that I have outlined is to obtain money by the most objectionable means imaginable. The rebuilding clause, which is embodied in the conditions under

fairly assume that they are conversant with all the difficulties which surround their business. When a man is insuring his furniture or other goods, he has to make a statement as to the contents of the building in which they are housed.

Mr. DUGALD THOMSON.—But those contents often vary.

Mr. FRAZER.—That is so; but how does the company determine what the building actually contained when it was destroyed?

Mr. DUGALD THOMSON.—The policyholder has to prove what he had in it.

Mr. FRAZER.—Exactly; and under this Bill the person insured would not be paid anything in respect of goods that were insured but not in the building when it was destroyed.

Mr. DUGALD THOMSON.—The Bill as it stands does not provide that.

Mr. FRAZER.—I think it does. If my honorable friends of the Opposition can express more clearly my intention as to what shall be the position of a tradesman with a fluctuating stock, I shall be prepared to consider any amendment they may move in that direction. It cannot be said that my proposal is one that has been hurriedly arrived at. I have given it careful consideration. A man who insures a fluctuating stock against fire has to prove his losses when he makes a claim under his policy; he has to prove that the articles in the inventory have been destroyed.

Mr. DUGALD THOMSON.—There is no inventory in some cases.

Mr. FRAZER.—I beg the honorable member's pardon; I have seen these inventories.

Mr. DUGALD THOMSON.—There is no inventory in the case of merchandise.

Mr. HUTCHISON.—In that case the matter is dealt with by an average adjuster.

Mr. FRAZER.—That is so in some cases. Under this Bill, unless a man can prove that he has lost that in respect of which he makes a claim against the company with which he has insured, he will be held guilty of fraud, and will receive nothing. That disposes of the objection raised by the genius who wrote the sub-leader in the *Argus* to which I have referred, and raised also by the genius who has distributed amongst honorable members an anonymous circular in denunciation of this Bill.

Mr. DUGALD THOMSON.—It does not dispose of the objection, because that objection remains in the Bill itself.

Mr. FRAZER.—I fully recognise that the honorable member for North Sydney has had great business experience, and if he can arrive at a better means of giving effect to my intention I shall be prepared to give every consideration to it. We have in this sub-leader the further statement that—

As a general rule the principle involved in a "valued policy" is wrong.

If it be wrong for a man to be held responsible to pay that which he has contracted to pay—and that is all that a "valued" policy, when properly safeguarded, can be claimed to do—it is the first time that I have heard the principle so described. If it be wrong it is wrong only when applied to a fire insurance company.

Mr. DUGALD THOMSON.—It is only a promise to pay up to a certain amount.

Mr. FRAZER.—But the companies contract themselves out of paying the losses provided for on the face of the policies. I have proved that, I hope, to the satisfaction of the House.

Mr. KELLY.—Do they not contract to indemnify losses?

Mr. FRAZER.—They do, but I claim that they do not carry out that contract. Under this Bill a valuation would have to be made. When a life insurance company receives a proposal for assurance the applicant has to submit to a careful examination. The policy-holders in the company willingly pay for this examination, in order that it may be determined whether or not the applicant is a fit person to assure. But when a man proposes to insure against fire, the fire insurance companies do not require that his business shall be valued. They simply say, in effect, "We will accept this risk. It will not matter much to us, because we shall not pay if disaster overtakes the man." There is another statement in this exceptionally inaccurate sub-leader to which I desire to refer. It is as follows:—

There is an immoral feature of the Bill which is to be gravely reprehended. It is that it aims at making existing contracts, entered into in good faith, null and void, so far as one party is concerned. Whatever may have been agreed upon by the fire offices and the assurers that is contrary to the provisions of the Bill is to be abrogated in favour of the assurers. If the Commonwealth Parliament is going to invest itself with the right to nullify private contracts, where will the mercantile world ultimately find itself landed?

deemed to be the agent of the assured, and not of the company. The effect of this is that if the agent makes a mistake and the assured suffers, the mistake being made by his agent he must stand the loss. The company is in nowise liable. Such a condition ought to be rendered inoperative.

Another provision which does not appear to be a legitimate one, although I do not see that any very great amount of damage can be done under it, is that which requires any person who effects an insurance for, say, £500, and who takes out a second policy, to have the second insurance indorsed upon the first policy. I have no objection whatever to a company being notified of the existence of the second insurance, and whilst it is right that the first policy should be indorsed upon the second, it is not right that the second policy should of necessity be indorsed upon the first. But in Western Australia a company has successfully pleaded that, because the second policy had not been indorsed upon the first, it was not liable. I now wish to show the way in which this Bill will operate if it becomes law. In this connexion I may say that a circular has been forwarded to some honorable members, headed, "Some remarks on a Bill relating to fire insurance brought in by Mr. Frazer." It is an anonymous circular.

Mr. GROOM.—Where was it circulated?

Mr. FRAZER.—The copy which I hold in my hand was presented to me to-day by a Minister.

Mr. GROOM.—Does it show by whom it was printed?

Mr. FRAZER.—No.

Mr. FISHER.—Do not advertise it.

Mr. FRAZER.—But I wish to advertise it, because I desire to refute a statement which it contains, and which was repeated in a leading article which appeared in this morning's *Argus*. I have never expected to obtain the truth from the *Argus*. It is a journal which is associated with all the big financial undertakings of this country. It is owned by men who have no sympathy with the unfortunate individuals who may be the victims of a fire, and whose insurance money—perhaps amounting to £50—may be all that stands between them and destitution. But they have an extraordinary sympathy with the great fire insurance companies of this country, which possess a capital and a reserve fund amounting to about £2,000,000. They exhibit their sympathy with these companies by lying—either deliberately or ignorantly—in refer-

ence to the provisions of this Bill. The first statement contained in the article which appears in the *Argus* is also repeated in the circular to which I have alluded—

A man insures for so much—

The writer at this point is dealing with the system of insurance in America—

and if he had a fire—and fires are constantly occurring in America—it is held that he should receive the amount named on the face of the policy irrespective of the actual amount of his loss. Even reinstatement is objected to, for it is thought that anybody having a fire should be entitled to make a profit out of it.

Further on we have the statement—

But it is desired by a member of the House of Representatives that the crude notions of the back-wood American States should be adopted in Australia, and a Bill introduced by Mr. Frazer (W.A.) is designed to carry out this wish. That is a charge which I repudiate, and hurl back at the writer.

Mr. DUGALD THOMSON.—It is made not against the honorable member, but against the Bill itself.

Mr. FRAZER.—The making of such a charge against the Bill indicates on the part of the writer an ignorance which would be tolerated only on the staff of the *Argus*. The writer goes on to say that an injustice would be done to firms insuring for large amounts if this Bill were passed—

But should the Bill now before the House of Representatives become law, a firm that has taken out a policy for say £100,000 to cover the maximum amount of its stock during the year, and experiences a total loss when between seasons its stock is worth only £60,000, will be able to claim £100,000, and make £40,000 on the operation.

That will not be possible under this Bill. Clause 5 provides that—

In the event of total loss covered by a policy, the insured shall, notwithstanding any stipulations contained in the policy, be entitled to recover from the company the amount insured by the policy, and upon which the premiums have been paid

Sir PHILIP FYSH.—Then the honorable member is asking for something more than an indemnity?

Mr. FRAZER.—That is not so. I think that insurance should not be more than indemnity, but the position should be such that the man who takes out a policy may rest assured that he will be indemnified. At present he cannot do so. The evidence that I have presented to the House shows that he runs a risk of being deprived of the amount properly due to him under the contract. The managers of fire insurance companies are not simpletons; we may

fairly assume that they are conversant with all the difficulties which surround their business. When a man is insuring his furniture or other goods, he has to make a statement as to the contents of the building in which they are housed.

Mr. DUGALD THOMSON.—But those contents often vary.

Mr. FRAZER.—That is so; but how does the company determine what the building actually contained when it was destroyed?

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There is an immoral feature of the Bill which is to be gravely reprehended. It is that it aims at making existing contracts, entered into in good faith, null and void, so far as one party is concerned. Whatever may have been agreed upon by the fire offices and the assurers that is contrary to the provisions of the Bill is to be abrogated in favour of the assurers. If the Commonwealth Parliament is going to invest itself with the right to nullify private contracts, where will the mercantile world ultimately find itself landed?

Those who make that statement—and it is indorsed in a circular sent to the representatives of Tasmania by managers of insurance companies operating in that State—are ignorant of the contents of the Bill. Clause 2 provides that the Bill shall not come into force until 1st January, 1907, while in clause 3 it is provided that it shall apply only to policies “issued, made, or renewed after the commencement of this Act.” No sane individual, who has not a desire to slander the man responsible for this Bill, would assert, in these circumstances, that it is designed to nullify contracts at present in existence. Another objection raised in circulars that have been distributed amongst honorable members is that the method which the Bill provides for ascertaining partial losses is a very crude one. The Bill expressly sets forth what method shall be adopted in the event of mutual agreement being impossible.

Mr. LONSDALE.—And what a method it is!

Mr. FRAZER.—Can the honorable member suggest a more reasonable one?

Mr. LONSDALE.—I could not suggest a more unreasonable one.

Mr. FRAZER.—Can the honorable member suggest a better method of carrying out the intention of the Bill that justice shall be meted out to the insured? If he can, I shall be prepared to accept it. In sub-clause 2 of clause 5 it is provided that—

In the event of partial loss covered by a policy, the insured shall, notwithstanding any stipulations contained in the policy, be entitled to recover from the company compensation equal to the amount of the loss sustained, but not exceeding the amount insured by the policy. Such loss shall be ascertained by mutual agreement or by the sale of the salvage, and a deduction of the amount received therefrom from the amount of the policy.

This will render it impossible for a company to refuse to pay, and to invite the person assured to fight it. It gives the parties the option of arriving at any method of settlement that may be thought desirable, but, at the same time, it places the assured in such a position that, in the event of a mutually satisfactory settlement being impossible, the matter can be dealt with in a definite and decisive fashion. My experience leads me to believe that this is the only way in which

we could deal with these companies. The provisions relating to the event of total loss are not to apply—

where misrepresentation, fraud, or any act of the insured in failing to comply with any reasonable requirement of the policy is proved against the insured.

Mr. KELLY.—A lot of legal proceedings would arise under that provision.

Mr. FRAZER.—Not so many as arise now, when the companies take a particular delight in harassing those who have suffered loss by fire. It is impossible to frame provisions which will prevent the legal fraternity from profiting. The Bill, however, requires that matters shall be decided as soon as possible, sub-clause 4 of clause 5 enacting that—

It shall be competent for the insured to bring an action in any Court of competent jurisdiction under this section at the expiration of one month from the happening of the event or contingency insured against.

Mr. KELLY.—Why does the honorable member prefer legal proceedings to arbitration?

Mr. FRAZER.—Because, at the present time, arbitration proceedings are sometimes so protracted that the companies, in preparing new agreements, have made provision for the death of one of the arbitrators. If the honorable member proposes an amendment, making it competent for the insured to demand arbitration at the expiration of thirty days, and compelling companies to pay whatever sums are awarded against them, I shall be prepared to give consideration to it. Under the Constitution, however, we cannot prevent either an insured person or an insurance company from appealing to the Courts, if either party thinks fit to do so, and my desire is that disputes shall be settled with the least possible delay. There are many other matters with which I could have dealt. I have received many letters from persons who have suffered loss by fire, and have made statements criticising the actions of the companies concerned; and more figures might be presented to the House to show that the companies are in the position which I have declared them to hold. Many more arguments than I have used might be adduced in justification of my proposals. I think, however, that I have shown the urgent need for safeguarding the interests of those who insure with the great financial

institutions carrying on business in Australia by preventing the repudiation of liabilities. In my opinion, an effective and proper system of fire insurance will be secured only by the ultimate establishment of a national system. In a circular issued to-day, the insurance companies say that if the Bill be passed they must take other methods to protect themselves, by which I suppose they mean that they intend to still further harass those who have dealings with them. The Bill, however, if carried into effect, will go a long way towards mitigating their harshness towards those who are insured. I do not think that its provisions will interfere with the operations of companies doing a legitimate business, but they will prevent insured persons from being robbed by adjusters who receive commissions on the reductions which they effect.

Mr. DUGALD THOMSON (North Sydney) [5.37].—There can be no doubt about the importance of the measure; though, if I read it aright, the fire of the honorable member's ambition will, if allowed to hold sway, spread other fires throughout Australia. I regard the Bill as a fire-stick, and am not convinced by the statements of the honorable member that it means what he has explained it to mean, and not what is the literal effect of its provisions. In opposing the measure, I do not intend to take the part of the insurance companies. No doubt most honorable members are the insured, and very few are insurers or have any interest in insurance companies. I, for one, have no such interest. I once held shares in a fire insurance company, but, instead of making the gigantic profits pictured by the honorable member for Kalgoorlie, I lost all that I had invested, and would be very glad to make him a present of the scrip, if I still possess it.

Mr. HUTCHISON.—Was the honorable member knocked out by the ring?

Mr. DUGALD THOMSON.—No; the company lost its money. The fires were too numerous for the premiums.

Mr. HARPER.—That has been the fate of a good many companies.

Mr. DUGALD THOMSON.—The Government ought to clearly declare its position with regard to this measure, legislation in regard to insurance being one of the powers given to the Parliament by the Constitution. In my opinion, there is reason for the enactment of a comprehensive

Commonwealth measure dealing with the subject. In connexion with fire insurance companies, it would be well to establish a standard policy, which would be fair to insurers and insured alike. Many of the difficulties which occasionally, though not frequently, arise in connexion with the settlement of claims might be removed by the substitution of fair standard conditions for the differing conditions which now exist, and occasionally allow companies, if they desire to push things to extremes, to put those who are insured to a great amount of trouble in making good their claims. The provisions of the Bill are most undesirable. Clause 5 provides that—

In the event of total loss covered by a policy, the insured shall, notwithstanding any stipulations contained in the policy, be entitled to recover from the company the amount insured by the policy, and upon which the premiums have been paid.

Therefore, if a person had insured his stock for £100,000, and a fire occurred when he had only £25,000 worth on his premises, he would be entitled to recover the amount insured by the policy. Subclause 3, which the honorable member for Kalgoorlie says would prevent that happening, would have no such effect. It reads—

The above provisions shall not apply where misrepresentation, fraud, or any act of the insured in failing to comply with any reasonable requirement of the policy is proved against the insured.

Mr. FISHER.—The question which would arise would be, what has been the total loss?

Mr. DUGALD THOMSON.—“Total loss” is a well-known insurance term, which has been interpreted by the Courts over and over again.

Mr. FISHER.—The goods must have been destroyed to enable an insured person to obtain compensation for them.

Mr. DUGALD THOMSON.—Not under the Bill. The honorable member for Kalgoorlie, in framing the measure, evidently had in his mind only one class of insurances, those covering houses and risks which do not alter materially from time to time. Such risks are a portion, possibly only the minor portion of the business of the insurance companies.

Mr. FISHER.—It is only fair to the honorable member for Kalgoorlie to say that

he is prepared to accept amendments to express his intentions, if they are not already expressed in the Bill.

Mr. DUGALD THOMSON.—We have to deal with the measure as it has been placed before us. The honorable member apparently forgot that very large and important branch of insurance business—the insurance of stocks of merchandise. Merchants who wish to be safe must insure to an amount which will cover the full value of the merchandise likely to be in their stores at any particular time.

Mr. FISHER.—Their maximum carrying capacity.

Mr. DUGALD THOMSON.—They insure on that or something very close to it. If they do not, the loss must fall upon them. Insurances are, therefore, effected upon the value of the largest quantity of merchandise they are likely to have on their premises when their stocks are at the fullest. But these stocks vary from day to day and from month to month, as the stores are filled by the arrival of heavy shipments, and emptied in the ordinary course of trade. In this way, stock may dwindle from a value of £100,000 to a value of £25,000. But, under the Bill, if a merchant had insured his stock at £100,000, and his premises were burnt down when they contained only £25,000 worth of merchandise, he would be able to recover the whole amount insured for.

Mr. HUTCHISON.—No; only the amount of his loss.

Mr. DUGALD THOMSON.—That may be the intention of the measure, but it is clearly provided that, notwithstanding any stipulations contained in the policy, the insured shall be entitled to recover from the company the amount insured by the policy, and upon which the premiums have been paid. The provision in regard to misrepresentation and fraud would not apply, because there would have been no misrepresentation. The merchant would have told the insuring company that his stock is a varying one.

Mr. FRAZER.—Does he not make a statement as to what he had in stock?

Mr. DUGALD THOMSON.—No. He simply insures for £100,000, and the company contracts not to pay him £100,000, but to indemnify him for loss up to that amount, which loss he has to prove.

Mr. FRAZER.—I think that provision is made for a contingency of the character indicated by the honorable member, but if

he thinks he can make the intention clearer I have no objection to accept an amendment.

Mr. DUGALD THOMSON.—I contend that the proper course would be for the Government to introduce a measure dealing comprehensively with the whole subject of fire insurance, and that any attempt at piecemeal legislation should be discouraged. We could embody in such a measure provisions that would remedy any wrongs now inflicted. It is perfectly clear that, under the Bill as it now stands, a person insuring for £100,000, and having only £25,000 worth of goods in his store at the time of a fire, could claim the full amount payable under his policy.

Mr. WATSON.—That would be no more dishonest than the method of averaging adopted by the companies.

Mr. DUGALD THOMSON.—I am not saying anything about honesty or dishonesty. I contend, however, that it would be a very bad thing for the community if we enacted any such provision as that referred to. The honorable member for Bland must see what any such provision would lead to. The honorable member for Kalgoolie states that the third sub-clause would get rid of the difficulty. But I would point out that in the case to which I have referred there would have been no misrepresentation or fraud, or any failure to comply with the reasonable requirements of the policy.

Mr. FRAZER.—The honorable member is referring to a case in which there would be only a partial loss, and not a total loss.

Mr. DUGALD THOMSON.—The honorable member is confused as to the meaning of the term "total loss." It has a recognised meaning both among insurance people and in the Law Courts. The term "total loss" is applied to a case in which the whole of the goods insured have been totally destroyed, and are of no value. The honorable member assumes that if an insurance policy were entered into for £100, and goods of that value were destroyed that would be a total loss. There is, however, no connexion between the two things. Now we come to the provisions dealing with partial loss. It is provided in sub-clause 2—

In the event of partial loss covered by a policy, the insured shall, notwithstanding any stipulations contained in the policy, be entitled to recover from the company compensation equal to the amount of the loss sustained, but not exceeding the amount insured by the policy.

Now we are on different lines altogether. That is the law at the present time. It is further provided—

Such loss shall be ascertained by mutual agreement, or by the sale of the salvage, and a deduction of the amount received therefrom from the amount of the policy.

In other words, the insured is to receive not an amount representing the difference between the value of the goods in the store at the time, and the salvage—which would be fair—but he is to be entitled to the difference between the sum realized by the salvage and the amount of the policy. Therefore all that he would need to do would be to refuse to come to an agreement—and how many agreements would be arrived at under the circumstances—in order to obtain an amount representing the difference between the sum realized for the salvage and the amount of his policy. The honorable member for Kalgoorlie might have been less free in his remarks in regard to those who have criticised his measure. He has referred to them as supporters of "boodlers," "liars," "insane," and "ignorant."

Mr. FRAZER.—The honorable member is not justified in making that statement. I used those terms in regard to certain persons who had made specific statements which I had shown to be untrue.

Mr. DUGALD THOMSON.—The honorable member used some of the terms in reply to an interjection of mine. He said that we were supporters of "boodlers."

Mr. THOMAS.—Is not that true?

Mr. DUGALD THOMSON.—No, it is not true; and I think that the honorable member for Barrier ought to deprecate the use of expressions in which he does not indulge himself. The honorable member accused those who had criticised the Bill in a certain way of being "insane" and "ignorant," but I think that I have shown by my reading of the Bill—if I am not ignorant or insane—that objections can reasonably be urged against it.

Mr. FRAZER.—Does the honorable member say that the man who made the statement that the measure would alter existing contracts was not ignorant?

Mr. DUGALD THOMSON.—That may be. But the honorable member used his opprobrious terms so freely that he apparently included all his critics within the same category.

Mr. FRAZER.—Nothing of the kind.

Mr. DUGALD THOMSON.—However, as the honorable member is still young,

he will have plenty of time to mend his ways. The honorable member spoke of the desirability of having an exact valuation made before insurance. He apparently, again, had in his mind properties such as houses. I would point out to him that you cannot arrive at an exact valuation of stocks which are always varying. The goods in a warehouse or general store are subject to change from time to time, and it would be impossible to permanently fix a valuation upon them. I admit that a certain valuation can be placed upon a house when it is insured, and I agree with the honorable member that all prudent insurance managers should take care to assure themselves that a man is not over-insuring his property.

Mr. HUTCHISON.—They do not care; they will take as much as they can get.

Mr. DUGALD THOMSON.—That is not my experience, because, whenever I have had my furniture or house insured, an officer has always been sent to inspect, and ascertain whether the valuation was proportionate to the amount of the insurance.

Mr. MCCAY.—That is the experience of most of us.

Mr. DUGALD THOMSON.—It is prudent for the agent or manager of a company to guard against deliberate attempts at over-insurance, but I would point out that, even in the case of house properties, the valuation made at the time of insurance ceases to apply after a little while. Depreciation is always going on. Sometimes houses are left untenanted, and become knocked about, and sometimes the market value of property in certain localities depreciates. The risk of fraud in connexion with house property is not so great as in connexion with merchandize, if the full amount of the insurance had to be paid, but there would still be some chance of the owner of house property obtaining an amount in excess of its value. I believe that the wiser insurance companies are reasonable in their dealings with their clients, but I quite agree that there may be cases of hardship. In all cases of contract hardship may occur when the question of performance comes to be dealt with. The only way in which that hardship can be overcome is by securing a reasonable policy of insurance—a policy which has not been drafted with a view to conferring undue advantages upon either party to it. As long as there are clauses in these policies which enable difficulties to be put

in the way of a settlement of claims, cases of hardship will occur. But the proposals of the honorable member for Kalgoorlie would create a condition of affairs which would be infinitely worse than is the present. Most certainly this Bill, if carried in its present form, would lead to the establishment—and that without a Government bonus—of a new industry—I refer to the practice of insuring stock for a larger amount than it would be worth at the time disaster overtook it, although the amount of the insurance might not be an unreasonable one at the time the insurance was effected. The Bill would lead to all sorts of fraud being committed.

Mr. FRAZER.—In my worst statement I did not cast such a slur as that upon the commercial community.

Mr. DUGALD THOMSON.—I have not cast a slur upon any section of the community. Judging by his speech, the honorable member has evidently not struck a community of angels. Whenever an opportunity presents itself to make money by means of fraud it will be availed of by some persons. This Bill would grant a bonus to that sort of thing, and I hold that fire constitutes a great danger to the community. It is not merely the individual with whom it starts who may suffer, but thousands of others. Consequently, the less we encourage fires the better. The honorable member alluded to the considerable profits which were made, and the large reserves which were held, by some of the companies. I should be very sorry to see our fire insurance companies without large reserves. What would they have to fall back upon in the absence of such reserves?

Mr. FRAZER.—I did not denounce the reserves.

Mr. DUGALD THOMSON.—But the honorable member mentioned the reserves as a reason why we should deal with the companies.

Mr. FRAZER.—I merely pointed out the enormous profits which have been made.

Mr. DUGALD THOMSON.—The honorable member pointed to considerable profits and to large reserves. I say that if our insurance companies were not financially strong enough we might have to enact legislation in the interests of the insurers. But the stronger they are financially, the more secure are the insured, to whom losses which the companies were unable to satisfy would be a very serious matter indeed. In certain cases there may be some reasonable

objections urged against the practice of average to which reference has been made. I know that the companies now declare that they do not apply average except to a hazardous risk unless the amount of the insurance is over £10,000. If a man insures his stock for £10,000, and keeps goods worth £5,000 more in his store, they claim he becomes his own insurer for £5,000, and consequently he should share to that extent in any loss which may be sustained.

Mr. HUTCHISON.—But is it fair that the fire insurance companies should afterwards accept the full premium from him?

Mr. DUGALD THOMSON.—The claim of the companies is that if he acted properly—inasmuch as he had only insured his stock for two-thirds of its value—he would be establishing an insurance fund for the remaining third, and that he ought to credit that fund with the premiums which under other circumstances he would have paid upon that third.

Mr. HUTCHISON.—That is not the point.

Mr. DUGALD THOMSON.—The companies urge that the policy-holder is the insurer as well as themselves, and that he ought to bear his proportion of the loss. The honorable member for Hindmarsh says that, although the individual is required to pay a premium upon £10,000, he would receive less than that amount if disaster overtook him. The answer of the companies is that that circumstance is due to the fact that the individual is partly his own insurer.

Mr. HUTCHISON.—Then, why do they take the full premium?

Mr. DUGALD THOMSON.—Their claim, they argue, is not an unreasonable one. They are ready to insure the whole of his stock, and if he will only insure a part of it he should bear his proportion of the loss. There are instances, however, in which I believe the companies refuse to accept the full amount of the risk. In such cases it is not fair to apply the average clause. But under any circumstances, I think that the application of that clause by the companies is rather to their disadvantage than otherwise. The only benefit which can possibly accrue from it is that persons may be induced to insure for a larger amount than they otherwise would. The strongest objection that I see to it is in cases where insurance companies refuse to accept the full amount of the risk, and compel a man

against his will to bear a share of any loss which may be incurred. I hope that the Minister of Home Affairs will declare the intentions of the Government in respect of this measure, which will have very far-reaching effects. I cannot dream that it will be agreed to in its present form, but even if it be passed with amendments, it may lead to the imposition of higher insurance rates, because, undoubtedly, the insurance companies will be rendered liable to larger losses.

Mr. FRAZER.—But there will be a better chance of the insured getting his claim satisfied.

Mr. DUGALD THOMSON.—I believe that the honorable member did cite one case in which an insurance company, or its adjuster, was absolutely wrong. Personally, I have no reason to entertain too friendly a feeling towards these companies, because I have had one or two struggles with them. But, in a business of this description, there must be strong safeguards. If the Bill were amended so as to make it provide only for the payment of the actual loss, it would be useless, because provision is already made for that in our existing law.

Mr. GROOM.—The honorable member for Kalgoorlie has gone back to the principle of indemnifying the insured in the event of partial loss.

Mr. DUGALD THOMSON.—But the Minister will note that sub-clause 2, of clause 5, provides—

Such loss shall be ascertained by mutual agreement, or by the sale of the salvage, and a deduction of the amount received therefrom from the amount of the policy.

That is really giving effect to sub-clause 1 of that provision. Under such circumstances, is it likely that the parties would arrive at any agreement? The measure is important to the whole community. It deals with a matter in which strong safeguards must be provided against fraud. Those safeguards are in the interests of the community, and in a Bill of this description we should not deal with one aspect of insurance only. Further, any measure dealing generally with the subject should be brought forward by the Government.

Mr. GROOM (Darling Downs—Minister of Home Affairs) [6.14].—I think that the honorable member for Kalgoorlie is deserving of credit for having initiated a debate upon the very important question of fire insurance. It is a matter of very grave moment, and is one which, so far as legislation is concerned, should not be entered

upon lightly. The principles of law relating to fire insurance have been more developed in the United States than in any other country. But the Commonwealth is in even a better position to deal with this matter than is the United States. There, the question is a matter for State law. But the central Government have felt the necessity for dealing with it from a national stand-point. These fire insurance companies extend their ramifications through the whole of the United States. The Commonwealth has full power under the Constitution to deal with this matter. The honorable member for Kalgoorlie has put before the House many important considerations relating to fire insurance, and has also referred to questions that do not affect the principle enunciated by him, that a person who has sustained total loss by fire should receive the full amount for which he has insured. That is practically the principle of the Bill itself. There appears to be a certain element of unfairness in the case which he cited. A firm insures its stock for a very large amount, and annually pays large premiums, but when a fire takes place on its premises, the amount which it receives is based only upon the actual losses, although the insurance company itself has been receiving annually large sums of money on the basis of a larger amount.

Mr. DUGALD THOMSON.—But the firm was fully covered at the same time.

Mr. GROOM.—Quite so. It is worthy of consideration whether, when a company is carrying a very heavy policy, and knows that that policy is in excess of the fair valuation of the property to which it relates, it might not be advisable to have a refund of a certain amount.

Mr. DUGALD THOMSON.—That proposal is too complicated.

Mr. GROOM.—I am not suggesting that it should be adopted. I am merely dealing, as the honorable member for Kalgoorlie has done, with the equities of the question. But I do not think it advisable simply because of inequity to strike at the very foundation of the law relating to fire insurance. The whole structure of fire insurance is based upon the principle of indemnity. The insurer agrees to pay to the insured the loss that he sustains—he agrees to indemnify him against that loss, and in return premiums are to be regularly paid. I think that the honorable member for Kalgoorlie made his position very clear.

He said that he did not desire to do an injustice to the insurance companies, but he emphasized the point that a person who had insured against loss by fire should be indemnified against any loss so sustained. He said, in effect, "Here are two parties to an agreement. On the one hand, we have powerful insurance companies, with a big organization behind them, laying down the terms of a policy. On the other hand, we have the person desiring to be insured, who accepts that policy in good faith, and expects to be indemnified under it. I wish to make sure that that person shall be indemnified the loss he sustains." He emphasized the point that the difficulties in the way of the person seeking compensation should be reduced, and I think that the House will sympathize with that view.

Mr. FISHER.—The honorable member went somewhat further.

Mr. GROOM.—That is so. He pointed out that there was a difficulty in securing adjustments.

Mr. DUGALD THOMSON.—The Bill does not deal with that question.

Mr. GROOM.—I have already mentioned that it does not. The honorable member for Kalgoorlie also referred to the arbitration clauses in these contracts, and, in doing so, touched upon a very important question. Those who have a knowledge of insurance conditions are aware that some of them are highly technical, and give rise to much difficulty.

Mr. KELLY.—Will the Minister tell us whether the Government are in favour of the Bill?

Mr. GROOM.—They sympathize with the honorable member for Kalgoorlie to the extent that they realize that the question should be taken into early consideration, but they think that it should be dealt with in one comprehensive law relating to fire insurance.

Mr. WILSON.—And life assurance.

Mr. GROOM.—We hope that the House will have an opportunity to deal this session with a Bill relating to life assurance. My own opinion is that, in passing a comprehensive measure relating to fire insurance, it might be advisable to adopt the suggestion made by the honorable member, and approved by the honorable member for North Sydney, that there should be a standard policy for the whole

of Australia. That is practically the principle which the honorable member for Kalgoorlie has been emphasizing.

Mr. KELLY.—No.

Mr. GROOM.—I think that it is, although the condition which he desires to enforce is one with which some honorable members cannot agree. If we decided to have a standard insurance policy, we might consider the precedent of the United States. Great difficulty was experienced there owing to the different insurance laws of the different States. At page 182 of *The American Academy of Political and Social Science* it is pointed out that—

Mr. FISHER.—Is the quotation designed to illustrate the scope of the Bill?

Mr. GROOM.—It will show that some of the States of America were forced to adopt the standard policy. The writer states that—

The progressive and aggressive companies sought to make an attractive form of policy, while some others issued forms which apparently afforded an opportunity for contests in case of loss.

The various steps that were taken are traced by the writer, who proceeds to point out that—

Five years later the Massachusetts legislature enacted a law providing for a standard form of policy, and in 1880 the use of this form of policy was made mandatory for all companies operating in that State. In 1886, the legislature of New York adopted a standard form of policy, which became mandatory 15th January, 1887. This policy was devised by the superintendent of insurance—

This is the point that I desire to emphasize—

after consultation with insurance officials and organizations.

It was not dictated by the companies—

It was carefully prepared, and while not entirely ideal, is the best and most satisfactory fire insurance contract yet brought into anything like general use. It has been made mandatory by seven other States, and is used generally in all the States where the statutes do not forbid. The writer then proceeds to name the States that have adopted the standard policy. I repeat that the Government do not think that it is desirable to deal with this question in the form proposed by the honorable member for Kalgoorlie. We consider that, when we deal with the question of fire insurance, we should do so in a comprehensive measure, so that the Commonwealth law on the subject may be found in the one statute. It is a matter that requires careful investigation and comparison. The Government are prepared to

take it into immediate consideration, and at the earliest possible date to prepare and present a comprehensive measure dealing with insurance legislation. That will not prevent the honorable member from again bringing forward the proposals that he has submitted to-day, and he certainly deserves credit for having brought this very important question under the consideration of the House.

Mr. McCAY (Corinella) [6.27].—I do not wish the Bill to be read a second time before the Government have had an opportunity to make up what they call their "mind" in regard to the attitude which they should assume in regard to it.

Mr. FRAZER.—It is open to the honorable and learned member to move the adjournment of the debate.

Mr. McCAY.—I move—

That the debate be now adjourned.

Mr. SPEAKER.—As a matter of fact, I should not accept a motion for the adjournment of the debate from the honorable member for Corinella after he has spoken to the question; but I presume that, in the circumstances, it is the desire of the House that I should do so.

HONORABLE MEMBERS.—Hear, hear.

Motion agreed to; debate adjourned.

DESIGNS BILL.

Mr. SPEAKER reported the receipt of a message from the Senate intimating that it had agreed to the amendments made in this Bill by the House of Representatives.

IMMIGRATION RESTRICTION ACT.

Mr. DEAKIN (Ballarat — Minister of External Affairs) [6.29].—May I mention, Mr. Speaker, that I have laid on the Library table a copy of a short statement with reference to the Immigration Act. This will meet a suggestion made in Parliament in consequence of a misleading notice having been placed on mail steamers and random allegations made elsewhere relative to our immigration laws. It is a very short notice, and will be headed by an outline map of Australia, giving some idea of its extent and its railways. It puts in simple language the position in regard to our immigration law.

Mr. DUGALD THOMSON.—What has been done with the notice?

Mr. DEAKIN.—We have been asked by the States to prepare for their immigration agents something which they can use for

the guidance of those likely to come to Australia. This statement will meet that request.

Sitting suspended from 6.30 to 7.30 p.m.

BUDGET.

In Committee of Supply:

Debate resumed from 8th August (*vide* page 2520), on motion by Sir JOHN FORREST—

That the item, "President, £1,100" be agreed to.

Mr. LONSDALE (New England) [7.31].—No doubt the Treasurer has placed before us statements and figures which are very gratifying to those who desire to see Australia advance and prosper, the prosperity of the Commonwealth during the past year having been very great. It is to be remarked, however, that this has been due almost entirely to the returns from primary industries. The Budget shows clearly that no country in the world, including even those which are protected by the highest import duties, is in as prosperous a condition as that of Australia. That fact ought to silence the talk which we have heard about the strangling of our industries. It is evident that in a country situated as we are, with large tracts of undeveloped land, for many years to come we must rely chiefly upon our primary industries. The Treasurer referred to the development of our export and import trade, and called attention to the fact that there has been a decline in our trade with the mother country, and a corresponding increase in our trade with foreign countries. That is a stock assertion with those who declare themselves to be in favour of preferential trade, but who have not ascertained the cause for this state of things. It is not brought about by protective duties against the mother land, because those duties cannot affect her in competing in her own possessions on fair and equal terms with foreign countries. Our trade with foreign countries has increased because we now deal with them more directly than was formerly the case. At one time, we did very little trade with France, Germany, and Belgium, direct. London was then the great market for wool, buyers going there from all parts of the world to make their selection from the large supplies available. As time went on, Australian wools came to be recognised as superior in many ways to the wools of other countries, and,

in order to get first choice, foreign manufacturers sent buyers here to purchase their supplies. In this way, big local sales were developed, and now, instead of the wool required by foreign countries going to London to be purchased there, and transhipped, it is bought here, and sent direct to the purchasers. Surely no one would contend that this is a bad arrangement for our producers, and that, to give business to people in England, our wool and other produce should be sent in the first instance to London. It is best for every one to trade direct, and to save transshipment and handling as much as possible. As a free-trader I was, when a member of the New South Wales Parliament, always opposed to attempts to force the Riverina trade to Sydney, believing Melbourne to be the natural market of the people settled there.

Sir JOHN FORREST.—The honorable member did not succeed.

Mr. LONSDALE.—That was mainly because of the large number of members holding principles such as those of the right honorable gentleman. I do not think that trade should in any case be diverted from its natural direction.

Mr. FISHER.—Trade should follow its natural channels.

Mr. LONSDALE.—Yes. We should not attempt to direct it into unnatural channels. In return for the wool and other produce which we export to foreign countries, we take, of course, imports from them, exports being paid for by imports, so that a country which exports largely, of necessity imports largely. It does not follow that a country exporting largely imports largely from the country to which it exports, because sometimes there is a triangular trade, and the bulk of its imports come from a third country. I find that, deducting the importations of oils, tea, coffee, and similar goods which cannot be produced in Great Britain. in 1904, 79 per cent. of our imports came from that country and 21 per cent. from other countries.

Mr. STORRER.—Was the 79 per cent. made up of English productions?

Mr. LONSDALE.—The bulk of it was, though, no doubt, some of the goods imported had originally been imported into England. In the year 1905, 74 per cent. of our imports came from Great Britain, and 26 per cent. from foreign countries. In 1903, however, only 65 per cent. of our

imports came from Great Britain, so that in 1905 the imports from Great Britain increased by 9 per cent. The Treasurer did not tell us that, though the fact ought to be a satisfactory one to him.

Mr. WEBSTER.—How much of our imports from Great Britain was imported into that country?

Mr. LONSDALE.—I cannot say. When I inquired into the subject on a former occasion, I found that about £2,000,000 worth of the goods imported into Australasia from Great Britain had been originally imported into that country. But these transhipped imports must be paid for in British goods, so that Great Britain profits by the arrangement. In 1905, 74 per cent. of our imports came from Great Britain and 26 per cent. from foreign countries, while 35 per cent. of our exports went to foreign countries. We have increased our exports to foreign countries, and, if the protectionists are to be believed, and dumping ruins the country in which it is practised, we are, by increasing our exports to them, injuring the foreigner. No doubt honorable members who are protectionists would like to see us go on exporting until we can ruin him entirely. As a matter of fact, we export to foreign countries about £8,000,000 more than we import. Of course, we are paid in some way for our excess of exports. Probably that excess tends to create an excess in exports from foreign countries to England, where it goes to pay interest, to meet freights and other charges, and to pay returns to people in Britain, who have properties in the Commonwealth. In any case, the trade of the Empire is increased. I admit at once that we are prosperous, and that there is no ground for the assumption that we are being ruined by the strangulation of our industries. If the Treasurer could have shown us that we were in a bad way, there might have been some justification for the statements that have been made by honorable members opposite, but nothing of that kind is disclosed by the figures now before us. I desire to say a few words with regard to the sugar bounties, which were intended to bring about the displacement of black labour by white labour upon the sugar plantations of Queensland and New South Wales. No doubt, the bounties have had a good effect in Queensland during the last year, but the real test will be applied when the whole of the kanakas have been

deported from Queensland, and white labour only is employed on the sugar plantations. Of course, if we pay large sums by way of bounties, those who are engaged in the sugar industry will take care to avail themselves to the fullest degree of the money placed at their disposal at the cost of the rest of the community.

Mr. STORRER.—How much Excise do the sugar planters pay?

Mr. LONSDALE.—The honorable member will require to look into this matter a little more deeply before he will be able to convince me that the general public do not pay the Excise. I know that the idea which prevails amongst protectionists is that the foreigner pays the duties that are levied upon imports. Those who talk about the foreigner paying import duties show their ignorance of the whole question. The quantity of sugar produced in Australia since Federation was established, up to the end of the last financial year was 513,886 tons, and the honorable member for Bass wishes us to believe that the price paid by the consumer for sugar of local production was not increased in consequence of the duty levied upon imported sugar. The total amount of duty paid upon the sugar imported into the Commonwealth during the same period was £1,270,658, and the increased cost to the people of the 513,886 tons of sugar locally produced was £3,083,316. The Treasurer, however, did not receive that amount, because it was paid to the men who produced the sugar within the Commonwealth. Thus the grower pays the Excise duty after having put his hand into the pockets of the consumer for the increased price.

Mr. STORRER.—That statement is not correct.

Mr. LONSDALE.—I repeat that the local grower of sugar demands the same price that is paid for imported sugar of equal quality. Out of the £3,083,000, of which the sugar planters have received the benefit, they have paid by way of Excise duty £1,541,000. Therefore, the public have had to pay over £4,000,000 to assist the sugar industry of Queensland, and out of that £1,541,000 has been taken from the sugar growers in the shape of Excise.

Mr. BAMFORD.—How much would the consumers have had to pay in any case?

Mr. LONSDALE.—I admit that the consumers would probably have to pay the whole amount in any case. If there had been no production of sugar within the Commonwealth, the price of the imported article would probably have been the same; but the whole of the revenue, instead of going into the hands of the sugar planters, would have been retained by the Treasurer. Thus, it would have been within the power of the Parliament to reduce taxation in other directions in order to lessen the burdens of the general taxpayer. Now, I shall inquire what has become of the excise duty paid by the sugar-growers. The representatives of Queensland think that they are doing a great thing in connexion with the sugar industry, that they are very patriotic. Up to the end of 1907, it is estimated that we shall have paid the Queensland sugar planters, by way of bounty, £532,000. In other words, the sugar-growers, after paying £1,541,000 with the one hand, have collared £532,000 with the other. The New South Wales sugar-growers will have received sugar bounties to the amount of £192,358, which will be a clear gift, because they have never produced much sugar by the employment of black labour. I see that the Treasurer has expressed regret that the bounty has not proved more successful in New South Wales. But we could not do away with black labour that 'did not exist.

Sir JOHN FORREST.—The honorable member misunderstands me. What I meant was that I regretted that the area under cultivation had not increased.

Mr. LONSDALE.—The area under sugar cultivation in New South Wales does not increase, because it pays the farmers better to grow butter. Why should we force men into engaging in unnatural industries, when it will obviously pay them best to follow some occupation suited to the conditions of the country? The whole object of bounties such as that paid for the production of sugar is to force people to engage in industries which are not natural to the country, and which cannot exist unless they are fostered at the cost of the whole community. I would point out, further, that three-fourths of the total amount of excise duty paid upon sugar was handed over to Queensland, so that the Federation has been a loser all the time. Moreover, when we endeavour to ascertain what proportion of the £532,000 paid in sugar bounties

is contributed by Queensland we find that her share amounts to £94,606. That is very good business for Queensland, and I am sure that we should all like to engage in a transaction of a similar kind. The representatives of Queensland think that that State is being harshly treated, but I hope that they will realize that they are milking the Commonwealth cow extremely well. As I have stated, up till the end of 1907, the New South Wales sugar-growers will have received sugar bounties amounting to £192,358, but the contribution made by New South Wales towards the bounties amounts to £266,493. Therefore, that State, instead of gaining, as Queensland does, is a loser to the extent of £74,000. I have referred to the imports and exports of the Commonwealth, and to our trade with Great Britain and foreign countries. I desire to have placed on record some figures that will be of special interest to preferential traders, who are always talking about the decay of British commerce. In 1905 our imports from Great Britain were valued at £23,074,717; from British possessions, £5,384,150; and from foreign countries, £9,887,864. In 1903 we received from Britain imports valued at £19,855,340; from British possessions, £4,980,880; and from foreign countries, £12,975,251. Thus, within three years, there was an increase in our importations from Britain of £3,219,377; and from British possessions an increase of £403,270; whilst our imports from foreign countries fell off to the extent of £3,087,387. We are told that the foreigner is improving his position here, but these figures show that he is losing ground. I desire to have these figures placed on record, because we have heard so much from the Treasurer about the falling-off of British trade.

Sir JOHN FORREST.—The honorable member is speaking at random as to what I said.

Mr. LONSDALE.—I have the figures here, and I am quoting them quite correctly. I know that the Treasurer does not like these comments upon his statements. In 1905 our exports to Great Britain were valued at £26,089,996; to British Possessions, £10,751,886; and to foreign countries, £17,619,326. As compared with 1903, our exports to Great Britain increased by £6,518,193; and to foreign countries to the extent of £5,408,051; whereas there was a falling-off in our

exports to British Possessions to the extent of £3,045,975. The difference in the proportion of British trade is represented by our exports to foreign countries, and these figures should certainly satisfy our protectionist friends. They tell us that the way to ruin a country is to send all the goods that we can into it. As we are increasing our exports in this direction, we have apparently learned the protectionist gospel that we can make a man poor by giving him all that he wants. One of the reasons why I opposed Federation was because of the financial provisions which are contained in the Constitution. I pointed out that our Constitution was a provincial one, which would compel every State to fight for its own hand, instead of developing a broad, fraternal spirit. I am quite satisfied that since the advent of Federation the provincial spirit has grown, and I am sorry for it. Any proposal to remove this constant source of friction will command my support. At the first meeting which I addressed during my Federal campaign I pointed out the course which I would take to bring about a solution of this difficulty. But my friends, thinking that my attitude might be misinterpreted, and that the electors might be led to believe that I was still opposed to our Constitution, advised me to say nothing further about the matter, and I followed their counsel. But I have always felt that, if possible, we should make some arrangement with the States which would have the effect of entirely separating our financial arrangements from theirs. I am prepared to adopt any course which is fair to the States, and which will bring about that result. As a representative of New South Wales, I would be willing to make some sacrifice for the purpose of securing that end, in the interests of those States which have suffered by Federation. I agree with most of the statements of the honorable member for Mernda in this connexion. I believe that the Commonwealth should take over the whole of the States debts. At the same time, I can scarcely regard the scheme which he has outlined as a fair one to the States. I do not profess to be a very great financier; but I have taken the position as it has been placed before us by the honorable member for Mernda, and I have assumed that his figures are correct—although I find that they do not agree with those contained in the Treasurer's Budget—

Mr. HARPER.—The figures which I gave were those which were submitted to the Hobart Conference of Premiers.

Mr. LONSDALE.—Assuming that the honorable member's figures are correct, and that the whole of the States debts are taken over, the following is the amount which each State will annually be required to pay to the Commonwealth to make up interest:—New South Wales, £459,310; Victoria, £173,006; Queensland, £736,250; South Australia, £572,061; and Tasmania, £95,541. Upon the basis of the population of Australia in December of last year, that would mean a *per capita* payment by New South Wales of 6s. 2d., by Victoria of 2s. 10½d., by Queensland of £1 7s. 11d., by South Australia of £1 11s. 3d., and by Tasmania of 11s. 10d. It will be seen that there is a very great difference between these amounts. When I first read the memorandum prepared by the honorable member for Mernda in regard to this matter, I felt that he had supplied us with a solution of the whole difficulty, and that we could separate our financial arrangements from the States without difficulty.

Mr. HARPER.—So we can.

Mr. LONSDALE.—No doubt; but the question arises, will the States agree to his proposals?

Mr. KENNEDY.—Would not the States have to pay at least the same amount if the debts were retained by them?

Mr. LONSDALE.—Yes; I admit that. Honorable members will notice that I have omitted Western Australia from my calculations, because that State has a revenue which would enable her to receive a payment from the Commonwealth after her interest claims had been satisfied. The honorable member for Mernda proposes that from 1910 onwards the States debts shall be annually reduced by 5 per cent., so that at the end of a certain period, they will disappear entirely. In that period, I need scarcely point out, the population of Australia will have increased, and consequently there is a difficulty in making an accurate calculation. Assuming, however, that our population during the next twenty-five years increases at the same rate which has characterized the past five years, the population of Australia will be distributed as follows:—New South Wales, 2,149,063; Victoria, 1,325,396; Queensland, 697,458; South Australia, 461,993; and Tasmania, 221,741.

Mr. LIDDELL.—What will be the total population then?

Mr. LONSDALE.—Excluding Western Australia, I have estimated that the population of the States will then be 4,855,651. Under that distribution, each State will be required to pay 8s. 4½d. per head towards the interest upon the debts. In other words there would be an increase of 2s. 2d. per head in the case of New South Wales, of nearly 6s. in that of Victoria, and there would be a fall of about 20s. per head in the case of Queensland, of 23s. per head in that of South Australia, and of 3s. per head in that of Tasmania.

Mr. HARPER.—Under my scheme all these calculations are utterly beside the question.

Mr. LONSDALE.—It is idle to say that they are beside the question. They must be in it. Twenty-five years hence the position of affairs will be entirely altered. Under a system of that kind New South Wales would contribute towards the payment of interest £901,039, or £441,720 more than she pays to-day, and Victoria £555,690, or £382,684 in excess of what she pays to-day. Queensland would pay £292,421, and thus make a saving of £443,829; South Australia would pay £193,700, and save £378,361; and Tasmania would pay £92,969, and effect a saving of £2,572.

Mr. HARPER.—Assuming that all the honorable member's figures are correct, is it not infinitely more important that the States should get rid of their debts if it is possible for them to do so?

Mr. LONSDALE.—I am putting the case as it will present itself to the States. Whether their indebtedness can be redeemed during the next twenty-five years will depend entirely upon the state of the money market, and that is problematical. But it is not problematical that the burden which now rests upon South Australia and Queensland will be transferred to the other States.

Mr. HARPER.—It does not follow.

Mr. LONSDALE.—I do not think that the honorable member can question my statement. There is no escaping from the position. I am entirely in favour of the honorable member's scheme; but he must admit on his own figures that the incidence of the payment must change on a *per capita* basis. No matter how the population grows, the payment of £736,000 by Queensland, and £572,061

by South Australia, must be reduced, and New South Wales and Victoria must pay an increased amount. If an alteration could be made in the scheme so that it would be more equitable in that regard, I should prefer it to the proposal submitted by the Treasurer, which, after all, means a "go-as-you-please policy." Under his scheme, everything would depend upon the man who held office as Treasurer. I do not think that the right honorable gentleman has dealt with the question in a statesmanlike way. On the other hand, the honorable member for Mernda has endeavoured to put the position very clearly before the House, although his scheme needs to be altered in the direction I have indicated. If the debts were dealt with separately by the proposed Commission, and the savings effected were credited to each State, the position might be different. I have put these facts before the House in order that honorable members may realize what would be the effect of the growth of our population at the same rate that it has increased during the last five years. I said when I opened my speech last night that the Treasurer was too practical to be a poet, but in concluding his Budget statement he invited us—

To take

Occasion by the hand, and make
The bounds of freedom wider yet.

Mr. KELLY.—Does the honorable member say that the Treasurer is a practical man?

Mr. LONSDALE.—He is to a certain extent.

Mr. KELLY.—But not a practical Treasurer.

Mr. LONSDALE.—He is a practical accountant. I would ask the House whether the right honorable gentleman or his party has ever proposed anything that is designed to "make the bounds of freedom wider yet"? If he would submit some practical proposal to make the bounds of freedom wider—if he would have Australia follow the example of the old land, which he professes to love so well, and recognise how England has developed under conditions of freedom, there would be something practical in his invitation. That little land from which most of us have sprung has attained her present position by the development of freedom. Away back in the centuries her people stood out against the tyranny of kings, and wrested from them the right of personal freedom. Throughout her history

she has ever been growing under freer and freer conditions. England is the home of freedom of speech and of conscience.

Mr. BAMFORD.—The home of starvation.

Mr. TUDOR.—And child labour.

Mr. LONSDALE.—No. Under her free conditions she has attained a higher and better position than have other countries where restriction of trade prevails. As her freedom has developed, her prosperity has increased. Is it not in the protectionist countries of the world that we find the most misery and cheap labour? The Treasurer talks of freedom, and yet he is a member of a Ministry which is seeking in every direction to destroy the freedom of this country, and to put all the actions of its people under State control. Every step taken by his party has been in that direction. He retains office in the Ministry, although he does not believe in many of the proposals that they attempt to place upon the statute-book. Although he calls himself a free man and a lover of freedom, he is driven by others. Let him show us that he is sincere in these professions by standing out for that in which he believes. Let him show us that he is in favour of free conditions. If the right honorable gentleman believed in the spirit of the quotation to which I have referred, he would not consent to occupy for ten minutes his present position. He is a bond slave, and will continue to occupy that position until he shows that he is capable of attempting to put into force that which his conscience tells him is right. I have no more to say, except that I sincerely hope that the right honorable gentleman will never again talk of freedom.

Mr. WEBSTER (Gwydir) [8.23].—After the speech just made by the honorable member for New England, which traversed lines so often followed by many honorable members of the Opposition, both in this Parliament and in some of the States Legislatures, I might reasonably expect to be excused if, only for the sake of diversion, I allowed the fiscal question to remain untouched. I am somewhat surprised that those who profess free-trade views always shirk an opportunity to give effect to them. As a matter of fact, we have on the Opposition benches theoretical free-traders, who have for many years proclaimed their views; but never in the history of the free-trade party have they had the temerity to seek to give effect to the policy that they have so vigorously expounded. During this

debate honorable members of the Opposition have repeated previous speeches to such a degree as to cause them to become positively nauseating. If they were consistent they would at once make a direct effort to place on the statute-book of the Commonwealth a Tariff which would give effect to the fiscal views they profess. But they are prepared to do anything rather than attempt to take that course. They are prepared to say to the country, "Let us get into office, and we will sink the fiscal issue for ten long years." Have we not heard one of their party telling the people that for the sake of getting into office he is prepared to cry a fiscal truce for ten years? When honorable members assert on the public platform that they are prepared to take a vote even from the Prince of Darkness, as long as it will land them in position and power, we can well imagine how insincere are their professions with regard to the fiscal issue. I come now to the Budget statement. I do not altogether agree with the views expressed by the honorable member for Bland with regard to the proposal of the Government to establish penny postage throughout the Commonwealth and with other countries which are prepared to reciprocate. We must keep step with the march of progress, so far as postal communication is concerned. The postal system is one of the main arteries along which the blood of commerce flows. Through its medium, also, we are enabled to communicate with our friends, no matter how far away they may be, and it is important that we should make this means of communication as effective, and, at the same time, as economical as possible. Some say that the revenue which it is proposed to sacrifice in this way could be more profitably used in other directions. I believe, however, that we must sooner or later fall into line with other countries in regard to penny postage, and that there is no time like the present to take action. If we allow the reform to stand over until our expenditure absorbs the one-fourth of Customs and Excise revenue, to which we are entitled, there will be a strong disinclination on the part of this Parliament to concede it. Unless we avail ourselves of the present opportunity to effect it, the reform may be postponed for years. I am not satisfied that the extension of penny postage throughout the Commonwealth will involve an annual loss of £209,000 per annum. Even if at the

Mr. Webster.

outset it does so, I feel assured that the number of letters transmitted through the Post Office will be so increased as to return eventually a larger revenue than that estimated. I am not at all satisfied with the attitude of the Government in regard to the telephone system. In answer to a question by the honorable member for Yarra, the Postmaster-General informed us to-day that numerous deputations of commercial and business men had protested against the adoption of the toll system.

Mr. STORRER.—Against the rate; not the toll.

Mr. WEBSTER.—The one involves the other, and the rate cannot be altered unless by the adoption of the system. Hitherto the business and commercial men in the large cities of Australia have obtained more than a fair share of a service which is unequalled in any other part of the civilized world. But, although they are protesting against the adoption of equitable telephone rates, we hear no protests from them against the proposal to establish penny postage throughout the Commonwealth. This shows the insincerity of their declamations against what they brand as Socialism. When their own pockets are benefited, and they are able to take advantage of socialistic arrangements, they are prepared to do so, however much others may suffer; but they are always ready to protest against the extension of justice and equity to other sections of the community. Those who are receiving an altogether unfair share of the advantages of our telephone system denounce the Labour Party because we are trying to bring about a more equitable distribution of the benefits arising from a just administration. The right honorable member for East Sydney has the support of these men. In his wonderful campaign in Queensland, he dilated upon the enormities of the programme of the Labour Party. He told his hearers that Australia is being ruined, and that the good achieved up to the present time is being undermined by the horrid Labour Party. I am pleased with the efforts which he has put forward, because I know that the more he tries to put his view of the case before the public the more will the people be convinced of his insincerity, and of the fairness of the aims of the Labour Party. Our present telephone system is altogether inequitable. It is not surprising that business men do not com-

plain of the charges made for the telephone service on the flat system, because there are in Melbourne, and in Sydney, business houses who use that service to such an extent that, if they were charged $\frac{1}{2}$ d per call for all calls in excess of a maximum of 750, they would have to pay £95 per annum instead of £9 as at present. These are the men who, taking an unfair advantage of the socialistic machinery of the Postal Department, cry out against the Socialism of the Labour Party. I ask the Postmaster-General not to back down upon the determination to establish the toll system. I ask him to see that equity and justice are done to the whole community, and not to pay heed to the protests of those who desire Socialism for themselves, but will not allow others to share its benefits. It is in the interests of the dwellers in the back-blocks that we should charge fairly for our telephone service, so that we may expand it and increase its usefulness, bringing the blessings of civilization into the homes of those who now are isolated. I ask honorable members not to forget the pioneers who have borne the heat and burden of the day, and are the men who have made Australia prosperous. They should be considered in this matter. I shall not, however, deal with it at greater length this evening, but shall proceed to speak upon another subject which is of more importance than anything else mentioned in the Budget speech of the Treasurer. Many men have exhibited placards to display the remedies which they propose for saving the country. The cry has been raised that Australia needs population, and it is said that it is the duty of the Commonwealth Government to make preparations for the reception of useful, industrious immigrants, who will settle upon and make habitable land which is now not profitably occupied. The subject, however, is not regarded as an important one by those who are the political leaders of the country. They are content to squabble over the mythical advantages of protection, and free-trade, in regard to the advantages of which it may be said that there are six of one and half-a-dozen of the other. I say deliberately and designedly that the so-called protectionists in this Chamber are not true protectionists; they are really revenue tariffists of a little darker shade than that of the so-called free-traders who sit on the Opposition side of the Chamber,

and who in no sense of the term have a right to call themselves free-traders. All that they are concerned about is the changing of duties from one item to another, to suit Treasury exigencies. I do not believe in political manœuvring which allows men to escape from the principles which they profess. There is something much greater than the fiscal question. The evils of which I am about to speak will not be removed by the quack remedies put forward by our party leaders. When the time was opportune, and it served his purpose to do so, the right honorable member for East Sydney went to the bedrock of the matter, though he takes very little interest in the subject now. What lies at the root of our troubles, and prevents the development of the country, is the land legislation of the past. That is the cancer which has struck its roots into the very vitals of the people, and is preventing the expansion of Australia and retarding its welfare. Day after day it is demanding toll from humanity to an extent which, bearing in mind the smallness of our population, has never been witnessed in any other country. The history of Australia covers a period of only a little more than 100 years; but already a large part of the land of the Continent is in the hands of a very small minority, and, whenever land is in the hands of a few, the majority are virtually their slaves, because those who wish to use it have to accept the terms of those who own it. In this way a gigantic national evil has sprung up. Men propound remedies, and theorize about land reform, just as they theorize about free-trade and protection; but no honest effort is made to bring about the realization of what we all know to be necessary. The press and many of our leading public men declare that we have no right to interfere with those who own the land, because they have bought it, and should be left in possession of it. I should like to know by what moral or legal right any Government is empowered to sell for ever the patrimony of the people. Governments exist for the purpose of administering the affairs of the community in the interests of the public. What may be an equitable arrangement in a country populated by only 3,000 or 4,000 persons may have become inequitable when the population has increased to 3,000,000 or 4,000,000. Governments have exceeded their rights in alienating the public estate. If to-day the whole of the lands of the

Commonwealth were parcelled out among those who now reside here, what would be the position of those who will be here ten, twenty, or fifty years hence? Surely those who are born in the likeness of their Maker are entitled to some of the benefits which God has created for the use and enjoyment of all. Yet there are public men who maintain that, because certain persons who came early and obtained the lion's share, picking out the eyes of the land, and paying only a peppercorn in return, reaping all the advantages of railway construction—often brought about by political log-rolling—and the expenditure of Government money in providing the other conveniences necessary in a civilized country, so that their wealth has increased as they have slept, they must now be regarded as the lords of creation, against whom none must raise his voice. I question the right of Governments to alienate the lands of the people for ever.

Mr. TUDOR.—They have done it.

Mr. WEBSTER.—The fact that deeds have been issued under laws made in Parliaments in which there was no one to raise his voice on behalf of the masses, by those in possession of the land, or their representatives, or the lawyers who were their tools, does not prove it to have been right. When a Government mortgages the rights of those yet unborn, when it takes away from my children and my children's children the right to live in a free country without having to pay toll to a privileged class, I contend that it exceeds its functions, and is not governing the country for the advantage of the people. I am sure that no honorable member will be found to enunciate the contrary doctrine. The Government have improperly assumed the right to permanently alienate the public lands. As they represent the whole community, it is their duty to administer the public property as may appear from time to time to be most advantageous to the country. In acting otherwise, they assume rights and powers which they are not entitled to exercise, and it is full time that they were compelled to rectify the wrongs done in the past. No Government has a right, moral or otherwise, to alienate the lands of the people for all time, and thus rob unborn generations of their birthright.

Mr. KENNEDY.—Before we had self-government there was no alienation of land in Australia.

Mr. WEBSTER.—Exactly. However, our land has been alienated to a very large

extent, and there have arisen among us a body of men who call themselves single-taxers, and who, for the most part, are earnest and sincere in their efforts to remedy one of the most grievous wrongs that have ever been inflicted upon a community. We now see some of these single-taxers sitting cheek by jowl in this Chamber with the representatives of land monopoly. We see men who have for years advocated the doctrine of confiscation—I believe that the right honorable member for East Sydney has so termed the policy of the single taxers—now sitting in the camp of those who are the strongest advocates of land monopoly.

Mr. REID.—They do not draw the line at £5,000. Why does the honorable member draw the line at that amount?

Mr. WEBSTER.—Because we believe that any man who toils for his livelihood, and has to provide food for his wife and children, should have secured to him a reasonable living wage.

Mr. REID.—It takes a lot of property to represent £5,000 of unimproved value.

Mr. WEBSTER.—When I speak of providing a man with a reasonable living wage, does the right honorable gentleman suppose that I contemplate that the father and mother should be provided with the bare necessities of life? Has the worker no title to a little luxury? Is he so far forgotten by those who pretend to represent him as to be placed beyond the pale of any consideration other than that necessary to secure to him a bare subsistence? Is he not entitled to derive some benefit from the wealth that he is producing? Not only is he entitled to consideration, but some provision should be made for the wife who struggles at his side, and for his children. Surely it should be our desire to improve the race both physically and mentally, and it must be admitted that a sound constitution cannot be more readily developed than by engaging in some outdoor occupation. Those who work on the land are engaged in the most healthful occupation that could well be conceived. It is a well-known fact that, if it were not for the constant influx of people from the country, the population of London would die out in three generations. The country is a storehouse from which we draw our mechanics, our professional and business men, and all those who follow occupations in and around the centres of business activity. I am one

of those who hope to see the State recognise the right of the poor man's children to be properly clothed and fed. I do not wish them to be fed upon Chicago tinned meat, or anything of that kind, but upon good wholesome food. I also hope to see them placed amidst healthy surroundings. And I trust that our conditions of life in the Commonwealth will enable us to raise up a sturdy yeomanry such as through all the ages has been the backbone of every community, and without which we cannot attain the position to which we aspire. I take it for granted that the children of our settlers upon the land are entitled to some educational training, and that men who have large families should be in a position to make due provision in that direction. Incidentally, I might mention the probable effect upon the birth-rate of our settling upon the land a prosperous and vigorous yeomanry. We know very well that those who follow rural occupations are, as a rule, healthy and vigorous, and that to the extent to which we encourage settlement we may expect our birth-rate to increase. We may fairly assume that those who settle upon the land will have large families, and will therefore have a correspondingly larger claim upon our consideration. Therefore, I say that the exemption of £5,000, which we propose in connexion with our land taxation scheme, is not more than sufficient to enable our yeomanry to perform all the functions I have indicated, and to live under conditions which should prevail in any democratic and progressive country. That is my answer to the right honorable member for East Sydney. Up to the present time, the States Parliaments, and especially that of New South Wales, have endeavoured, as far as has been practicable, in view of the opposition with which they have met, to pass laws to insure to the working classes a reasonable share of the wealth which they are producing. We are not like the commercial men in the cities who want to retain all the cream, and to leave the skimmed milk for other sections of the community. We desire to place our farmers and other settlers upon the same equitable and fair footing as that occupied by workers engaged in our centres of industry. We therefore fixed an exemption with a view to giving our settlers an opportunity to surround themselves with comfortable conditions and rear their families with satisfactory results to the community. The

right honorable member for East Sydney tells the farmers that the representatives of labour would ruin them, that the proposed progressive land tax would spread desolation throughout the farming districts. The right honorable gentleman's heart bleeds for the poor farmers; but he does not say anything about the poor farmers' sons who are growing up landless and who are travelling through the States day by day in the vain search for land suitable for occupation. He does not say what is to become of the farmers' grandsons. He does not profess to look one inch ahead. He is concentrating all his attention upon the farmer to-day, and is endeavouring to excite his selfishness. He wants to frighten him, and he cares nothing for those who will have to follow. I have looked carefully into this question, and I have come to the conclusion that the lands of the States have been monopolized to such an extent that it is time that something should be done. The single taxers have proposed a remedy which is impracticable, and some of them have now allied themselves with the right honorable member for East Sydney. I should like that right honorable gentleman to tell the farmers that there is a danger that the single tax party, who are worming their way into his camp, may succeed in substituting the single tax for the progressive land tax advocated by the Labour Party. I should like him to point out that the deputy leader of the anti-socialistic party is an ardent single taxer, and that there is imminent danger of a policy being introduced which pays no consideration to the right of a man to make a fair living wage out of his labours on the land. We propose the progressive land tax for various reasons. Our main object is to burst up large estates. I have previously asserted that the bulk of the best land in the Commonwealth has been monopolized by those who first came here—I refer to the land most suitable for close settlement and for profitable occupation by small farmers. Are the lands which have been benefited by the expenditure of Government money—by the construction of railways, bridges and culverts, and by the erection of telegraphs and telephones—available to those who are willing to enter upon them, and put them to a profitable use? Admittedly they are not. Consequently it only remains for me to show that the imposition of a progressive land tax will effectively burst up

large estates in order to justify that proposal. In this connexion we have benefited by the experience of New Zealand. This tax was first put in operation in that country twelve or thirteen years ago. That political celebrity, the late Mr. John Ballance, was the father of the proposal, and he sacrificed his life in fighting the opposition which we have to encounter to-day—the opposition of the anti-Socialists. In so doing he rendered a great service to Australia, and his name is like a beacon light to every individual in the community who desires to see this country prosper. But, notwithstanding that the late lamented Premier of New Zealand, Mr. Richard Seddon, faithfully carried out the behest of his former leader, and was sufficiently strong to overcome the temporary difficulties which beset his path—difficulties which were raised by those who are preaching anti-Socialism to-day—the operation of the progressive land tax there has not been as effective as it might have been. Owing to the fact that it partook of the character of experimental legislation, a very small progressive rate was imposed, and it was because of the smallness of the increase—an increase of only one-sixteenth of a penny per pound for every £2,500 of unimproved land values held by an individual in excess of £5,000—that that legislation did not accomplish all that it was designed to effect. Profiting by that experience, the Labour Party—the coming party in Australia, and the only party which has a policy that it is not ashamed to propound—

Mr. REID.—What is the fiscal policy of the party?

Mr. WEBSTER.—We do not profess to imitate the right honorable gentleman by telling the people that we are what we are not. We do not regard the fiscal question as one of paramount importance. We aim rather to strike at the root of the evils upon which the right honorable gentleman has politically thrived for years. He seems to relish interjections when he is speaking, and I suppose it is only natural that he should think that others like them. Because he requires spoon-feeding he imagines that I am also in need of it. I can assure him that I am not. However, I take his interpolations in the best possible spirit,—I am, in fact, very much obliged to him for them. Our policy is intended, primarily, to burst up the large estates, and incidentally to raise revenue. The latter object is

not a bad one, seeing that the Labour Party propose that any revenue derived from this source, after the expense of collection has been defrayed, shall be applied to alleviating the distress of the aged men and women of Australia. In other words, it will be utilized as a fund with which to pay old-age pensions. Nobody can object to that. Indeed, I feel sure that our proposal will receive the endorsement of the people. We have only to observe the signs of the times in order to determine which way the wind is blowing. To-day the whole of the Tory press of Australia is rampant. If any man or woman in the community needed an indication of how he or she should vote, they have merely to look at the way in which the monopolists are going, and the way in which the press is striking, in order to discover it. The press of the chief cities of Australia is a mercenary one. It is governed by the patronage which it derives from advertisers, who pay so much per inch for the space which they occupy in its columns. It is practically controlled by monopolists. It has not a soul to be blessed, or a body to be damned. The right honorable member for East Sydney has been travelling round the country raving about the proposals of the Labour Party, and the provincial press have been religiously reporting every word that he has uttered. In almost every little town that he visited, I think special numbers of the local journals must have been issued, in order to insure a verbatim report being given of his utterances upon the great question of Socialism.

Mr. REID.—And yet the newspapers will not print the speeches of the honorable member. That is the trouble.

Mr. WEBSTER.—I know the reason of that. When they print my utterances I shall begin to think that I have deserted the people with whom I formerly worked, with whom I suffered, and with whom I toiled, and I shall be obliged to look round to see what is likely to happen to my political opinions, and to my reputation. What do I care what the press says about the party with which I am associated? It is because there has been too much pandering to the press that reform has been strangled on the very threshold of Parliament. It is because the Labour Party will not back up its policy of boodle, oppression, and tyranny that the press never reports the utterances of our members, except to hold

them up in ridicule. I venture to say that there are scribes in the press gallery of this House who would not hold their positions very long if they were not past-masters in digging out, and holding up to ridicule, any utterances by members of the Labour Party, and in polishing up the addresses of the followers of the right honorable member for East Sydney, whenever they make incursions into anti-socialistic mythology. The cry of confiscation has been raised by the press and by the public men to whom I have referred. What do they mean by confiscation? What are we going to confiscate? What land monopolists enjoy to-day they do not enjoy by virtue of right. In this connexion we must recollect that it was the necessities of the people which led to the French Revolution, when every gutter ran with blood, and when every lamp-post was a gibbet. Those results were brought about by conditions similar to those which exist in Australia to-day. The people rose in protest against such conditions, and overthrew the landed classes, so that in France to-day, instead of a few thousand persons holding man's heritage from God, there are more than 3,000,000 landed peasants contributing to the stability of the country. This Parliament is elected on adult suffrage, and looks upon all adults as having equal rights. The right honorable member for East Sydney tells the farmers in the back-blocks that, under the land-tax proposals of the Labour Party all estates under the value of £5,000 will be exempt, but that they ought to look ahead, for it is only a matter of time when the exemption will be reduced. The honorable member fears that the bogey which he is endeavouring to raise with regard to our land-tax proposals will not be sufficient to alienate from the party the support of the men on the land, and he, therefore, seeks to frighten them by drawing a woeful picture of what we may do ten years hence. I wish to show how utterly fallacious are the arguments of the right honorable gentleman, and that when he speaks in this way he shows that he either does not understand the operation of land taxation or that he is not sincere. I say without hesitation that, instead of bringing about the confiscation of the land of the farmers whom the right honorable member for East Sydney has been endeavouring to scare, the proposals of the Labour Party will secure them against anything of the kind. Let

me illustrate how this will be done. Every large estate which is subdivided will mean increased voting power on the part of the farming community. If, say, in Victoria an estate of 50,000 acres is subdivided, and 200 families are placed upon it, that will mean an increase of something like 300 votes on the rolls of the division in which it is situated, and, surely, those votes will go to protect the farmer from any additional taxation which may follow from a reduction of the exemption. That the statements of the right honorable member, in regard to the land-tax proposals of the Labour Party, are a hollow mockery, ought to be palpable to any one who gives the matter a moment's consideration. I am satisfied that if the members of our party went into the country and expounded our policy to the farmers, they would not only secure their undivided support, but cause them to decline to listen to the right honorable member, although he is supposed to be so eminent a leader of public opinion. The proposal of the Labour Party is that a tax of $\frac{1}{4}$ d. in the £1 shall be imposed in respect of all estates between the value of £5,001 and £10,000. Surely a man owning £10,000 worth of land will not be ruined if he is called upon to pay an annual tax of £10 8s. 4d. I am confident that those who to-day have no land would be proud if they could qualify to pay that tax. Then, again, estates valued at from £10,001 to £15,000 are to be subject to an additional tax of $\frac{1}{4}$ d. in the £1. And so the tax continues to progress until we arrive at estates of the value of £60,000 and over, which, we propose, shall be taxed to the extent of 4d. in the £1.

Mr. DUGALD THOMSON.—And then the party propose to nationalize the land.

Mr. WEBSTER.—That is another purely mythical idea.

Mr. DUGALD THOMSON.—Does not the platform of the State Labour Party of New South Wales provide for that?

Mr. WEBSTER.—When honorable members of the Opposition cannot confute the arguments of a member of the Federal Labour Party who is expounding the proposals of his party with regard to land taxation—proposals which are practically an instruction from those responsible for his return—they ask him, "Why does the platform of the State Labour Party in New South Wales propose?" or "What are the proposals of the Victorian State Labour Party?"

Mr. DUGALD THOMSON.—When the honorable member is answering one argument he turns to another.

Mr. WEBSTER.—It is the honorable member who desires me, when answering one argument, to turn to another.

Mr. DUGALD THOMSON.—Does the honorable member say that the policy of the Federal Labour Party is opposed to that of the State Labour Party of New South Wales?

Mr. WEBSTER.—The honorable member cannot "trap" me by means of these thinly-veiled devices.

Mr. JOSEPH COOK.—Would it be "trapping" the honorable member if he made that statement?

Mr. WEBSTER.—Is the honorable member trying another little dodge? If he is he is not likely to succeed. I have to-night a mission to fulfil. The majority of the estates in the Commonwealth range in value from £20,000 to £40,000 each. There are a number of others which are more valuable, but it is to those ranging from £20,000 to £40,000 of unimproved land values that our proposals would principally apply. It is because we desire that it shall be practically effective and profitable that we have adopted the scale of taxation which I have indicated, and which has already been published. But we are going a step further. It is proposed that these rates shall be increased 50 per cent. in the case of absentee landlords, who spend in other countries the profits derived from estates within the Commonwealth, and pay little or nothing towards the cost of protecting their property. We make this proposal because it is our desire to bring about a complete reform. We are well aware that the Opposition, and those who think with them, will endeavour to convince the man on the land that the Labour Party are his enemies.

Mr. DUGALD THOMSON.—They have only to put forward the nationalization proposal.

Mr. WEBSTER.—A man who has the welfare of the people at heart, and is proposing that which will practically transform the whole basis of land settlement in Australia, cares nothing for press statements in regard to him. He knows that his policy is founded on equity and justice, and that it is only a matter of time when the people as a whole will see that legislative effect is given to it.

Mr. JOSEPH COOK.—Why single out the Opposition? What about the Treasurer?

Mr. WEBSTER.—So far as we are concerned, there is only one Opposition; those who are not for us are against us. I care not in what corner of the House honorable members are thrust, whether by political necessity or otherwise; all that I desire to know is whether they are opposed to that which will benefit the people as a whole. If I conclude that they are, I know what to do. I pay no homage to an honorable member, whether he sits on this side or on the Opposition side of the House.

Mr. JOSEPH COOK.—The honorable member pays a very willing homage to the man who sits over there.

Mr. WEBSTER.—I pay no homage whatever; but honorable members on this side are prepared to go a little further than are the Opposition. If I were walking along a rough and hazardous road, and a foreigner, although not particularly friendly to me, offered me a "lift," I should be prepared to accept it, because I should know that it would assist me in reaching my destination. In this connexion I am prepared to take whatever help I can secure, just as the honorable member was prepared a few years ago to accept the assistance of either side in giving effect to his principles. A few days since I was reading a speech delivered by him when he had the honour—and it was an honour—to be the leader of the Labour Party in the State Parliament of New South Wales. I question whether the honorable member feels as comfortable to-night as he did when he was amongst men with whom he had worked, and whose sympathies were in harmony with his own. Generally speaking, in the speech to which I have referred the honorable member indicated that he was prepared to do that which I am prepared to do. He asserted that Governments were nothing, but that principles were everything to him, and that, in giving legislative effect to the principles he professed, he was quite prepared to receive assistance either from one side or the other.

Mr. JOSEPH COOK.—I believe that I was then as big a simpleton as the honorable member is at the present time.

Mr. WEBSTER.—Then the honorable member has deteriorated since that time. I was dealing with the honorable member in his political capacity. I do not think that he is a simpleton, although he has so dubbed himself. He is nearer being an

opportunist, and since he has been in political life has not missed an opportunity to benefit himself. No man can deny that statement. In that respect he is in congenial company, because the man who stands by the cause of labour rarely makes much out of it, seeing that if he does his duty by his constituency and those who have claims upon him, he generally has but little to spare.

Mr. JOSEPH COOK.—I do not know. The Labour Party has made a good deal more out of Parliament than I have done.

Mr. WEBSTER.—I read in a newspaper the other day that the honorable member is reported to be worth £20,000, though I do not know how true that statement is.

Mr. JOSEPH COOK.—It is as true as most of the statements of the honorable member.

Mr. WEBSTER.—If it is true, I understand why the honorable member sits where he does. There is no magnet like gold to attract the ordinary, average human being. The tax which we propose, instead of confiscating the land of the farmer, will increase his security by 50 per cent. We wish to indicate to him how it will protect him, and that is done by showing that every new settler placed upon land which is now unoccupied will add to his security by providing an additional vote against treachery on the part of any party in Parliament. I am putting my views on record in *Hansard* for the benefit of the public. I am not speaking to the press, because I have no desire to rob the proprietors of the newspapers of advertising space. The people of my electorate, away out in the alleged Never Never country, rarely see the daily newspapers, or get them only when they are very ancient. But they get *Hansard*, in which is published what is spoken here; and thus they can know the thoughts of those who represent them in Parliament. I speak to the people in the country, not to the classes represented by the members of the Opposition. In New South Wales, the mother State of the Commonwealth, the number of holdings of sixteen, but not exceeding 400 acres in extent was, in 1880, 27,501; and, in 1905, fifteen years later, 39,843, an increase of 45 per cent. In the former year, the number of holdings of 401 acres and upwards, was 7,443; and, in 1905, the number of such holdings had increased to 15,245, an increase of 105 per

cent. These figures may, perhaps, be more easily read in the following table:—

HOLDINGS.

Size	Number.	
	1880.	1895.
16 to 400 acres ...	27,501	39,843
401 acres and more...	7,443	15,245

Mr. JOSEPH COOK.—The figures relating to the alienation of land in New South Wales would be very instructive.

Mr. WEBSTER.—The honorable member for Parramatta was a member of the Legislative Assembly of New South Wales for a large number of years, and he cannot escape responsibility for the results of the legislation passed during that time. The total area of land alienated in New South Wales is 48,081,314 acres, of which 22,830,261 acres, or nearly 50 per cent., are in the hands of 722 persons.

Mr. DUGALD THOMSON.—The State Government has the power, under an Act of Parliament, to resume such land as it requires for closer settlement.

Mr. WEBSTER.—I shall deal with that matter presently, and show the beautiful results of the New South Wales land policy. I know the arguments of the honorable member, and of those associated with him, and I am prepared to meet them. I shall show how big estates have been built up under the land legislation of the State. Holdings of 30 acres and under represent only 40 per cent. of the total area alienated there. Those are mostly the holdings of men who have to work for their living in the employ of others, and are trying to make homes for their families. The average size of such holdings is 7.7 acres. Of the holders of areas between 401 acres and 1,000 acres, each has an average area of 534 acres, or 11.88 per cent. of the total area alienated. The owners of holdings of areas varying from 1,001 to 10,000 acres possess 29.11 per cent. of the total alienated area, and the 722 holders of estates of 50,000 acres and upwards possess 47.48 per cent. of the total area alienated. Could monopoly go much further? The Macarthurs, the Australian Agricultural Company, the Peel River Company, and the owners of other large estates have taken the cream of the land, strangling the progress of the towns of the States, and undermining the prosperity of the Commonwealth. Estates are being built up, and land is going out of occupation, under legislation made by Parliamentarians who were elected to do the will of the land-owning classes. Since 1882, 44,352,613 acres of conditionally

purchased land has been transferred. To whom has it been transferred? Most of it has gone into the hands of the 722 men who possess half the alienated land of the State. Land has been dummed, *bonâ fide* settlers have been crushed out, and to-day, if one goes through the State as I have travelled through it during the past twelve months, he will see the remains of the little homes of settlers who have parted with their heritage, tempted by the money offered to them by the large land-holders, and are now adrift on the labour market. In the period to which I have referred, only 18,481,880 acres have been applied for as conditional purchases, and 28,870,733 acres have gone out of occupation. That is a damnable indictment of those who defend the present land system. Surely such a state of affairs must in a very short time be reformed by revolution, if evolution will not produce a change. I say to members of the Opposition, "If you are not with us in this matter, you are with the 722 monopolists who own half the alienated land of New South Wales." Of the total property in that State, £136,417,000 worth, or 36 per cent. of the whole value, is held by 178,000 persons. The State has a population of 1,500,000 persons, of whom 700,000 are adults, male and female. Therefore, there are 622,000 adults, male and female, who have no property. The bread-winners of the State, that is, those earning a livelihood for wives and families, number 564,000, while the wage-earners number 386,000. There are, I repeat, 622,000 landless men in New South Wales—men who have no right to participate in the wealth that is their rightful heritage—no right to use any portion of the lands of the States for the benefit of their wives and families. The time for action has arrived. Unless we immediately bestir ourselves in the direction of reform, we shall, in effect, commit national suicide. In Victoria, I find that the position is much the same. In that State there are 18,342 holdings of from 1 acre to 100 acres, having a total area of 675,672 acres, or an average per holding of 36 acres. There are 15,414 holdings of from 101 acres to 320 acres, having a total area of 3,280,512 acres, or an average of 212 acres per holding. There are 13,320 holdings of from 320 to 1,000 acres of a total acreage of 7,762,575 acres, or an average of 582 acres per holding. There are 610 holdings of from 1,001 to

Mr. Webster.

50,000 acres, with a total area of 8,275,111 acres, or an average per holding of 13,565 acres. And, finally, holdings of 50,000 acres and over are held by twenty-three people, who own the absolute freehold of 3,432,381 acres. The average holding represents an area of 149,233 acres. Whilst these twenty-three men have each 150,000 acres, there are thousands of white slaves who are sweating for a bare existence in the cities and towns of Victoria, without a hope of ever seeing the country, or enjoying the pure country air. We are told that we are entering upon a mistaken policy, but those who cannot appreciate the equity of our proposal are blind, not only to their own welfare, but to that of their children, of the country of their birth or adoption, and of the Empire, of which we form a part, and upon which the sun never sets. Without population in this country we cannot make our position secure, and unless we gain access to the land we cannot increase our population under such conditions as will tend to the solidity of the community. If we do not take time by the forelock, and introduce the reforms necessary to make ourselves secure before the time of trouble arrives, it will be useless afterwards, for the purposes of security, to demand that the sliprails shall be pulled down, and that the people shall have access to the large estates, so that they may be developed for the benefit of the community as a whole. It is because I feel that there is no time to be lost that I am speaking so earnestly this evening. I represent a country district in which the pastoralists and farmers form a large element in the population, and I take the risk of their disapproving of my conduct, because my whole concern is the welfare of the country of my adoption. I venture to say that if the right honorable member for East Sydney were placed in my position, he would be the last person in the world to take such a risk as that to which I am exposing myself. I find that the cancer of land monopoly has already worked serious evil in South Australia. Outside the towns and corporations in that State there are 304 taxpayers who own 3,545,000 acres of land. I wish to emphasize the fact that the land to which I have been referring is the very pick of our territory. What is left has been practically cast aside by those who have skilfully picked the eves out of the country. In addition to the 304 landholders I have mentioned, there are thirty

others who own 1,269,704 acres. Why, this is enough to make those who believe in equitable government sound the death-knell of land alienation. Western Australia, although scarcely out of its swaddling-clothes as a progressive State, has also suffered from the operations of land monopoly. When I was recently visiting that State, it was obvious to any observant man that the land monopolists had been very active. I find that 11,558,308 acres have been alienated. The Government have leased 135,854,318 acres, and there remains unoccupied an area—much of which is useless, and will remain so for many years, owing to its distance from means of communication — of 473,176,174 acres. When we turn to Tasmania, a small island whose area is a mere nothing as compared with that of the other States, we find that it has suffered from the curse of land monopoly to such an extent that its growth has been strangled. The members of the community generally, apart from the land-owning class, have had to bear heavy taxation, and the national debt has assumed altogether abnormal proportions, owing to the influence of the owners of large estates, who have escaped scot-free. Many people ask how this land monopoly has been brought about. In New South Wales it has been due largely to the class of legislators who have framed the laws. Much of the Crown lands have been acquired by dummying conditional leases and purchases, and through the instrumentality of volunteer land grants. Altogether, the administration of the land laws was carried on without any consideration for the rights of the masses of the people at a time when they were not strong enough to raise their voice in protest. Now that we are endeavouring to right the wrong that has been done, in order that our children shall not suffer to a far greater extent even than we are now doing, we are met by a howl of execration from those who are opposed to any interference with their friends, the monopolists. I think that those who have enriched themselves in the past by exploiting the public lands, should rest satisfied, and restore to the community that which has been improperly taken from them. The honorable member for North Sydney suggested that the remedy for the present trouble was resumption of private lands by the State. He said that we should purchase the land from the present holders at a reasonable price. I hold, however, that

there is grave danger of introducing corruption into our public life if we adopt any such policy as that indicated. We should not entertain the idea of buying back land at valuations fixed by biased landlords, and subject only to the review of an influenced board of arbitration, or of a Parliament which has been prompted by various motives in the past to part with the public estate. The very first resumption of private lands by the State that took place in New South Wales gave rise to a grave scandal. The whole of the facts were investigated by a Royal Commission, but the matter has not been brought to a conclusion, because the culprits have yet to answer for their misdeeds. I was present in the New South Wales Parliament when the Bill for the resumption of the Myall Creek Estate was under consideration, and I did not hear any question raised as to whether the price proposed to be paid by the Government was excessive. The silence was most ominous, and will never be forgotten by me, because I am fully cognisant of the duty which a public man has to perform when such matters are being discussed. The Judge who presided over the inquiry into the circumstances connected with the purchase of the land said that the State made a good bargain. He was, of course, guided entirely by the evidence, and I am not sure that he was competent to express an opinion upon the real merits of the case. The land is situated in my electorate, and I know all about it, and I am not satisfied that, as the years roll on, those who have settled upon it will agree that a good bargain was made by the State. Large estates are sometimes acquired, with a view to subdivision, by syndicates, who do not care what becomes of the man on the land, or in what areas the land is taken over from them. All that they desire is to make a profit. The proposal of the honorable member for North Sydney is a most delusive one, and would not effect the object that we have in view, namely, that of placing people on the land. I know of one large estate in my own district which has been subdivided with a view to its being more closely settled. It has an area of 40,000 acres, and comprises some of the best farming land in that part of the country. Four hundred acres of such land would be sufficient to support in comfort a man with a large family; but, instead of a hundred families being settled on the estate, only eleven new settlers have made their homes there.

That is what has been accomplished, in one instance, by means of closer settlement. "What became of the rest of the estate?" some honorable members may inquire. It was purchased by land monopolists from speculative motives. They bought it in the hope that at a later stage they would be able to lease it to the men who will have to occupy it. Thus, in getting rid of one landlord, we have practically increased the number of landlords tenfold. That is the remedy which has been suggested by the honorable member for Grampians and the honorable member for North Sydney. The former stated that the man who purchased a subdivision block in Victoria would be disappointed if he did not clear its value by the results of his labour within three years. Other members say they have known of cases in which the primary cost of the land has been cleared in one year. Why? Simply because the men who sold it did not realize its productive capacity. Had they known that one crop would yield sufficient return to pay for the purchase of the land they would not have parted with it.

Mr. SKENE.—But a man may hold more land than he can put under crop. That is why people can obtain it upon those terms. A man cannot put 20,000 acres under crop.

Mr. WEBSTER.—I am very pleased to hear that there is something which the landed classes cannot do. But I would ask the honorable member why they cannot put even 50,000 acres under crop? Simply because they do not care to pay a living wage to the men who would be required to perform the work.

Mr. SKENE.—That is not correct. Does the honorable member say that they could get the labour with which to do it?

Mr. WEBSTER.—If the land-owner were prepared to pay a living wage to his men, there would be no reason why he could not put 50,000 acres under crop.

Mr. SKENE.—I am afraid that the honorable member does not know much about the matter.

Mr. WEBSTER.—That is what we are always told when we hit our opponents on a soft spot. I know as much about the land question as does the honorable member. I was born upon the land, and when I was only in my teens I was compelled to earn my living in a country where they understood how to farm scientifically.

Mr. SKENE.—I hope that the rest of the honorable member's argument is sounder than that.

Mr. KELLY.—That is a vicious attack.

Mr. WEBSTER.—The honorable member for Wentworth is no judge. I recognise that the honorable member for Grampians usually understands what he is talking about. But to-night he is a bit off.

Mr. POYNTON.—He is not a bad sort.

Mr. WEBSTER.—That is what is said about all the landlords in England.

Mr. POYNTON.—But the honorable member recognises that there is a difference between the individual who works the land for himself and the man who has to pay wages to get it worked?

Mr. WEBSTER.—I do.

Mr. SKENE.—I think that the honorable member for Grey knows more about the matter than does the honorable member for Gwydir.

Mr. WEBSTER.—That is not the question. I must ask the honorable member for Grampians not to double-bank me.

Mr. POYNTON.—Why does not the honorable member point out the weakness of the scheme of the honorable member for Grampians?

Mr. WEBSTER.—I am doing so. His idea is that if landed proprietors would subdivide their holdings, there would be no occasion for us to resort to a progressive land-tax.

Mr. POYNTON.—But would not an increased demand for land increase its value?

Mr. WEBSTER.—Undoubtedly. That is the weakness of the scheme. We must recognise that there are lean seasons as well as fat seasons in Australia. I represent a constituency in which it is possible for men engaged in the production of wool to clear off the cost of their holdings in two years if they enjoy good seasons. It is most productive country. But the pleasure which they derive in securing these large profits is as nothing compared with the torture which they undergo when they are endeavouring to save their stock from the devastating effects of drought. So far, there has been no real settlement in Australia. The scheme of the honorable member for Grampians is a gamble, and it is with a view to remove that form of gamble from our midst that the Labour Party are advocating the proposal which I am urging to-night. Of course, I am aware that our opponents

COMMONWEALTH OF AUSTRALIA.

I N D E X

TO

PARLIAMENTARY DEBATES.

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Bill received from House of Representatives, and read a first time, 3399; 2R. moved, 4719; debated, 4720; Bill read a second time, 4728; considered in *com.*, 4728, 4857, 5014; *recons.*, and reported, 5030; *recom.*, 5193; reported, 5201; *ad. rep.*, *m.s.o.*, and Bill read a third time, 5210; Bill returned from House of Representatives, and message ordered to be printed, and considered next day, 6060; *cons. mes.*, 6226; *ad. rep.*, 6237; message from the House of Representatives, *m.s.o.*, and *cons. mes.*, 6366; *ad. rep.*, 6367; message and Bill read a third time, 6379; assent reported, 6484

EXCISE TARIFF (SUGAR) AMENDMENT BILL.

House of Representatives:

Order of leave moved and debated, 5682; agreed to, and Bill read a first time, 5683; Bill read a second time, and considered in *com.*, 5996; reported, *m.s.o.*, and Bill passed through its remaining stages, 5997; message, 6382; assent reported, 6488

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Senate:

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Order of leave, and Bill read a first time, 1876; 2R. moved, 2592; debated, 2602

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Order of leave, and Bill read a first time, 872; 2R. moved, 876; debated, 879; Bill read a second time, and considered in *com.*, 890; *ad. rep.*, and Bill read a third time, 892; message from Senate, 1968; assent reported, 2771

Senate:

Bill received from House of Representatives, and read a first time, 1370; 2R. moved, 1851; debated, 1856; Bill read a second time and considered in *com.*, 1865; *ad. rep.*, 1869; 3R. moved and debated, 1938; Bill read a third time, 1939; assent reported, 2772

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Senate:

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Order of leave, 335; message recommending appropriation, 1140; *cons. mes.*, and *ad. rep.*, 1205; 2R. moved, 1431; debated, 1571, 1614; Bill read a second time, and instruction to *com.*, 1641; considered in *com.*, 1642; *m.s.o.*, *ad. rep.*, and Bill read a third time, 1646; message from Senate, 3310; assent reported, 3468

Senate:

Bill received from House of Representatives, and read a first time, 1762; 2R. moved, 2668; debated, 3178; Bill read a second time, and considered in *com.*, 3189; *ad. rep.*, 3197; Bill read a third time, 3261; assent reported, 3436

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

House of Representatives:

Message recommending appropriation, and *m.* for consideration forthwith, 322; *m.* for appropriation in Committee, *ad. rep.*, Bill presented, and read a first time, 323; 2R. moved, 892; debated, 900, 1457; amendment, 1471; amendment negatived, 1470; Bill read a second time and committed *pro forma*, 1486; considered in *com.*, 2056; *ad. rep.*, *m.s.o.*, and Bill read a third time, 2065

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Senate:

Bill received from House of Representatives, and read a first time, 2077; 2R. moved, 2471; debated, 4241, 4367; Bill read a second time, 4420; *m.* to refer Bill to a Select Committee moved, 4421; considered in *com.*, 4431, 4496 (*p.o.*, 4432; *m.* to dissent from President's ruling, 4438, 4496; negative, 4513), 4513, 4541; reported, 4541; *ad. rep.*, 4623; 3R. moved, 4802; *amds.* to *recom.*, 4802, 4817, 4832; *recom.*, 4834; reported and *m.s.o.* moved and debated, 4836; agreed to, and *ad. rep.* moved and debated, 4841; agreed to, and third reading fixed for following day, 4857; 3R. moved and debated, 4967 (*p.o.*, 4982, 5008; *m.* to dissent from President's ruling, 5011, 5090; negative, 5101), 5101; 3R. negative, 5106

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LIFE ASSURANCE (FOREIGN COMPANIES) BILL.

House of Representatives:

Order of leave, 322; Bill read a first time, 4796

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Senate:

Bill read a first time, 289; 2R. moved, 422; debated, 535; Bill read a second time, and considered in Committee, 549; reported, 551; *ad. rep.* moved and debated, 617; *m.* agreed to, *m.s.o.*, and Bill read a third time, 618; Bill returned from House of Representatives with an amendment, 2186; *cons. mes.* and *ad. rep.*, 2471; assent reported, 3436

House of Representatives:

Bill received from Senate, and read a first time, 684; 2R. moved, 2136; debated, 2142; Bill read a second time and considered in *com.*, 2155; *m.s.o.*, *ad. rep.*, and 3R. moved, 2161; *m.* withdrawn, 2174; *recom.* moved and debated, 2175; *m.* negative and Bill read a third time, 2179; message, 2520; assent reported, 3468

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House of Representatives:

Order of leave moved, debated, and agreed to, and Bill read a first time, 4321; 2R. moved, 5997; debated, Bill read a second time, and considered in *com.*, 5998; reported, *m.s.o.*, and Bill passed through its remaining stages, 5999; Bill returned from the Senate with *amds.*, and *cons. amds.*, 6390; *ad. rep.*, 6393; message from Senate received and ordered to be considered at later hour, 6408; *cons. mes.*, 6421; assent reported, 6488

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Senate:

Bill received from House of Representatives, and read a first time, 6060; 2R. moved, 6237; debated, 6240; Bill read a second time, 6254; considered in *com.*, 6254, 6255; reported, 6285; *recom.*, 6317; reported, *m.s.o.*, and Bill passed through its remaining stages, 6322; Bill returned from House of Representatives, *m.s.o.*, and *cons. mes.*, 6367; *ad. rep.*, *com.* appointed to draw up reasons for disagreement and reasons adopted, 6370; message, 6474; assent reported, 6484

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Senate:

Order of leave, 2523; Bill read a first time, 2894; 2R. moved, 3639; debated, 4541; Bill read a second time, considered in *com.*, and *ad. rep.*, 4552; Bill read a third time, 4622

House of Representatives:

Bill received from Senate, and read a first time, 4691

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House of Representatives:

Order of leave and Bill read a first time, 5684; 2R., moved, 6125; debated, 6127; Bill read a second time, and considered in *com.*, 6129; reported, *m.s.o.*, and Bill passed through its remaining stages, 6130; Bill returned from Senate with *amds.*, 6385; *cons. mes.*, 6386; *ad. rep.*, 6396; message, 6403; assent reported, 6488

Senate:

Bill received from House of Representatives, read a first time, and *m.* that 2R. be taken next day moved and debated, 6136; agreed to, 6138; 2R. moved, 6285; debated, 6288; Bill read a second time, and considered in *com.*, 6297; reported, *m.s.o.*, and Bill passed through its remaining stages, 6304; Bill returned from House of Representatives, *m.s.o.*, *cons. mes.*, and *ad. rep.*, 6367; assent reported, 6484

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House of Representatives:

Order of leave, Bill read a first time, *m.*, that 2R. be taken forthwith, and 2R. moved and debated, 5683; Bill read a second time and committed, *pro forma*, 5684; considered in *com.*, 5999; reported, 6018

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House of Representatives:

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House of Representatives:

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PUBLIC SERVICE (TELEGRAPHIC MESSENGERS) BILL.

House of Representatives:

Bill read a first time, 5724; 2*r.* moved, 6130; debated, 6131; Bill read a second time, reported without *amdt.*, *m.s.o.*, and Bill passed through its remaining stages, 6198

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House of Representatives:

Order of leave and Bill read a first time, 3107; 2*r.* moved, 3446; debated, 3447; Bill read a second time and considered in *com.*, 3458; reported, 3468; *recom.* moved and debated, 3713; agreed to and *recom.*, 3715; Bill reported and passed through its remaining stages, 3720; Bill

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House of Representatives:

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Senate:

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The Senate, if it so desires, may delegate to a Committee the power to consider, and, if it thinks fit, to add a certain proviso to a clause of a Bill; but it would not be competent for a senator to ask the Committee to make another amendment in the clause or to amend the proposed proviso, 4832-3

An amendment which is a direct negation of the object and subject-matter of a Bill, as read the second time, is not admissible, 5591

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A senator may propose either a request or an amendment in reference to that part of an Excise Tariff Bill which provides that those who obtain certificates shall be exempt from the imposition of the duties, and the Chairman is not justified in refusing to accept an amendment, 6088

A request that proposed duties of Excise shall only be imposed under certain conditions is relevant to the subject-matter of the Excise Tariff Bill and is in order, 4738

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A "future day" for taking the report of a Bill, as amended, means a future parliamentary, not calendar day, 3692

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Ordinarily there ought to be an interval of 21 days between the report and third-reading stages of a Constitution Alteration Bill; but when the standing order fixing such time-limit has been suspended, the proper course to pursue is to fix a date for the call of the Senate, and then to set down for that date the third reading of the Bill, 4289-90. If, however, the Bill is recommitted in the meantime, and that day is found inconvenient for the call, the Senate can fix any other day, 4293

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Government business cannot take precedence in the time set apart by sessional order for private business, unless the latter is rearranged, 4985-91

An order of the day does not drop off the notice-paper when the debate thereon is interrupted by the suspension of the sitting, and is not adjourned, either then or afterwards, or when it is continued, irregularly, beyond the allotted time: it may be called on by the Clerk when such business is entitled to take precedence, 5008-10, 5090-2

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to characterize a Minister as a creature of the Crown, 5908

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The statement that a Bill is surrounded by an atmosphere which reeks with the taint of corruption is not necessarily a reflection on Ministers or Parliament, but one of those vague generalities which cannot be ruled out of order, 5907

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A motion, if not moved, drops off the notice-paper; it need not be discharged, 5358

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The mover of a motion, if it be withdrawn, cannot move another motion; nor can he move an amendment to his own motion, 4830

A motion is taken to have been moved where the senator in whose name it stands has made a speech relating thereto, 2188

It is contrary to the standing orders to initiate a discussion on a motion in the Senate, and afterwards to go into Committee to finish it, 2116; but, if the course be preferred, the debate should be adjourned, and a motion should be made, after notice, to refer the question to the Committee of the Whole, when, if carried, it could be considered afresh, 2118

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By unanimous consent a senator may amend his motion when he is speaking in reply, 2003; or before the question is put from the Chair, 4841, or after the question has been proposed, 5640

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A notice of motion, if not moved, will lapse, 1820

It is not necessary to ask leave to withdraw a notice of motion; it will lapse if not moved, 2523

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A contingent notice of amendment to a motion for second reading of a Bill does not debar the senator from moving the amendment in a revised form, 5655

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A senator may not repeat a question which has been answered, but may ask a question arising out of the answer thereto, 2186, 4228

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The subject-matter of a debate in the Senate during the current session cannot be alluded to, even on a motion for adjournment, 3197

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The mover of a motion to recommit a Bill may state his reasons when he is exercising his right of reply, but not by way of interjections, 4804

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The suspension of a standing order in respect to a specific Constitution Alteration Bill cannot apply to a similar Bill if reported subsequently, 5640

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